

**PROPEL**  
Energy Efficiency Finance

# Scaling and Accelerating Sustainable Energy Investments: Our Journey Past and Present

European ESCo Conference  
Frankfurt, October 5 2022

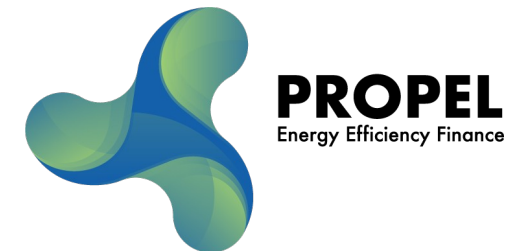


This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 101033810.

2022 PROPEL



# The Journey so far



***2022 onwards  
Long-lasting  
ecosystem to  
support growth  
and development  
of sustainable  
energy finance***

## PARTNERS

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# Key Barriers to Energy Efficiency Finance

## SUITABILITY

Opportunities need to be located in the right **country**, at the right **time**, with the right **technology**, matching the **risk appetite** – financing is not only a struggle for the project developers!

## KEY RISKS

Credit risk is the **KEY** risk category for investors, and often representing an unsurmountable hurdle. Other risks of growing importance are management risk, supply chain risk and ESG risk factors.

## INVESTMENT SIZE

Single projects of <100k€ rarely get financed, as the **due diligence costs quickly outweigh the investment returns**. Standardization enables project aggregation.

## CONTRACTUAL TERMS

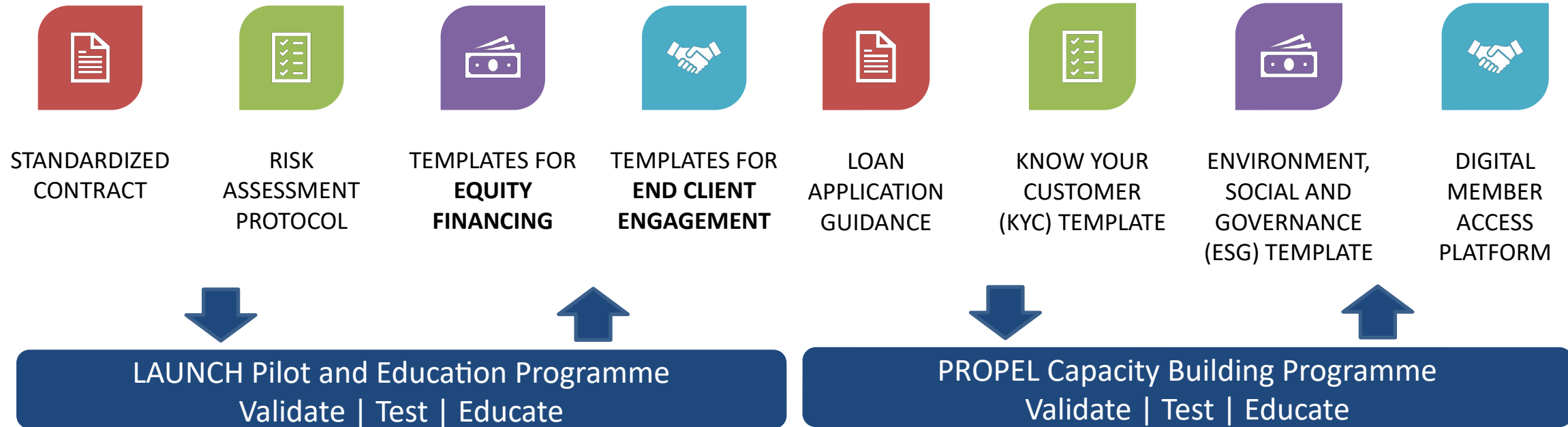
Investors require **protection from the end-client contract** (change in control, occupancy, etc.). Standardization could reduce due diligence costs significantly.

## DEBT BURDEN

Many contract types (EPC, BOOT, ...) transfer ownership of equipment to the end-client, increasing their balance sheet debt. **Off-balance sheet solutions** address this e.g. through servitization (EaaS, HaaS, ...).

