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infinitesolutions
FINANCING ENERGY TRANSITION IN CITIES

Welcome

Financing the energy renovation of residential buildings through
soft loans and third-party investment schemes



Webinar, Friday 31 March, 10h00 - 11h00

Infinite Solutions

- Àgueda (PT), Almada (PT), Udine (IT), Koprivnica (HR), 2 French universities, 1 hospital: revolving fund and internal contracting scheme > **public buildings**
- Brussels Capital Region (BE), Frederikshavn (DK), Riga (LV), Parma (IT), Bordeaux Metropole (FR): a soft loan scheme > **residential buildings**
- Stuttgart (DE): a 'care-free energy renovation package' and third party investment scheme > **residential buildings**



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Agenda

1. Delft revolving fund and soft loan scheme

Stijn van Liefland, City of Delft (NL)

2. Soft loans: cross-city analysis

Jana Cicmanova, Energy Cities

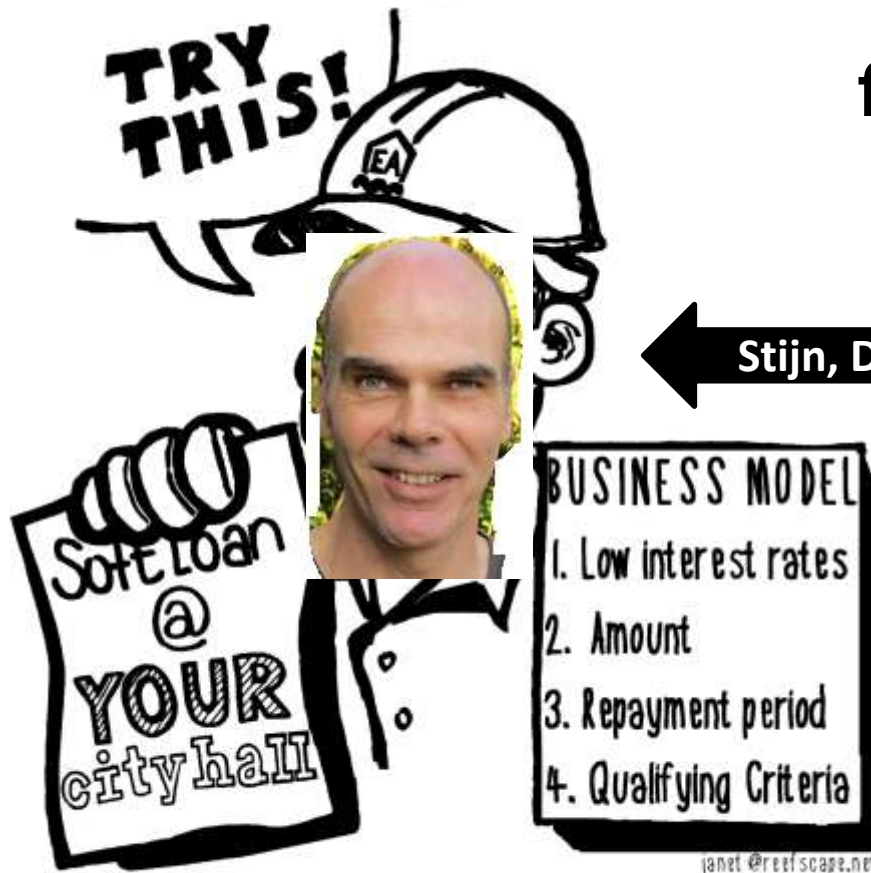
3. A care-free energy renovation package & third party investment scheme

Philipp Wenzel, City of Stuttgart (DE)

4. Q & A

You

Delft revolving fund and soft loan scheme



This was our problem



Why is this a task for Delft and other cities?

- We know our building stock
 - We know our citizens
 - We are a reliable partner and
 - We are a legitimate coordinator
-
- However, our budget is small

Money is a problem

The bad news:

- High investments
- Long payback time

The good news:

- Most measures have a positive return on investment
- You can pay back a loan and interest

More bad news:

