

# The European Energy Efficiency Fund

Financing solutions to advance sustainable cities

Central Union of Greek Municipalities Conference, 13 May 2021



[www.eeef.eu](http://www.eeef.eu)

[www.linkedin.com/company/european-energy-efficiency-fund-eeef-](https://www.linkedin.com/company/european-energy-efficiency-fund-eeef-)



# Agenda

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**eeef: advancing sustainable energy in Europe**

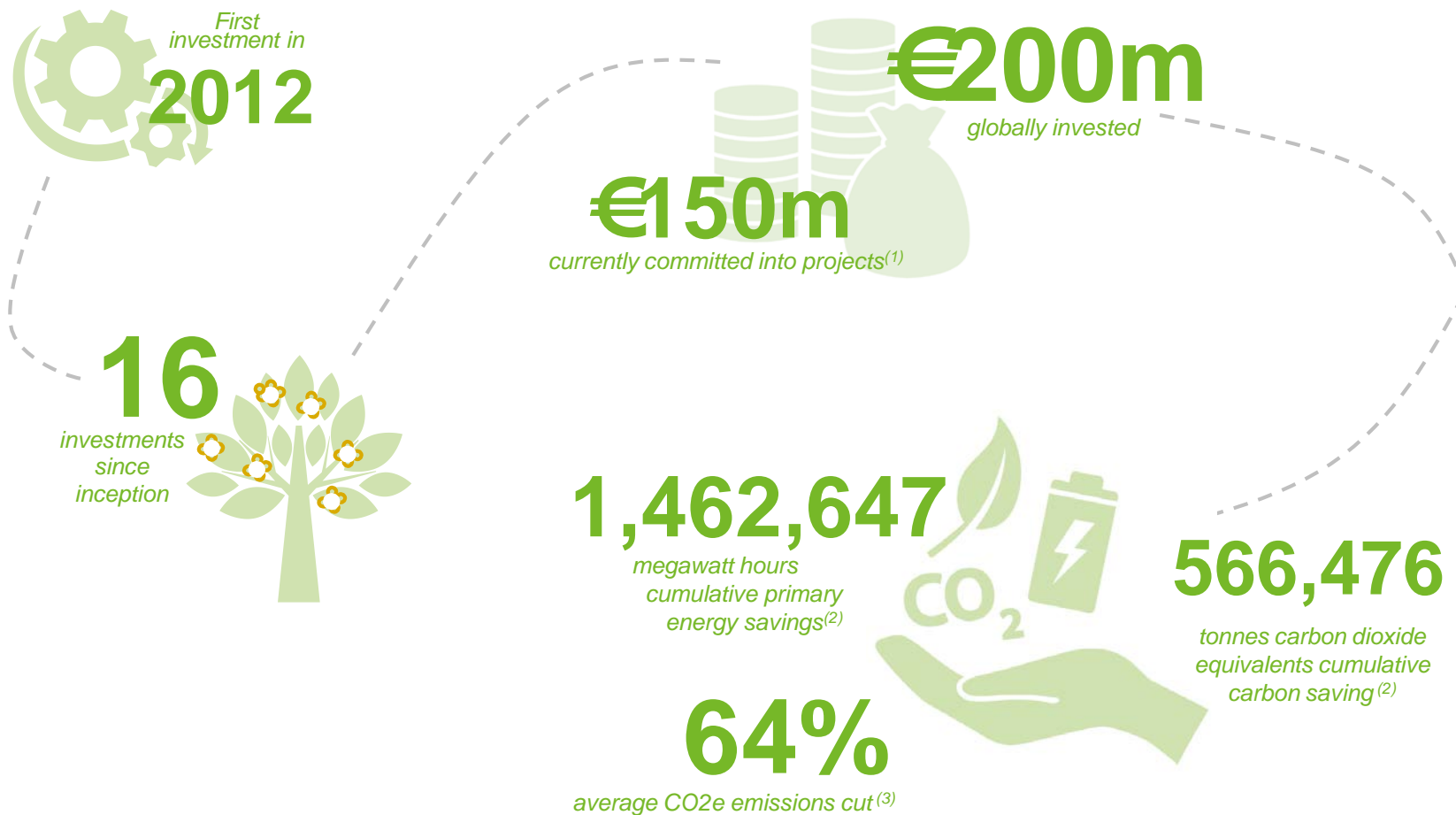
2

Real case investments

# EUROPEAN ENERGY EFFICIENCY FUND

An established business model delivering measurable impact

The European Parliament and Council of Ministers blueprinted eeef as a sustainable energy facility fighting climate change. The European Commission spotlighted eeef as one of the instruments of the EU Recovery from the Covid-19 crisis



# The complete toolkit for investment projects

eeef is a unique one-stop shop with an agile investment process

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## HOW THE EEFF MAKES THE DIFFERENCE

eeef can provide:

### Tailor-made investment

- **Debt, incl. purchase of credit**
- **Project equity**
- **Mezzanine**

*Incl. portfolio facilities\**

### Technical assistance

**Consulting services** to prepare, launch and finalize a public tender, on a **grant base results-conditioned**

### Lean process

An **experienced investment team** to **partner up** with, in a **linear** and **rapid** investment process

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## INVESTMENT ELIGIBILITY CRITERIA

