



Unlocking Investment for Smaller Energy Efficiency Projects

European Parliament Lunch Debate

20 October 2016



SEAF - the Sustainable Energy Asset Framework

Bridging the Finance Gap

SEAF is funded by the European Commission

Budget: €1.700.000

Duration: 24 months



The Challenges of the Finance Gap

- **Project valuation difficulties:** lack of standardised, independent, project valuation tools, which are needed to assess the return on investment (RoI) easily and at a low cost, and would allow small to mid-sized projects to find easier access to financing;
- **Difficulties in project optimisation:** EU regulations on SEA projects are often highly complex and fragmented across Member States. Many projects miss important revenue streams as a result;
- **A communication gap between contractors and investors leading to a lack of trust:** it is often difficult for SMEs to present projects in a manner, which allows a financier to easily evaluate risks and benefits – in other words the financeability of the project;
- **A lack of standardization in the process** used for underwriting or management of energy **performance risks**, leading to lack of clarity and comparability in the project assessment and therefore to increased costs for all parties involved.



Project Goal:

Making Finance Easy

The project enables the **finance of sustainable energy assets** by deploying independent, standardised project evaluation and project optimisation tool.



Project Goal: Making Finance Easy

The project combines the following existing functionalities:

1. **Valuation:** (JOULE) Robust independent ex-ante automatic valuation of SEA projects for both SEA contractors and SEA investors in different market environments against current market data;
2. **Risk Assessment:** (HSB) Initial audit of the project's technical risks, including the proposal of risk transfer mechanisms such as insurance of equipment, business interruption or asset performance to increase investors' trust level in a project;
3. **Standardisation:** (ICP, JOULE) SEA project optimisation through e.g. identifying additional revenue streams and providing partnering options;
4. **Final outcome: Finance:** Facilitation of the communication and cooperation between investors (ourselves or others) and contractors, allowing the matchmaking between investors and contractors with search and filter functions.



Unlocking Investment? We need to get serious

USA, municipalities spend €5 billion annually on energy efficiency retro-fits

Europe the TOTAL spend in 2015 was €150 million

This undercuts: Job growth, public health, energy efficiency objectives, Carbon targets,...

EUROSTAT1: needs to be changed

Parliament has the right to ask the Commission why it is maintaining this rule against a significant body of evidence measuring the **direct damage** it creates.



Thank you!

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Chairman

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