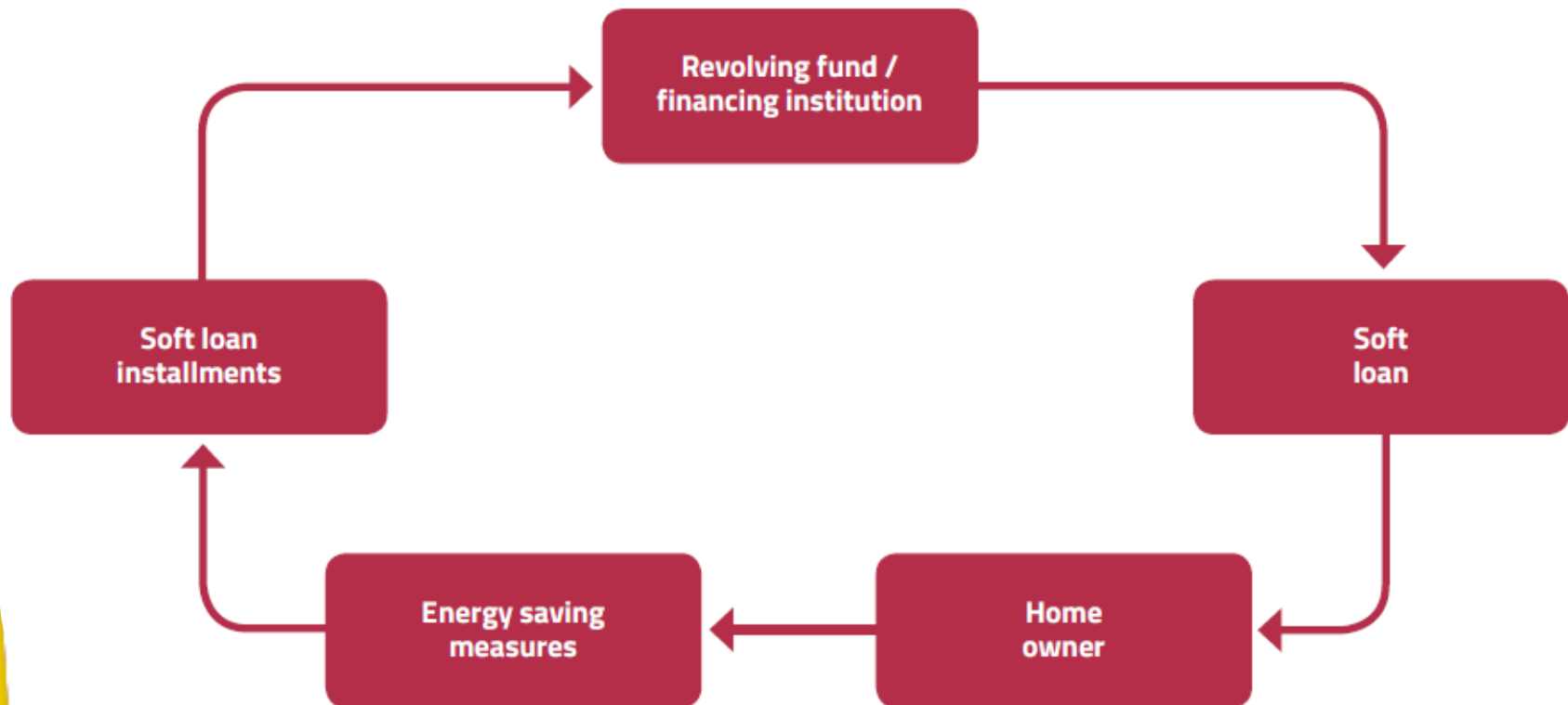
- Existing instruments unattractive

Delft soft loan, attractive conditions ...

