

DENEFF EDL_Hub- The Strong Voice for Decarbonization as a Service in Germany.

User Centric Energy Service Models, Challenges and Best Practices.

Frankfurt EU ESCO Conference | 5. October 2022 | Rüdiger Lohse, MD



DENEFF EDL_HUB: Innovation Plattform and Association with major German and EU ESCOs on Board- since 2020



DENEFF EDL_HUB: Mission and Vision



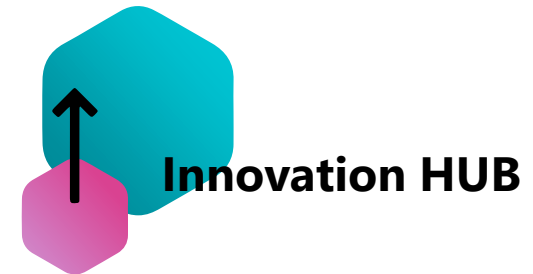
Contribute Strongly to Create Level-Playing Field for ESCOs in Germany:

- **Policy Agenda Settings in EU and DE**
- **Access** to funding and subsidies
- **Policy** regulations



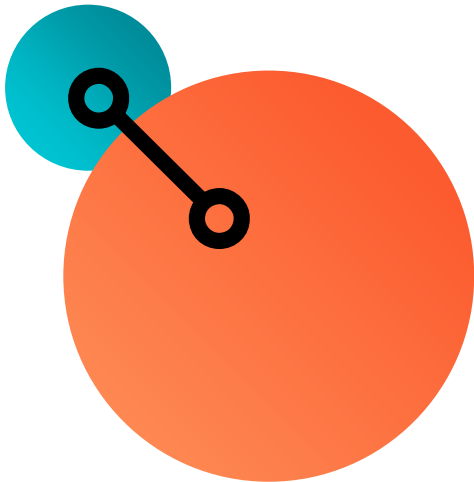
Creating Interaction Between Stakeholders

- **Connecting** ESCOs and Stakeholders
- **Enhancing** interaction between ESCOs, Suppliers and Energy Consumers
-



- **Inkubation and Fertilization of innovative Business and Finance**
- **Market Development** in Disfunctional Market Settings
- Third Party Finance Research Projects on EU and national level

Energy Service Market in Germany: 75% of the ESCO Market Potential still untapped as level playing field for ESCOs is still incomplete

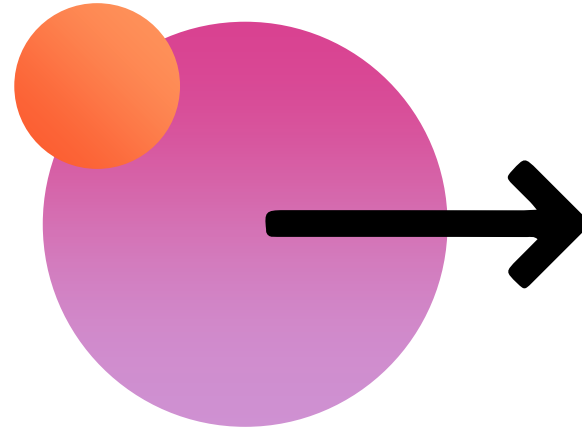
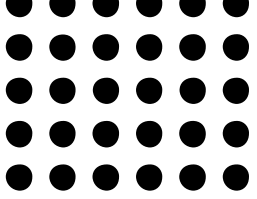


German ESCO Market on a Glance:

- ESCO Market Volume 2020/21: 8-10 Mrd. €
- Increasing demand for Consultancy 2021
- +30.000 highly skilled experts
- > 100 ESCOs on national and regional level
- Providing appr. 90% Energy Supply Solutions

2020 / 2021 ESCO Market Report provided by BAFA/BfE

- Stagnating Market Development in Investive ESCO products
- Overregulation in Housing Sector and Industry
- 75% of Market Potential is still untapped



Lessons Learnt:

Disruptive Changes in the Energy Market provide Exceptional Opportunities for ESCOs- if ESCOs are Willing to Adopt User Demands

Stakeholder- and User-Workshops provide a clear picture: User Demands are Changing, and innovative ESCOs and Start-Ups are on their way to provide adequate and new solutions



The Political Agenda, new User Demands have Sparked Disruptive Changes and Frictions in the ESCO market since 2021- dramatically amplified since the Russian Attack on Ukraine



Challenges: Policy & Society

- Climate Protection has become Main Stream
- Decarbonization Target 2045 for Buildings and Industry
- 65% Renewable Energy in the Heating Market
- Energy Security and Independence
- Building Sector: MEPS



....changing User Demands

- Reduction of Coordinative Effort: One-Stop-Shops instead of complex multi tasking of dozens of partners
- Longterm Partnerships instead of Project approaches
- Simple Front End Solutions-moving complex structures into the back end



...require innovative Responses !