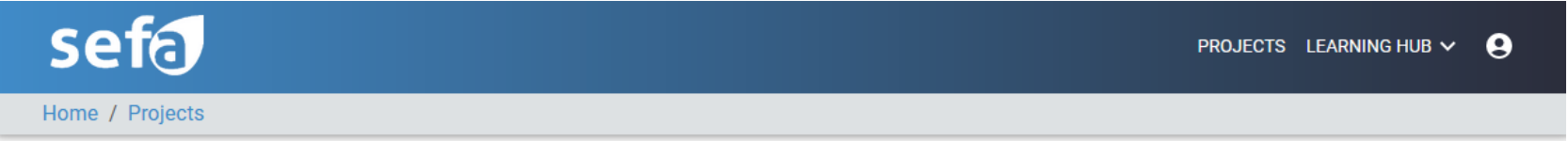
# Our solution


## Standardization of financing collateral



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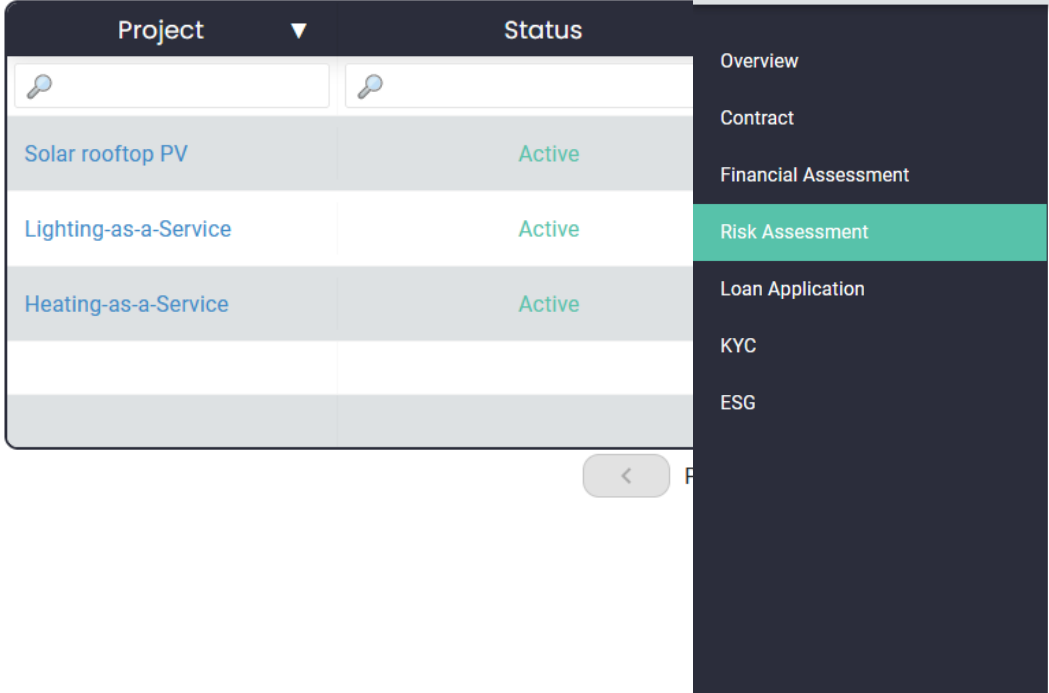
# Our solution Member Access Platform