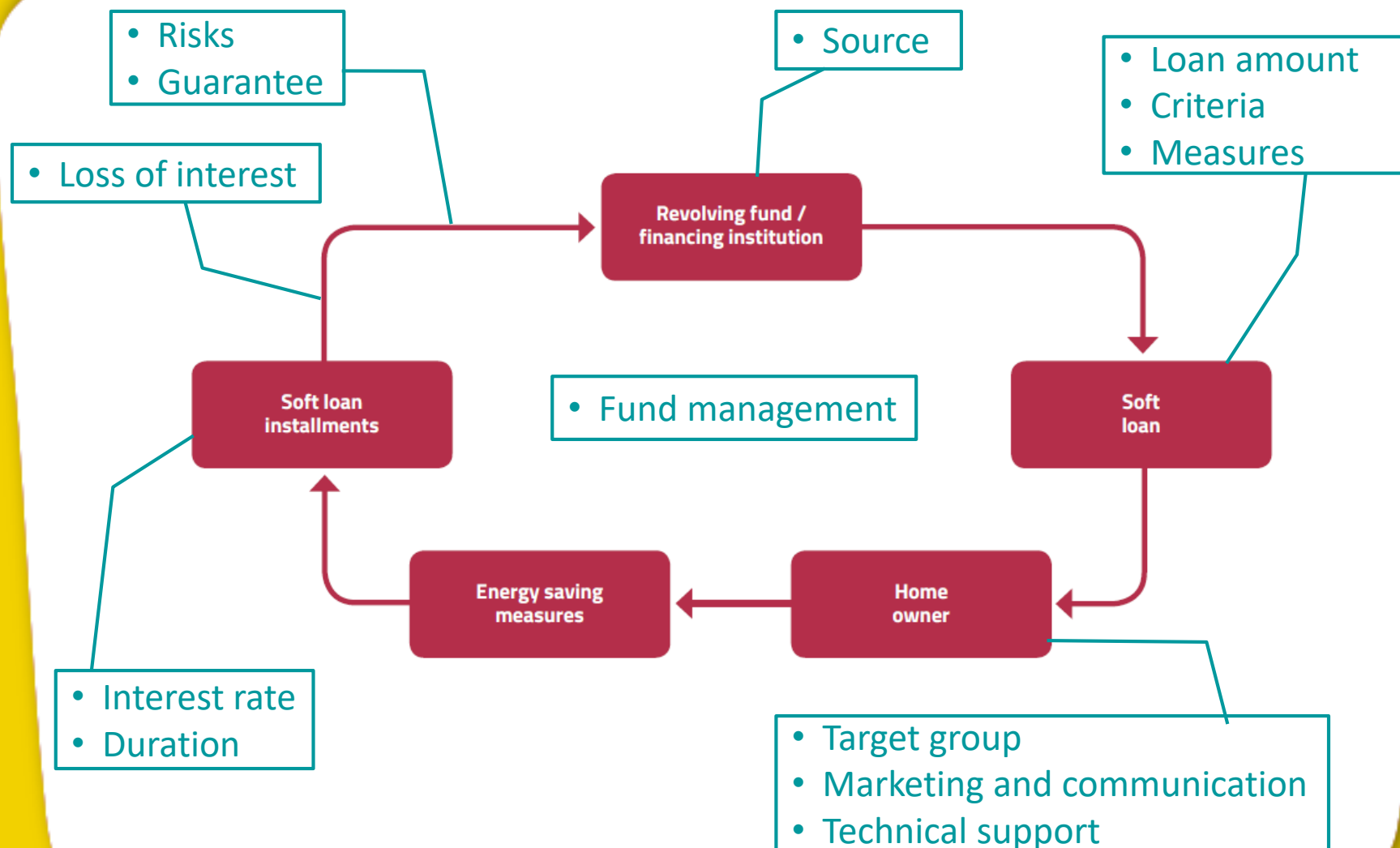
- Low interest (4% below market, last years 1,5%)
- Long pay back period (10 y)
- Easy access, no additional criteria

... and a revolving fund

- Initially € 200.000
- Grew over the years
- Revolved money can be used again for new loans



