

Disclosing Market data to drive More Energy Efficiency Investments: *EEFIG launches the De-risking Energy Efficiency Platform (DEEP), the largest pan-EU, open-source evidence base containing over 7,800 industrial and buildings related energy efficiency projects*

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Today, the [Energy Efficiency Financial Institutions Group \(EEFIG\)](#), co-convened by the European Commission and UNEP Finance Initiative (UNEP FI), launched the [De-risking Energy Efficiency Platform \(DEEP\)](#): the largest pan-EU open-source database containing detailed information and analysis of over 7,800 industrial and buildings related energy efficiency projects¹.

DEEP is a direct response to the EEFIG recommendation from its report² “**Energy Efficiency – the first fuel for the EU Economy: How to drive new finance for energy efficiency investments**” of the need to better understand the real risks and benefits of energy efficiency investments based on market evidence and track record. By disclosing thousands of data points showing the real technical and financial data from a large number of implemented energy efficiency projects across the economy, the DEEP platform is a new source of operational risk management information, which will help project developers, financiers, and investors better assess the risks and benefits of energy efficiency investments across Europe.

Dominique Ristori, Director General for Energy at the European Commission, welcomes the launch of DEEP: “*DEEP is an important element of our Clean Energy for all Europeans package, which aims to speed both the clean energy transition and growth and job creation. By disclosing the real benefits of energy efficiency projects, the DEEP platform will facilitate the mobilisation of private financing and help putting energy efficiency first. I encourage all project promoters and investors to support this initiative by sharing their data and performance track records.*”

EEFIG’s Rapporteur, Peter Sweatman underlines that: “*The launch of DEEP demonstrates that EEFIG, supported by its co-conveners and its 100+ supporting institutions, is turning its words into actions: DEEP is the direct result of our implementation of the 2015 EEFIG report’s recommendation on the need for greater transparency and an evidence base to help reduce the risk of energy efficiency investing. EEFIG promotes proactive collaboration between financial institutions, market stakeholders and policymakers in order to help resolve the remaining barriers hindering an up-scaling of energy efficiency investment and finance in Europe.*”

DEEP Highlights the Strong Economic Rationale for Energy Efficiency in Europe

DEEP’s evidence from over 7,300 projects in Europe, and 560 others, with an aggregate investment total of Euro 1.5 billion shows that the median avoidance cost of saving energy is very attractive (below EU energy prices and also delivering CO2 emissions reductions): Euro 0.012 /kWh in industry and Euro 0.025 /kWh in buildings. It also shows attractive business cases with relatively quick repayments: In industry the median payback from DEEP contributed projects is 2 years, while the story is more complex for buildings where single measures such as lighting repay in 3 years and deeper renovations with multiple measures (including building fabric) typically require over 11 years to be paid back³. However, EEFIG members also interpret these findings as a sign that energy efficiency investing continues to be seen as “discretionary” by industrialists and buildings owners, who have tended to focus on the “low hanging fruits” and not on Energy Efficiency as a strategic investment for the future. EEFIG welcomes the increased policy focus provided by the Clean Energy for all Europeans package launched today and notes the critical role of financial instruments, de-risking activities and project development support for mobilising private and public financial sources at larger scale.

EEFIG Sees Need for Increased Visibility of Multiple Benefits of Energy Efficiency Investments in DEEP

¹ 7,300 from 24 EU Member States and 560 from elsewhere (mainly the USA).

² Full report and recommendations found here: <http://www.eefig.com/index.php/the-eefig-report>

³ The projects in DEEP are not a statistically representative sample of all energy efficiency projects in Europe. They are a collection of implemented projects with at least a minimum data set made available to us by our data providers, which give useful insights into the market. Any reported economic indicators reflect the individual situation of the included projects.

Underpinned by a solid energy efficiency policy and target framework and a number of public schemes at regional, national or European level such as the European Fund for Strategic Investments (EFSI), **Europe is keen to unlock the multiple benefits of energy efficiency investments**. Interestingly, these multiple benefits of energy efficiency investments (including energy security, competitiveness, social and territorial cohesion, job creation, well-being and greenhouse gas emissions reductions) as well as asset value increase were only recorded in 12% of buildings projects and just 5% of industrial projects submitted to the DEEP evidence base. EEFIG experts believe that important investment drivers like increased market value, rentability, comfort, health, reduction of payment defaults for lenders, emissions reductions and other social factors continue to be under reported, not well recorded nor measured by business and buildings owners and other potential energy efficiency investors. More market evidence of the multiple benefits of energy efficiency is needed to further mobilise private financing for energy efficiency, and DEEP is making an important contribution to this key challenge.

Sectoral Diversity Underscored by DEEP Data from Public and Private Investors

EEFIG members note that the data and results vary greatly between segments within the buildings and industry classifications and between Member States. Also, while the data templates allow for data providers to be very specific about energy returns, the economic and policy context in the Member State is also a strong driver for investment which the raw data may not properly capture. The Consortium supporting DEEP notes that the distribution of projects around the medians are broad and that there are payback periods of under 1 year as well as over 25 years in some cases.