sefa PROJECTS LEARNING HUB 

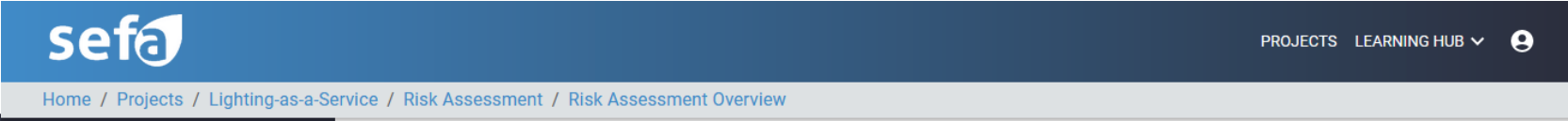
Home / Projects


## MY PROJECTS



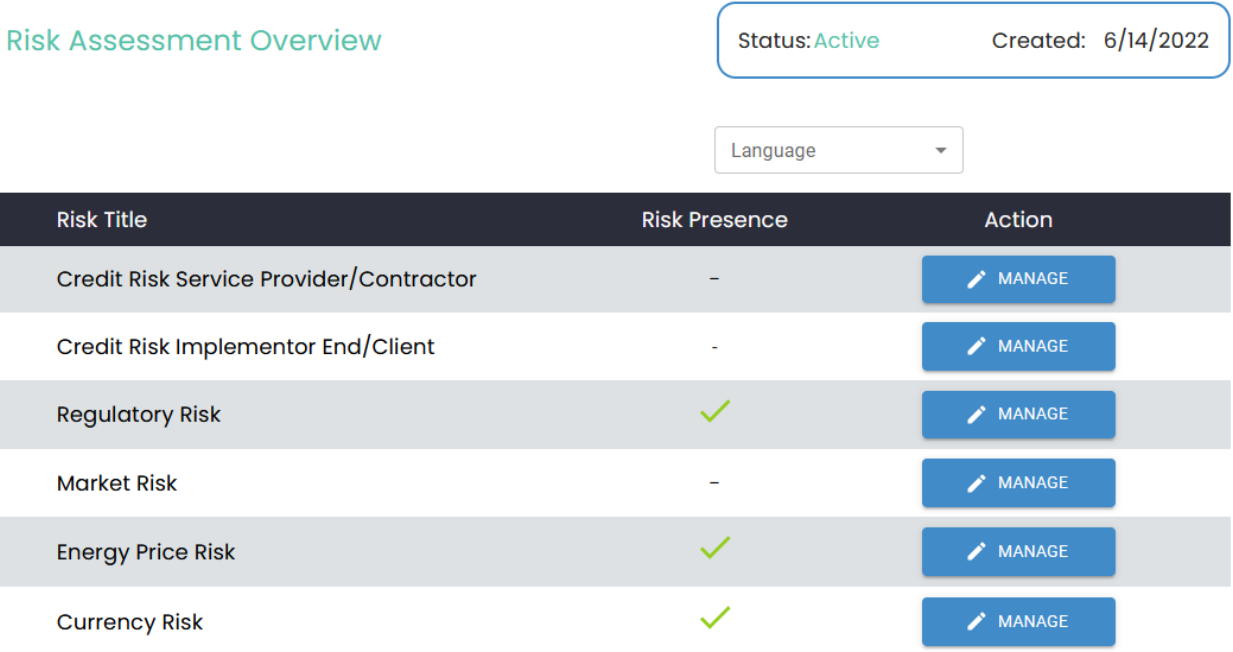
Project	Status
Solar rooftop PV	Active
Lighting-as-a-Service	Active
Heating-as-a-Service	Active

- Overview
- Contract
- Financial Assessment
- Risk Assessment**
- Loan Application
- KYC
- ESG




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Home / Projects / Lighting-as-a-Service / Risk Assessment / Risk Assessment Overview



Risk Assessment Overview

Status: Active Created: 6/14/2022

Language 

Risk Title	Risk Presence	Action
Credit Risk Service Provider/Contractor	-	 MANAGE
Credit Risk Implementor End/Client	-	 MANAGE
Regulatory Risk	✓	 MANAGE
Market Risk	-	 MANAGE
Energy Price Risk	✓	 MANAGE
Currency Risk	✓	 MANAGE