Basics of a soft loan

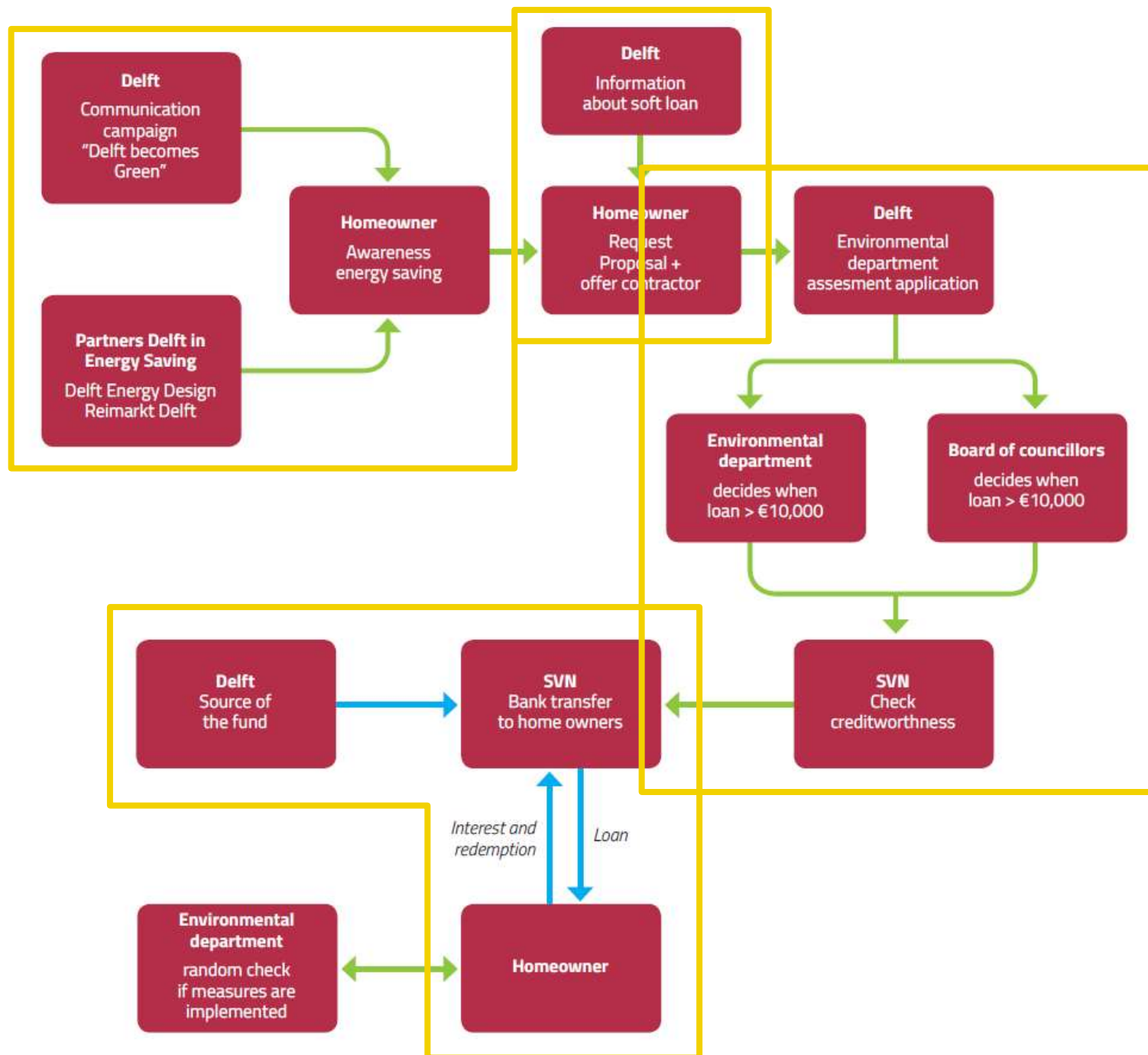


(dis-) advantages soft loan

- + Use budget multiple times
- + Stimulate market
- People have a debt
- People shouldn't change behavior