### Invested entity

To whom

- **Public entity**, similar to City of Venlo (NL)\*, Ore Valley housing association (UK)\*\*, **or**
- **Private company in a Public Private Partnership**, similar to Rekeep (IT)\*, EDF Group (FR)\*, Johnson Controls (DE)\*, **or**
- **Financial institution financing the above**, like Banca Transilvania (RO)\*

### Project sector

developing what

- **Energy efficiency**, similar to street lighting upgrade in the City of Santander or building retrofit of the Munich University of Applied Sciences\*\*
- **Renewable energy**, similar to biomass plants in the cities of Orléans and Rennes\*\*, **or**
- **Clean urban transport**, similar to Bolloré car-sharing programme for electric cars in France or to Dancer innovative electric buses in Lithuania\*\*

### Further criteria

With these features

- **IMPACT**: avoiding **CO<sub>2</sub>e emissions** or **primary energy consumption** by at least **20%** compared to baseline
- **EEFF TICKET**: looking for **funding** in a (flexible) range **between €5m and €25m**
- **PROJECT LOCATION**: in one of the **EU Member States**

\*Win-win strategy: from the sponsor pov aggregation enables smaller projects reaching altogether €5m+, from the eeef pov it delivers a more granular fund portfolio

\*\*Examples from eeef's investments for illustrative purpose

# The eeef investment structure

Investors, funding beneficiaries, investment modalities

Initiator and core investor:  
**European Commission**

Founding investors\*:  
**European Investment Bank,  
Cassa Depositi e Prestiti**

