

*FRDO/CFDD – Forum – Accélérer à la rénovation
énergétique des bâtiments publiques*

*GUIDANCE EUROSTAT ESCO 07.08.2015
ESCO FINANCING
PF4EE (Private Finance for Energy Efficiency)*

16.03.2017 - Joost Declerck



EUROSTAT GUIDANCE: The Impact of Energy Performance Contracts on Government accounts (7th August 2015)

- **1st rule:** Capital expenditure undertaken by an ESCO : financing included in government debt
- **Exception 1:** Capital expenditure > 50 % of future value of the building after renovation : then PPP rules (majority of risks transferred to the private partner, payment linked to 'availability risk analysis,....')
- **Exception 2: Operating lease**
 - Only rental payments (no option to acquire, not commitment to own the equipment at the end)
 - Commitment of ESCO to replace/maintenance
 - Not covering the total expected life time



ESCO Financing

- **RISKS :**
 - ESCO
 - Construction risk
 - Performance, maintenance, energy savings guarantee
 - Failure risk
 - PUBLIC INSTITUTION
 - Payment risk
- **Mitigation**
 - Financing during construction = ESCO
 - Solid Maintenance company
 - ESCO = solid
 - Split in payments between 'capital expenditure payment' & 'maintenance payment'



ESCO Financing

- **ISSUES**

- Small amounts and project finance
- No standardisation of contracts
- High cost of analysis, lawyers, experts,

- **MITIGATION**

- Standardised structure & contracts
- Clustering



PF4EE: Private Finance for Energy Efficiency

Financing & guarantee-line EIB for energy efficiency projects of companies

- Funding line ad 75 Mio EUR
- Portfolio Guarantee: 80 % of expected loss at default

Portfolio EE projects ad 75 Mio € (30 months)

Target :

- **Companies** : > 10 Mio € turnover/total balance
- **ESCO's**: investing in public institution, schools, social profit, companies.
- **Goal investment**: existing building(isolation, heating, airco,...also renewable energy) ; district heating ; Cogen ; public lighting,
- **Type credit** : investment loan / leasing
- **Amount** : max. 5 Mio €/project (10 Mio EUR/project)
- **Tenor** : 3Y – 20 Y



- **Advantages :**
 - Financing : attractive rate
 - Long term financing possible
 - Portfolio guarantee can give a boost to the ESCO market



PF4EE : Private Finance for Energy Efficiency

Info :

PF4EE : Joost Declerck : 02/222 82 12 – 0475546618

joost.declerck@belfius.be

THANK YOU !