The bigger picture

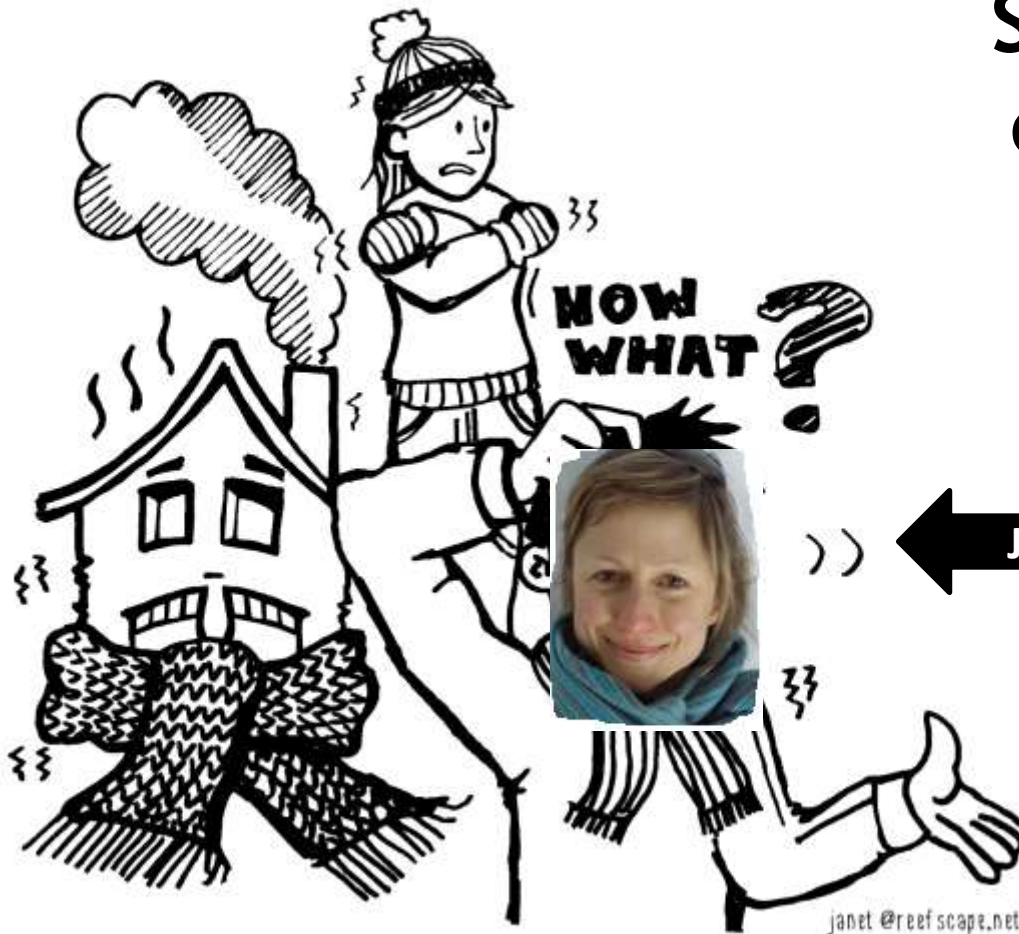




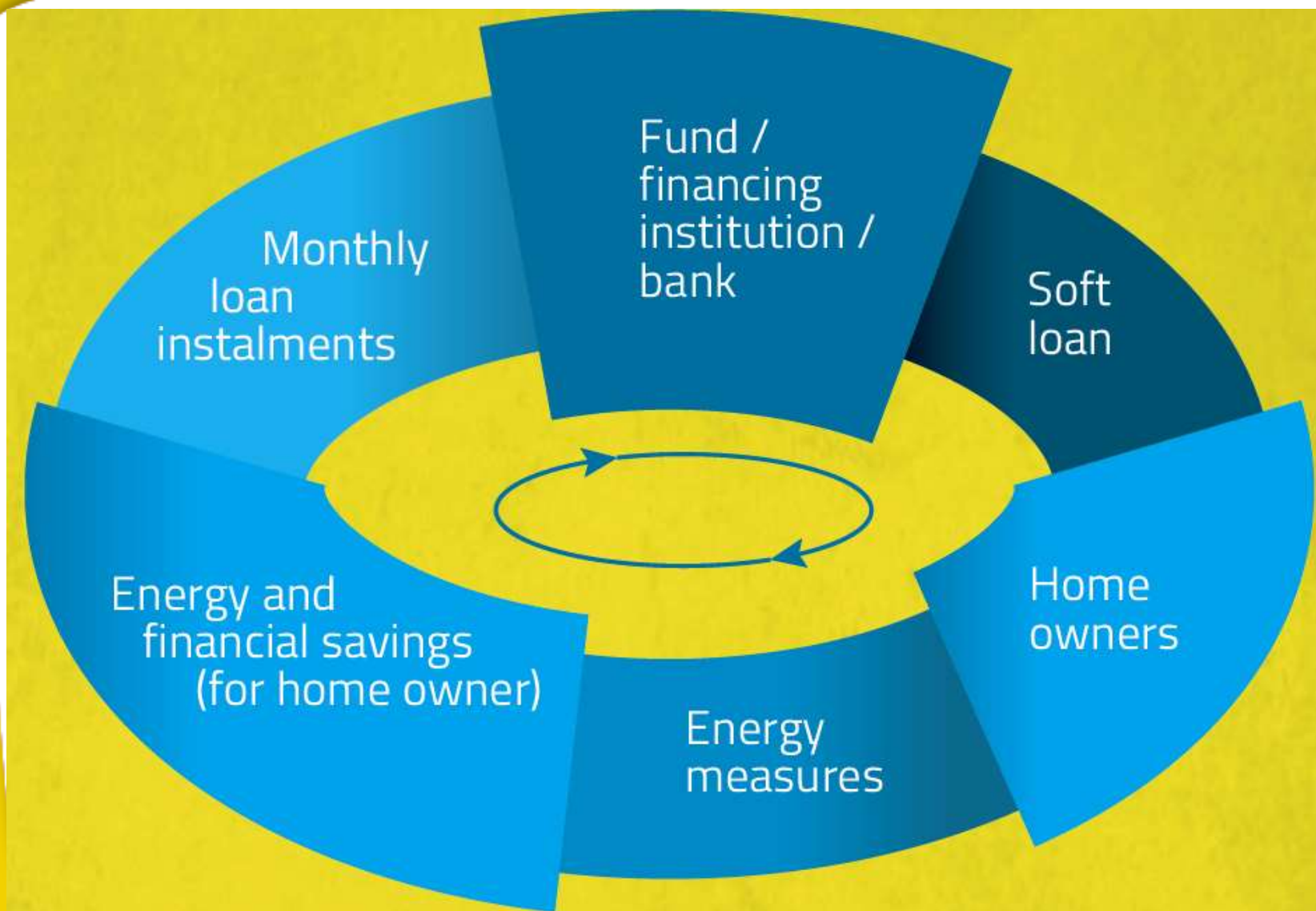
The bigger picture

- The soft loan isn't the goal
- The soft loan is part of a campaign
- Reliable constructors and quality of the work

Soft loans: cross-city analysis



	Frederikshavn	Bordeaux Metropole	Parma	Brussels Capital Region	Riga	Delft
Population	61,158	749,595	191,734	1,187,890	647,424	101,004
No. housing units	29,761	387,833	80,595	518,494	214,520	58,600