Portfolio Manager and  
investor:  
**DWS**

Target size:  
**€350m+**

Total investor  
commitments:  
**€150m**

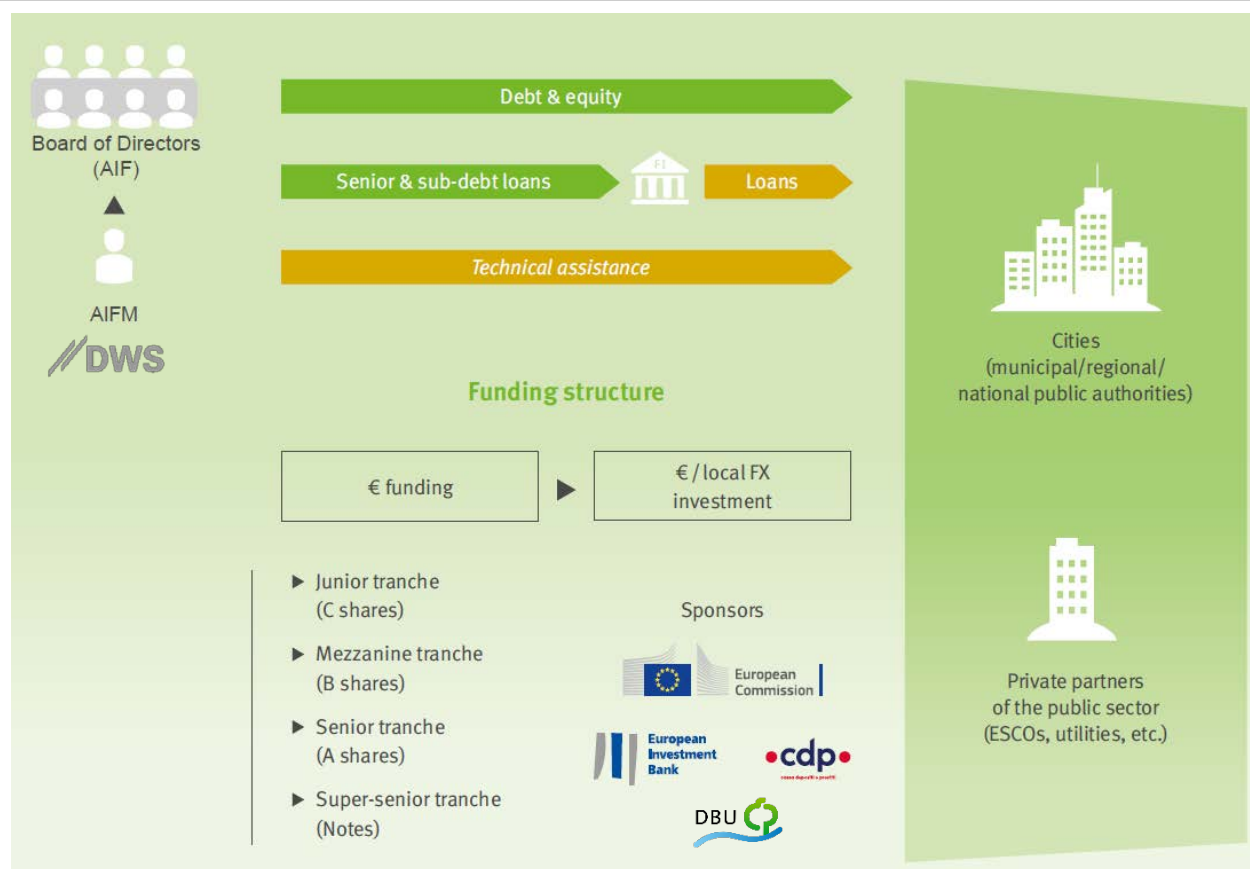
Investment instruments:  
**Long term debt and project  
equity facilities within  
project finance structures**

Geographical scope:  
**The EU Member States**

Expected lifetime:  
**Evergreen**

Legal entity:

**The European Energy Efficiency Fund S.A., SICAV-SIF, société d'investissement à capital variable governed by Luxembourg law registered in Luxembourg. eeef is in the process of conversion to a fully AIFMD-compliant structure.**



\* The EIB and CDP will gradually divest between 2021 and 2026, the European Commission is invested until end of 2034

# Proprietary technical assistance facility

Consultancy services for a higher success rate of projects

Technical assistance (TA) to support clean energy projects in the public sector reach fruition on a conditional grant basis

## eeef TA boundaries

### All activities necessary to prepare investments

feasibility studies, energy audits, legal support,  
assessment of economic viability of investments, etc.