# Our LAUNCH Impact (ended in 2021)



## STAKEHOLDERS REACHED

393

Stakeholders in LAUNCH community



460

Total participants engaged in LAUNCH webinars



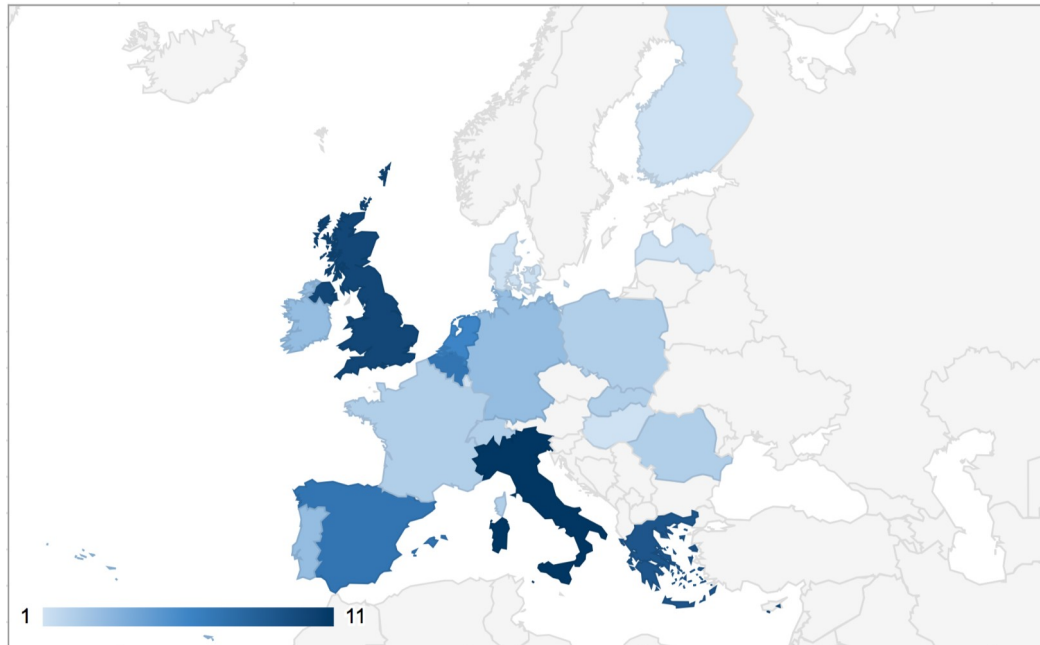
106

Participants engaged in face-to-face workshops and virtual group discussions



22

Stakeholders involved in testing and piloting LAUNCH materials



## LAUNCH PILOT IMPACT

Investments triggered



Exploring €118 M

€30.9 M Processing

Closure €2.1 M

€151 M Total investments



# Channel partners – ESCo Associations

● PROPEL target countries

● Materials available

Belgium:  
Association  
TBC



PPS Network  
Nederland



anese



**FIRE**  
FEDERAZIONE ITALIANA PER  
L'USO RAZIONALE DELL'ENERGIA



# Key challenges to scaling up and accelerating energy efficiency finance

- **Lack of a unified ecosystem of industry players:** No agreed set of best practices, standard materials and processes, and regular exchange of information across the energy efficiency financing value chain
- **Incomplete and fragmented support:** A critical and largely invisible barrier. Initiatives supporting the development, processing, and analysis of projects for finance exist, but are splintered, inefficient and temporary
- **Lack of continuous access to well-maintained, standardized materials:** EU funded projects and other initiatives are typically specialised, and once they finish, knowledge and collateral often becomes dispersed or dormant
- **Lack of access to training on standardized materials:** Even if materials are well-maintained, project developers may not have the internal knowledge or capacity, or access to training to learn how, to apply these materials



# About SEFA

“

SEFA is a not-for-profit industry group that represents all of the voices in Europe's sustainable energy sector.