Carbon footprint- residential sector	23% CO ₂ emissions	28% CO ₂ emissions	32% CO ₂ emissions	39% CO ₂ emissions	32% energy consumption	20% CO ₂ emissions



**You do not have
money**

Option 1

*Frederikshavn
Bordeaux Metropole
Parma*



You have money

Option 2

Brussels-Capital Region



Local authority:

- Interest rate
- Operational costs
- Guarantee fund

Option 3

*Riga
Delft*



Local authority:

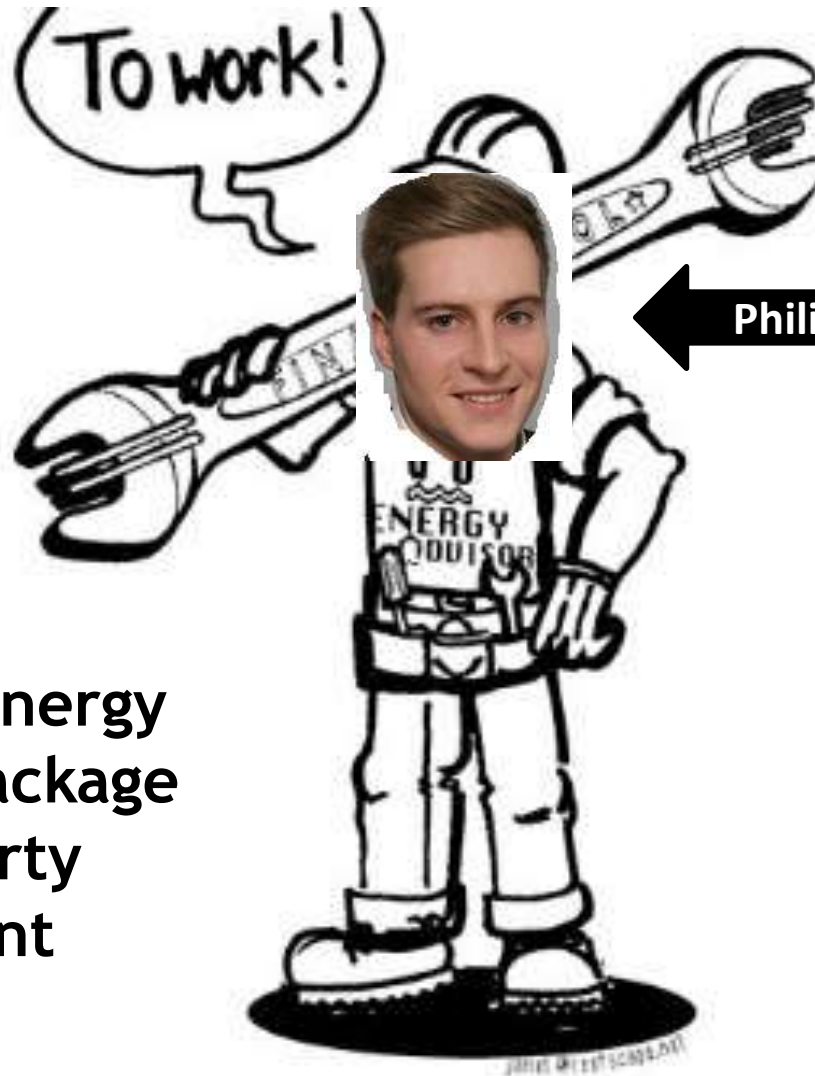
- Revolving fund (+bank loan)
- Fund manager