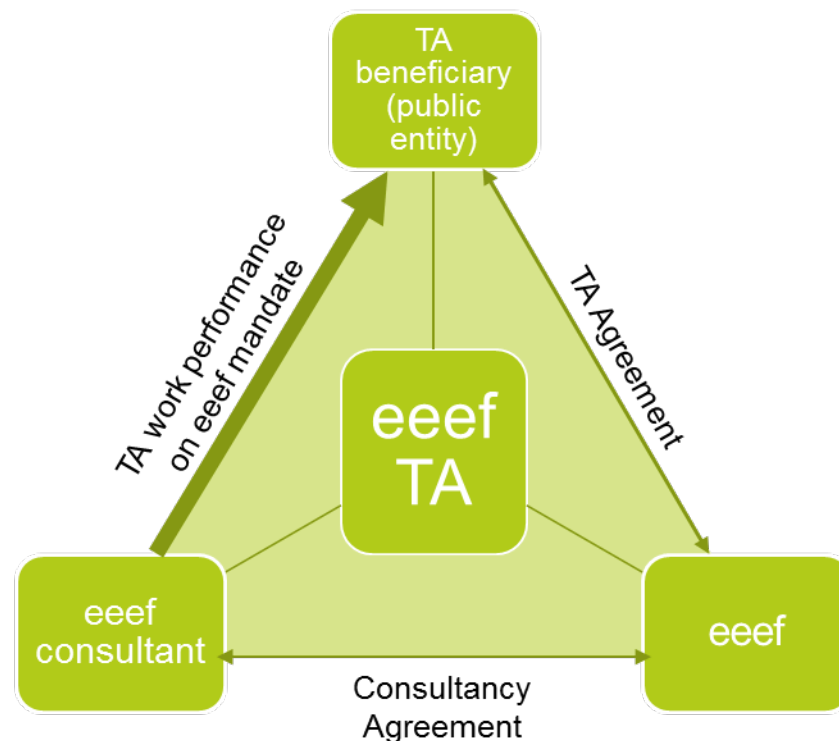
## Requirements

- I. Beneficiary must be a public authority or a public-owned company
- II. Savings  $\geq 20\%$  of primary energy or CO<sub>2</sub>e
- III. Investment volume  $\geq$  EUR 5m
- IV. Leverage factor  $\geq 20$

## How to apply

- I. No deadline. Funding available on a first come, first served basis.
- II. Submission of applications to:  
[technical\\_assistance@eeef.eu](mailto:technical_assistance@eeef.eu) or  
[krosales@eeef.lu](mailto:krosales@eeef.lu)
- III. Application to include description of proposed project scope and investment programme
- IV. Application guide and documents for download at  
<https://www.eeef.eu/eeef-ta-facility.html>

## Stakeholder triangulation framework



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eeef: advancing sustainable energy in Europe

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**Real case investments**

# Investments summary to date

Broad diversification by investment form, size, technology, country

**City of Orléans**, €5.1m shareholder loan & equity, biomass plant to supply heat to the City of Orléans (RE), France

**City of Rennes**, €7.3 shareholder loan & equity, biomass plant to supply heat to the City of Rennes (RE), France

**Bolloré**, €30m debt, electric vehicles and infrastructure for car sharing (CUT), France - matured

**SPL Région Rhône-Alpes**, €5m debt, refurbishment of public schools (EE), France - matured

**Universidad Politécnica de Madrid**, €2.5 debt, refurbishment of Universidad Politécnica de Madrid facilities (EE), Spain

**City of Santander**, €9.2m debt, smart public lighting (EE), Spain

**CIMAC**, €12.1m debt, smart public lighting (EE), Portugal

**Vila do Conde**, €5.1m debt, smart public lighting (EE), Portugal

**Cardenden Heat & Power**, €2.2m debt, boiler replacement (EE) & onshore wind (RE), UK

**Dancer**, €4m debt & equity, electric buses (CUT), Lithuania

**City of Venlo**, €8.5m debt, smart public lighting (EE), Netherlands

**Jewish Museum Berlin**, €1.0m debt, building retrofit (EE), Germany

**University of Applied Sciences Munich**, €0.6m debt, building retrofit + cogeneration (EE), Germany

**Banca Transilvania**, €25m subdebt, portfolio of EE, RE, CUT, Romania

**University Hospital St. Orsola**, €32m debt, upgrade of the entire heating and cooling distribution system (EE), Italy

**Illuminated Cities**, €16m equity, portfolio of smart public lighting (EE), Italy

**Smart H&U**, €7m equity, portfolio of hospitals and universities retrofits (EE), Italy

# PUBLIC HOSPITAL

Largest energy efficiency upgrade in Italy under a PPP framework



## IMPACT STORY

- Tonnes of carbon dioxide equivalent avoided compared to baseline.
- MWh of primary energy avoided compared to baseline.