”



The Sustainable Energy Finance Association is funded by the European Commission through the Grant Agreement n. 101033810



**Our primary objective is to scale up and accelerate energy efficiency initiatives, primarily in the built environment. We will enable our members to seamlessly deploy sustainable energy initiatives by:**



### **Being a holistic resource centre providing all critical collateral**

- Market, Policy and Technical insight
- Standardized project finance collateral to fast-track your deal closure
- Sales and marketing material to accelerate client engagement



### **Clearing pathways to successful deal closure**

- Access to equitable project finance
- Project pipeline prequalification



### **Connecting and enabling key actors**

- Investor matchmaking within our ecosystem
- Industry representation at events with policymakers



# SEFA timeline and next steps

**PROPEL Capacity Building Programme**

Ongoing in Belgium, the Netherlands, Italy and Spain

OCT

NOV

DEC

JAN

FEB

MAR

**Incorporation of  
SEFA**

**First General  
Assembly of  
SEFA**

**Public launch  
event of SEFA in  
Brussels**

Onboarding of Founding Partners and  
growing our Finance Partner network

Begin SEFA membership drive in 2023

# How can you engage?

- Interested in **learning more about the standardized materials**? Training materials are available in **English, Italian and Spanish**.
- As of October 2022, the **SEFA Member Access Platform is ready** for testing – you can sign up with a test user account free of charge.
- Do you want to **test the materials in real-life projects**? The PROPEL team is ready to support you with their expertise and network of financial partners.
- Interested in **joining the SEFA ecosystem**? Let's discuss how best to collaborate, be it as a founding member, member, finance partner, sponsor or channel partner – get in touch!



Scan me for  
mailing list  
sign up!



# Thank you!

Matthew Halstead, TNO

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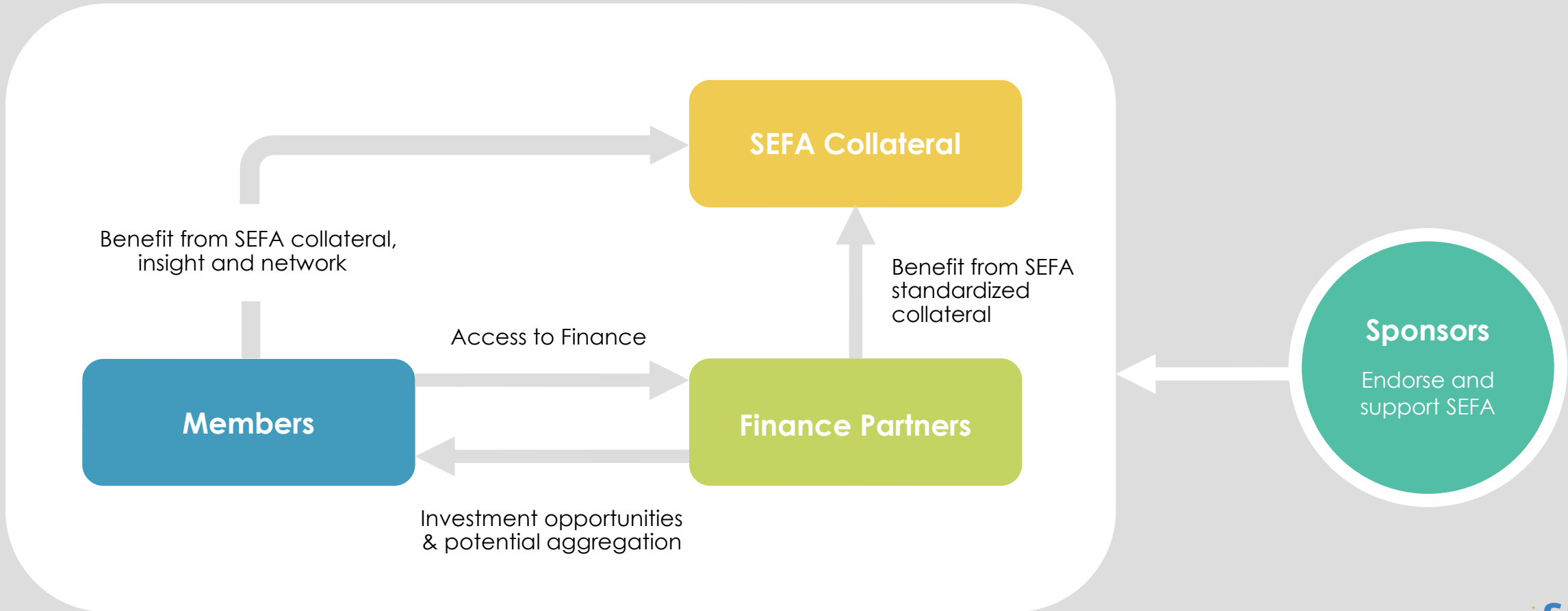
# Back-up slides