Business model alternatives



10 Recommendations

1. Support before you start
2. Holistic approach
3. Homeowner's point of view is the most important
4. Start small
5. Prove it works
6. One financing tool does not fit all
7. Focus on a target group that needs your support
8. Create a guarantee fund
9. A city is not a bank
10. A bank is not a technical expert



**A care-free energy
renovation package
& third party
investment**

The care-free energy renovation package of Stuttgart

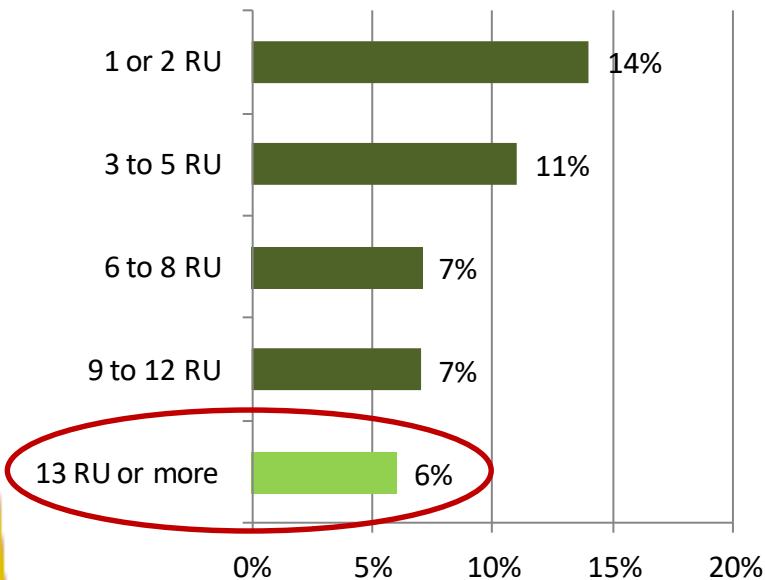
The easy way to your new energy-efficient home



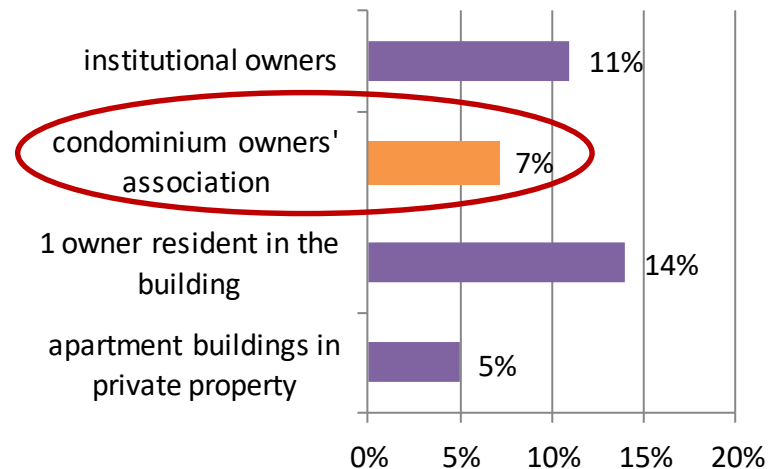
The challenges in Stuttgart

Refurbishment rate in Stuttgart (1998 – 2012)

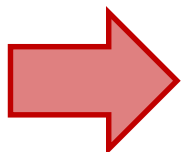
... by building size



... by type of owner



source: Wohnungsmarktbefragung



Very low refurbishment rate in large buildings and in buildings with multiple condominium owners

Targets

- raising awareness on climate protection
- increasing the refurbishment rate, especially in large buildings
- reducing barriers and overcome prejudices against refurbishment (e.g. insulation burns, walls get mouldy)
- increasing the share of renewable energies



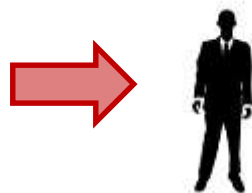
The business model of Stuttgart

City of Stuttgart



- create an awareness on climate protection
- promote the care-free package

Homeowner/ property manager



- interested in a refurbishment
- contacts the Energy Advice Center

Energy Advice Center



- energy diagnosis and consultancy
- independent quality checks of the renovation work

General contractor



- concrete planning
- coordination and execution of refurbishment work

Local ESCO



- installation and maintenance of technical building system
- financing by energy supply contracting

Energy supply contracting

Eligibility criteria

- all types of buildings (except for the installation of CHP units)
- all type of measures concerning the technical building system (e. g. heating system, photovoltaic, storage battery,...)