## LOCATION

- Italy, Bologna
- Hospital St. Orsola

## INVESTMENT CASE

- Lighthouse project for the Italian and European energy efficiency market, demonstrating the positive impact of an energy efficiency investment in a complex upgrade of a public hospital
- Reduction of CO<sub>2</sub>e emissions of 12,662 t/yr, -28% compared to baseline

## EQUITY & DEBT TERMS

Equity provided by Manutencoop Facility Management, Siram, Sinloc

Total project volume: €41m

eeef funded volume: €31.8m (via a project bond structure)

Duration of financing: 20 years



ISOM project picture for illustrative purpose

## CLIENT PROFILE

Partners: **Progetto ISOM S.p.A** (project SPV)  
**University Hospital S. Orsola Malpighi** (grantor of concession)

The project entity Progetto ISOM signed a concession agreement with the University Hospital S. Orsola-Malpighi, one of the biggest hospitals in Italy (1,758 beds).

Past performance is not indicative of future performance. There can be no assurance that objectives will be met. Details are provided for information purposes only.

# STREET LIGHTING

## Aggregation of smaller smart street lighting projects



### IMPACT STORY

- Savings in CO<sub>2</sub>e and primary energy are envisaged to reach 74% compared to the baseline.

### LOCATION

- Comunidade Intermunicipal do Alentejo Central (CIMAC), Portugal

### INVESTMENT CASE

- Replacement of existing street lights with ca. 56,000 energy efficient LED lighting points to upgrade among others UNESCO World Heritage site of Évora.
- CO<sub>2</sub>e savings of 5,192 t/yr and primary energy savings of 40,655 MWh/yr.
- The project will also generate €7.1m of monetary benefits for the 14 municipalities over the 12-year concession period.

### EQUITY & DEBT TERMS

Street lighting upgrade via forfeiting facility

Total project volume: €13.5m

eeef funded volume: €12.1m via a forfeiting structure (71% purchase of total receivables of the contract)

Duration of financing: 12 years



CIMAC project picture for illustrative purpose

### CLIENT PROFILE

- Partners:
  - **I- Quatro LDA** (co-owned by I-Sete & Amener )
  - **CIMAC**, an Intermunicipal association representing 14 municipalities

Project will bring positive change to 14 municipalities with ca. 167,000 inhabitants and a high number of historic buildings.

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# ELECTRIC BUSES

## Promotion of sustainable mobility in European cities



### IMPACT STORY

- Savings in CO<sub>2</sub>e and primary energy are envisaged to reach 92-100% compared to the baseline.

### LOCATION

- Klaipeda, Lithuania

### INVESTMENT CASE

- JV Dancer mobility provide all-inclusive operational lease services of electric buses manufactured in Lithuania to public authorities.
- The project estimates carbon savings of 1,344 CO<sub>2</sub>e t/yr, equating to 100% compared to baseline and 9,092 MWh or primary energy savings, equating to 92%.

### EQUITY & DEBT TERMS

JV between the eeef and Dancer through a Special Purpose Vehicle ("SPV")

Total project volume: €5m

eeef funded volume: €4m (€0.8m equity and €3.2m shareholder loan)

Duration of financing: up to 10 years



Dancer Mobility project picture for illustrative purpose

### CLIENT PROFILE

- Partners: **UAB «Vėjo Projektai» (Dancer)**  
**UAB «Dancer Mobility»**

Dancer Mobility to provide all-inclusive operational lease services of electric buses manufactured in Lithuania to public authorities. Dancer Mobility will finance the purchase of e-buses and their operation, in the frame of all-inclusive operational leases provided by the company to public authorities and covering the bus usage, charging infrastructure, green energy supply and full maintenance.

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# Contacts



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