EEFIG Welcomes new Users and Providers to Sign-Up and Use DEEP

DEEP already has 25 data providers including large companies, public banks, private investment funds, financial institutions and ESCOs who have placed their trust in DEEP. Today the DEEP evidence base contains 7,800 projects, and the EEFIG consortium will add new projects on a quarterly basis. The DEEP welcomes all new users and data providers to trial the platform which offers **benchmarking, tracking, fact sheet and project comparison functions** for all types of user. High-level DEEP functions provide investors with summary portfolio data to help understand projects in specific sectors or the economics of particular measures or technologies. DEEP's **fact-sheet function** allows users to download data outputs and record the results of tailored searches and queries. EEFIG wishes to thank all contributors to DEEP, particularly highlighting the following launch data providers:



About EEFIG: Introduction to the Energy Efficiency Financial Institutions Group

EEFIG was established as a **specialist expert working group** by the **European Commission and United Nations Environment Programme Finance Initiative (“UNEP FI”)**, in late 2013, as a result of the dialogue between **Directorate-General for Energy (“DG Energy”)** and **UNEP FI**, as both institutions were engaging with financial institutions to determine how to overcome the well documented challenges inherent to obtaining long-term financing for energy efficiency. EEFIG’s 2015 landmark report was the **consensus effort of over 120 active participants from around 100 organizations** whose current professional experience is representative of one of the following stakeholder groups:

- **Public and private financial institutions (banks, investors, insurers etc.)**
- **Industry representatives and industry associations**
- **Banking associations and investor groups**
- **Energy efficiency industry experts**
- **Energy efficiency services representatives**
- **SME associations and expert representatives**
- **Civil society experts representing diverse energy efficiency stakeholder groups**
- **International Energy Agency (IEA)**
- **European Commission**
- **UNEP FI**

The development of **DEEP** was supported by a consortium led by **COWI** with the **Buildings Performance Institute Europe (BPIE)**, **Fraunhofer**, the **National Technical University of Athens (NTUA)**, **Climate & Strategy Partners**, and **EnergyPro** as **partners**. The work is funded by **DG Energy** which also chairs the EEFIG meetings that are moderated by the EEFIG rapporteur, **Peter Sweatman**, CEO of **Climate Strategy & Partners**.

DEEP can be accessed at the following URL: deep.eefig.eu and updates on EEFIG work and its report and supporting documentation can be seen at www.eefig.com

DEEP’s launch will be supported in an online conversation using the hashtag **#EEFIG**

For Further Comments & Questions Contact

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Supporting Quotes from EEFIG Members

Banks and long-term investors

“As the most cost effective and rational way of reducing emissions and taking the strain off energy supply, support for energy efficiency is a crucial element of climate action and the EIB has more than tripled lending for energy efficiency since 2012. The EIB is pleased to support the De-risking Energy Efficiency Platform and recognises the initiative’s clear potential to strengthen appraisal techniques and increase the effectiveness of energy efficiency investment in years to come.” said Jonathan Taylor, European Investment Bank Vice-President.

Peter Göbel, responsible for the global sustainability agenda in ING Real Estate Finance’s Global Management Team, said “Society faces a huge challenge to reduce its dependency on ever scarcer resources and financial institutions have an elemental role to accelerate investment in energy efficiency. ING’s Real Estate Finance franchise focuses on commercial real estate and has already undertaken several initiatives to help its clients realise significant energy efficiencies. We welcome DEEP’s collaborative approach: the base of evidence will strengthen as more participants provide data and expect that more evidence and greater transparency will ease transaction due diligence and thus enable more investment and loan underwriting.”

“Risk transfer, particularly addressing quality and performance risks, enhances the bankability of energy efficiency investments, leads to better financing terms, and is crucial in fostering investor confidence.” Michael Schrempp, Munich Re Green Tech Solutions.

“As a lender to the European energy efficiency sector, Eiffel Investment Group supports the creation of the De-Risking Energy Efficiency Platform (DEEP). In addition to the benchmarking of the expected savings of a given project versus comparable initiatives, the platform will inform us on the observed deviation between expected and actual savings of similar projects. This will give us a highly valuable insight into the “bankability” of the project, thereby allowing us to lend with a greater comfort.” Fabrice Dumonteil, CEO Eiffel Investment Group.

“We at Joule Assets Europe fully support the DEEP initiative as both active data contributors and experts in Sustainable Energy development. We also appreciate the European Commission’s active support in this practical and important initiative. There is enormous untapped potential in Europe for energy efficiency, and open and transparent data sharing and analysis through DEEP will be an important part of the solution.” Jessica Stromback, Chair, Joule Assets Europe.

Energy Efficiency Agencies, Networks and Experts

Adrian JOYCE, Secretary General of the European Alliance of Companies for Energy Efficiency in Buildings (EuroACE) said, “The launch of DEEP is another important step on the road to achieving tangible progress towards an energy efficient and low-carbon economy. We are encouraged to see the inclusion of so many good examples of energy renovation and trust that the confidence these examples will engender in investors will speed up activity in our sector.”

“We congratulate EEFIG on its work to date and the release of the De-Risking Energy Efficiency Platform (DEEP). The International Energy Agency estimates that global annual energy intensity improvements need to lift from the current rate of 1.8% to at least 2.6% if the world is to meet its climate goals. Such a step change will require more investment in energy efficiency and the DEEP represents a valuable source of market information, to support an increase in investment levels in Europe.” Dr. Brian Motherway, Head of Energy Efficiency Division, International Energy Agency.

“Investors need tools to valorize the multiple benefits of energy efficiency so that a comprehensive benefit analysis can become a standard element of an investment risk analysis. To date, these tools simply don’t exist, but investors should use the DEEP platform to share data on multiple benefits as well.” Oliver Rapf, Executive Director of BPIE.