Conditions

- ESCO finances the technical building system
- ESCO is responsible for installation, operation and maintenance
- customer pays a monthly service fee

 **care-free energy supply**



Benefits for customers

- guarantee of quality by Energy Advice Center (“Refurbishment Standard of Stuttgart”)
- increased value and comfort of your home
- efficient and sustainable energy supply
- no investment costs for technical building system (remuneration by monthly charge)
- guarantee for the technical building systems during contracting period

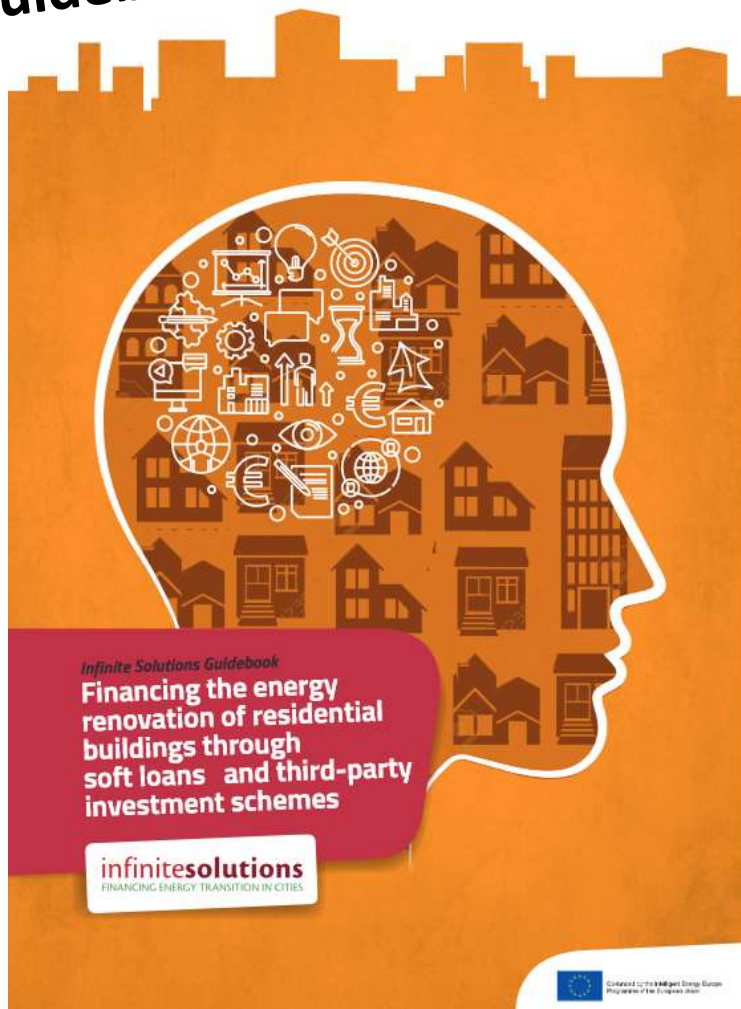


Possible risks

- lack of cost transparency because of fixed price for whole refurbishment
- dependence on ESCO during contracting period

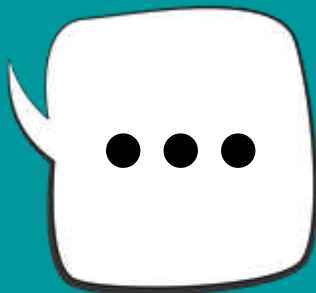


Guidebooks



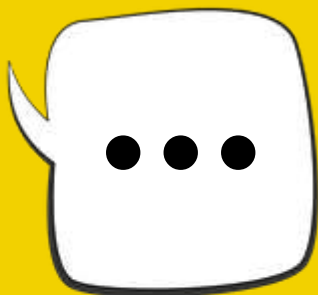
REVOLVING FUND AND SOFT LOANS





Q & A





More questions?



Contact



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