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# SEFA Ecosystem

**Channel partners**  
Interaction with the SEFA ecosystem



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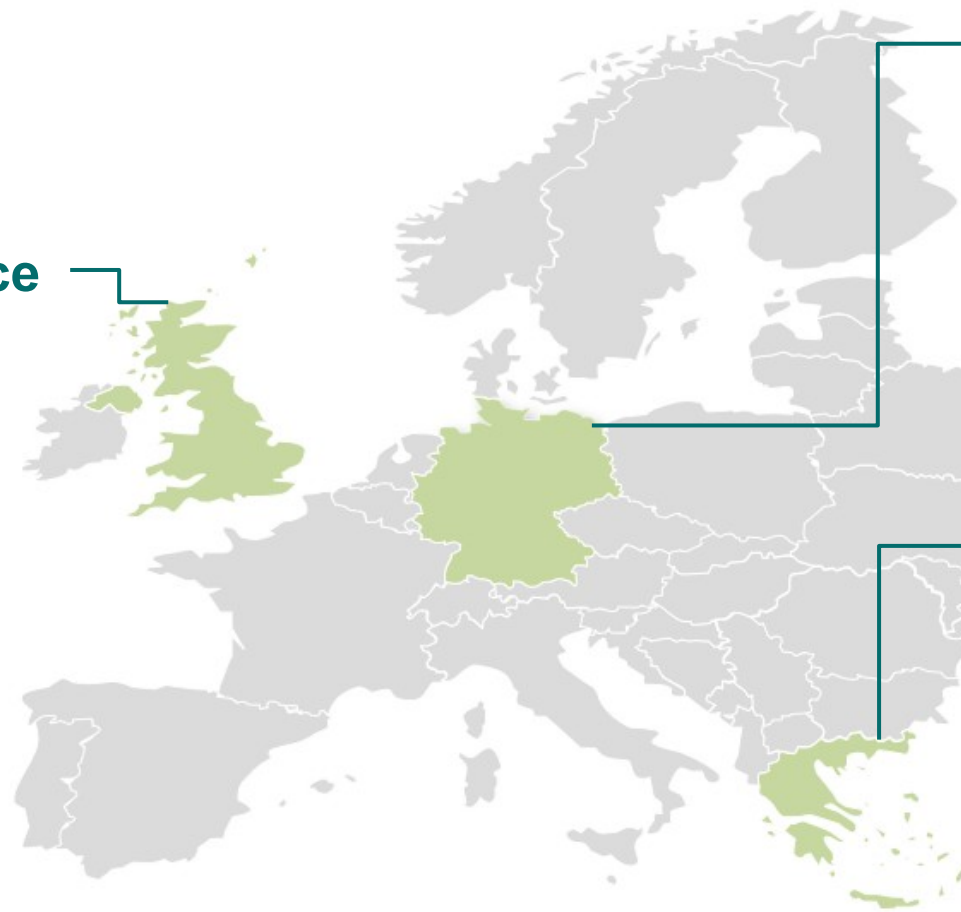


# Our LAUNCH Impact (ended 2021)



## Lighting-as-a-Service

- 5m£ framework agreement
- Off-balance sheet LaaS: SPV owning the equipment
- Individual projects of 50-100k£



## E-Mobility-as-a-Service

- Retrofitting of buses and trucks
- Pilots with both the public and private sector



## Heating-as-a-Service

- 6m€ pilot
- Solar thermal for a brewery