- ESCO Scope: handling, coordinating holistic approaches
- Potentialstudie: „Das kann die EDL leisten“– Ableitung Dekarbonisierungs- und Jobpotential nun möglich
- Brainstorming Themen

”

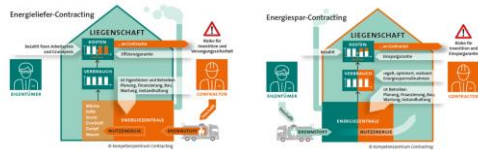
**...ESCO provide tremendous services-
however Business Models for Hospitals
need to be Adopted to the Needs of
Hospital Owners with regard to their
specific Technical and Organizational
Demands**



CEO Hospital



Best Practice: Adoption of ESCO Services to Specific Requirements of Hospitals in the Project CoSo




Target

- Increase Opportunities for ESCOs in the Hospital Sector
- Help Hospitals and Retirement Homes to Cut Energy Cost Bills
- Create Standard Contracts

Key Achievements

- Stakeholder Process with all major German hospital owner associations and hospital groups
- Demand Profiles for Hospitals and Retirement Homes
- Adoption and Match-Making Workshops with ESCOs and Hospitals
- Pilot Projects with technical and business scope adopted to the needs of Hospitals

Beteiligte

Förderer:  Bundesministerium für Wirtschaft und Energie

Mitwirkende & Anwender
(Auswahl):  

Next Steps

- Trainings for Hospital Owners- how to cut costs now
- Set up of new project: One Stop Shop for Hospitals- Information, Finance Diligence, Transformation Roadmap Services and Investment specifically drawn to the demand of hospitals

DENEFF EDL_HUB innovation Hub is Tackling also Other Disfunctional Market Sectors of High Relevance for ESCOs



Home Owner Associations

20% of Housing in Germany is organized in HOAs
Refurbishment Rate < 1%

Issue

Low Refurbishment Activities
Complex Approach for ESCOs and Financiers to conduct Deep Energy Retrofits

Approach

- EU Project GREEN home
- Creating One Stop Shops with ESCOs, Financiers, Consultancies
- Learning from LaBeef



SME Financing of Energy Investments:

Finance Industry does not provide financing approaches for Energy Efficiency Investments

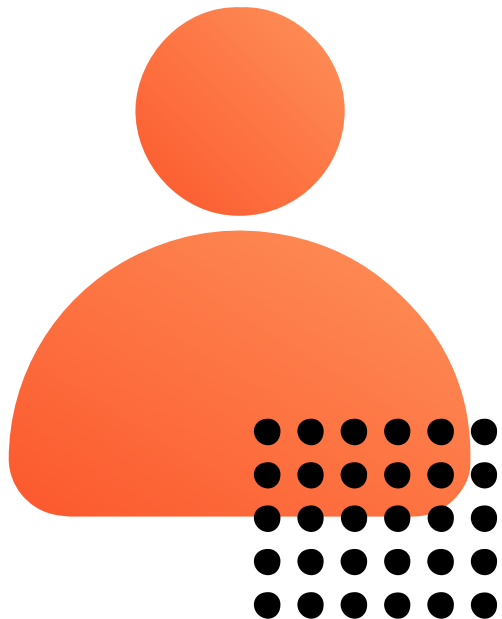
- Lack of Finance Products and Energy Service Approaches for SME Decarbonization
- Finance: mismatch of costs for due diligence and project size

- Effinvest.de- DENEFF has set up the first finance platform for financing energy investments in SME
- Launch in Berlin October 13



More to Come

Contact



Rüdiger Lohse

Managing Director DENEFF EDL_HUB

E-Mail: ruediger.lohse@edlhub.org

