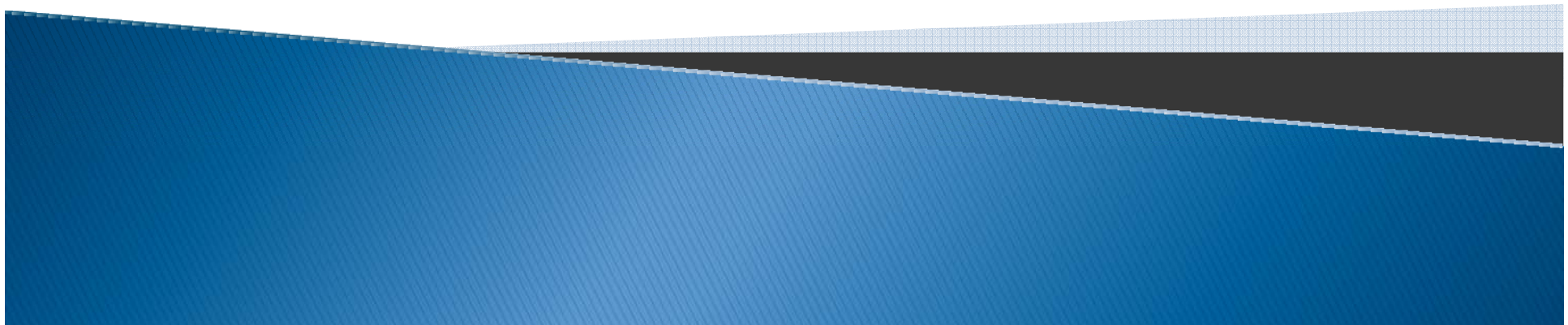




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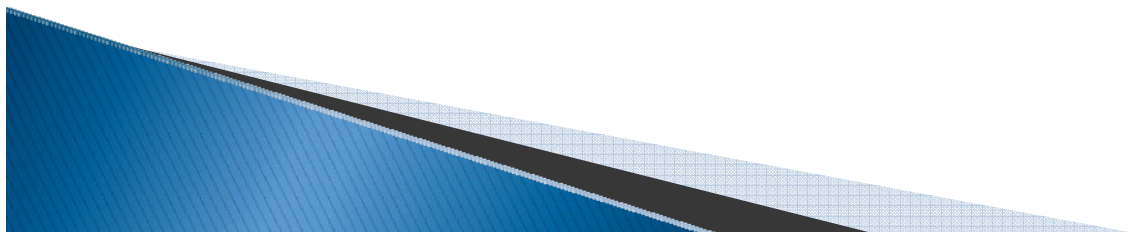


Investment in energy efficiency



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- ▶ Energy efficiency ranks at the lower end of sustainable energy investment opportunities
- ▶ Energy efficiency could deliver 33% of GHG emission reductions
- ▶ EU 20: 20: 20 climate and energy package
- ▶ 20% of energy to come from renewable sources
- ▶ 20% reduction in energy production to come from energy efficiency measures By 2020
- ▶ EU energy efficiency action plan includes sectoral and energy performance requirements for a wide range of products, buildings and services and a comprehensive framework of directives and regulations.

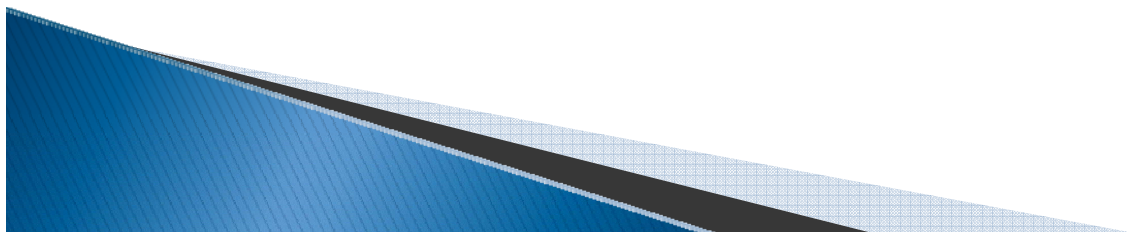


Financing energy efficiency investment



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- ▶ EU has comprehensive policy framework
- ▶ More than 100 public financing mechanisms to promote energy efficiency in the building sector.
- ▶ However, financing largely comes from public sector budgets
- ▶ 4.25T euro investment in energy efficiency required if EU to meet 2050 80% GHG reduction target
- ▶ Public money should be used to leverage more private finance e.g. in Germany 8.9b euro promotional loans attracted 21.5b euro private sector investment – is this the case?

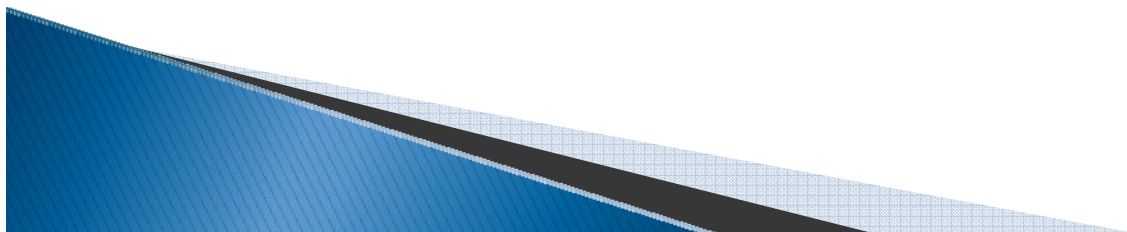


Barriers constraining private investment



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- ▶ Costs are incurred in front of a long payback period
- ▶ Multi dwelling housing where communal decision making is complex
- ▶ Retrofit theory in its infancy, especially in heritage sector
- ▶ Building owners rarely make energy efficiency retrofit a priority, unless mandated
- ▶ Few businesses have prioritised or have the capital available
- ▶ Uncertainty of government actions
- ▶ Retrofitting is not core business of building occupants
- ▶ Financial markets lack data to inform whether energy efficiency retrofit can pay for itself
- ▶ Banks lack standards for collateralising debt



Key outcomes for Project Opportunity!



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- ▶ Efforts need to double to meet EU energy efficiency goals by 2020
- ▶ Regulatory uncertainty is a barrier to pursuing energy efficiency investments
- ▶ Up to 2.5m jobs (direct and indirect) could be created in the EU construction sector by 2030
- ▶ EU should leverage more private finance in their promotion of energy efficiency in buildings
- ▶ Better energy efficiency performance data and putting a monetary valuation on the co-benefits to energy efficiency is required to attract large investors

