



# CSI Europe

## Case Study - Technical Assistance: ELENA

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Making financial instruments work for cities



Connecting cities  
Building successes



## ELENA (“European Local ENergy Assistance”)

- › ELENA - run by the EIB
- › funded through the European Commission’s Intelligent Energy-Europe programme
- › ELENA covers up to 90% of the technical support cost needed to prepare, implement and finance energy based investment programmes

# ELENA (“European Local Energy Assistance”)

- › Technical support can include:
  - feasibility and market studies;
  - programme structuring;
  - energy audits; and
  - tendering procedure preparation.
- › Types of investment programmes supported include
  - retrofitting of public and private buildings;
  - energy-efficient district heating and cooling networks;
  - environmentally-friendly transport

## Objectives

- › To increase experience in developing investment programmes
- › Small projects can be supported
- › ELENA seeks to achieve a minimum ratio (leverage) of 20 between the total investment costs of the investment programme supported and the total cost of the ELENA grant assistance
- › There is an obligation to reimburse, in part or in full, the amounts received if this minimum leverage is not achieved, except in circumstances beyond the control of the beneficiary

## What type of support is eligible?

Technical support that is necessary to prepare, implement and finance the investment programme e.g.:

- feasibility and market studies, business plans, preparation of tendering procedures and project implementation units.
- cost of newly recruited staff assigned to develop the investment programme is an eligible cost.

NB ELENA covers up to **90%** of eligible costs required for technical support related to a clearly identified investment programme.

## Types of Eligible Programmes

- › Public and private buildings, including social housing and street and traffic lighting, to support increased energy efficiency
- › Integration of renewable energy sources into the built environment – e.g. solar photovoltaic, solar thermal collectors and biomass
- › Investments into renovating, extending or building new district heating/cooling networks
- › Urban transport to support increased energy efficiency and integration of renewable energy sources, e.g. high energy efficiency buses
- › Local infrastructure including smart grids, information and communication technology infrastructure for energy efficiency etc.

## Case Study - REFIT

- › RE-FIT is a programme developed by the Greater London Authority and is supported by GLA and ELENA funding
- › The RE-FIT programme is a building retrofitting scheme to support public sector organisations to reduce their carbon footprint and subsequent energy bills
- › The target is for 40% of public sector buildings in London to be retrofitted by 2025. This would retrofit 11 million m<sup>2</sup>, realising a reduction in carbon emissions of over 2.5 million tonnes per annum
- › London also benefits from a JESSICA Urban Development Fund, called LEEF (London Energy Efficiency Fund) which targets investment in the retrofit of public and private buildings

## How does it work?

- › RE-FIT comprises a programme delivery unit and procurement framework which together aim to facilitate and accelerate the retrofit of publically owned buildings in London
- › The team have engaged with a wide range of public sector project delivery bodies and retrofitting has subsequently commenced on:
  - Civic centres, Office buildings, Community buildings, Libraries
  - Universities, Hospitals, Cultural centres, Colleges, Schools
  - Fire stations, Police buildings and Leisure centres
- › the RE:FIT Framework streamlines the procurement process for energy services by providing pre-negotiated, EU-regulation-compliant contracts that can be used with a group of pre-qualified Energy Service Companies (ESCOs)



## How does it work continued.....

- › The ESCo designs and implements energy conservation measures, which enable organisations to cut running costs, energy consumption and carbon emissions
- › The ESCo guarantees the level of energy savings, thus offering a secure financial saving over the period of the agreement
- › This also transfers the risk to the ESCo
- › The Programme Delivery Unit recruits building owners into the programme
- › It supports organisations throughout the process through benchmarking, recommending optimum financial and CO2 savings, and helping organisations through the procurement, implementation and verification phases
- › The PDU also signposts organisations to the LEEF UDF, ensuring that organisations are aware of the financing opportunities provided by the UDF and in turn the requirements of the UDF

## Other ELENA supported programmes

### Barcelona Province, Spain

- › project implementation unit, formed by existing and additional staff will be established in the Province to manage the investment programme. Its main tasks - to
- › promote and analyse proposals of potential projects by municipalities
- › provide technical support to municipalities in the implementation of the projects
- › Sub-contractors will be hired for specific sector studies and legal advice

## ELENA Examples

- › **Province of Milan**
- › The ELENA assistance will support the development of the investment programme to develop the energy efficiency potential of a group of public buildings of the province and to be implemented through the involvement of ESCOs.
- › A Project implementation Unit will be established in the Province to manage the whole investment programme. This unit will promote and analyse the proposals of potential projects by municipalities. It will support them technically in the implementation of the projects.

## ELENA Examples

- › **Zero Emission Buses in the Netherlands**
  
- › The ELENA support will include external experts to focus on the following activities:
  - Programme Coordination
  - Decision Support for Investments: business and financial models
  - Investment validation: energy infrastructure
  - Investment validation: available zero emission bus concepts
  - Legal implications, tax system and finance
  - Preparation for Procurement and Implementation