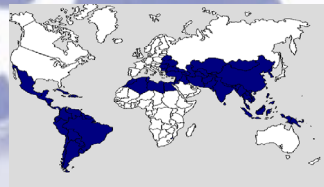


***Renewable Energy Matchmaking :
Creating the right integrated policy frameworks for
Renewable Energy and Energy Efficiency
to scale up investment and address Energy Poverty***

**9th International Forum on Energy for Sustainable Development
(12-15 November, Kyiv)**

Track III: Matchmaking and Investor Confidence, 13 November 2018

EU Technical Assistance Facility for Sustainable Energy



Prepared by: Assen Gasharov, Assignment Leader

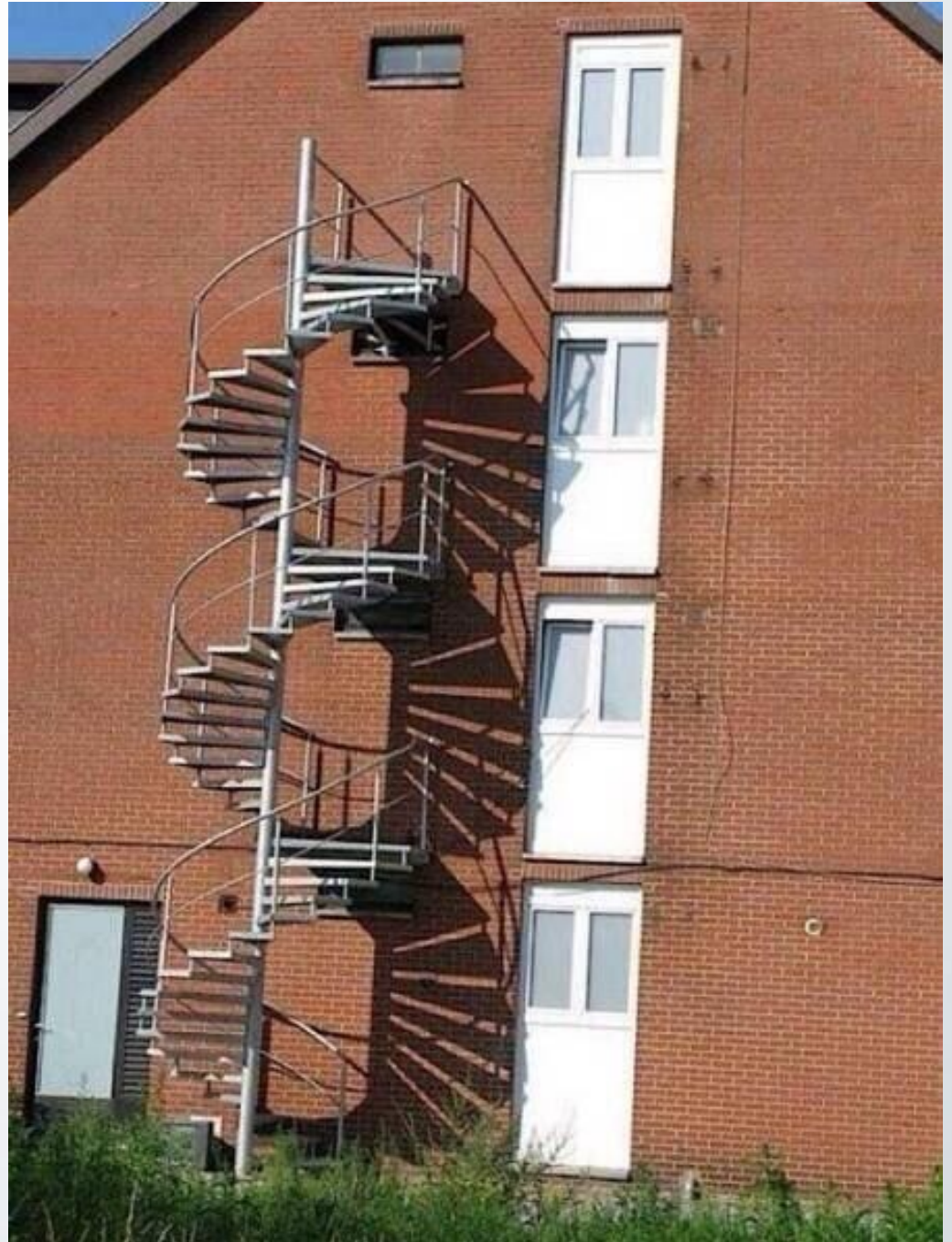




Policy is Bridge to Investors

**Policy needs
to be in the
Right Place**

**(and at the
Right Time)**





Avoid putting Obstacles along the Way



Get the Mechanics right

Agenda



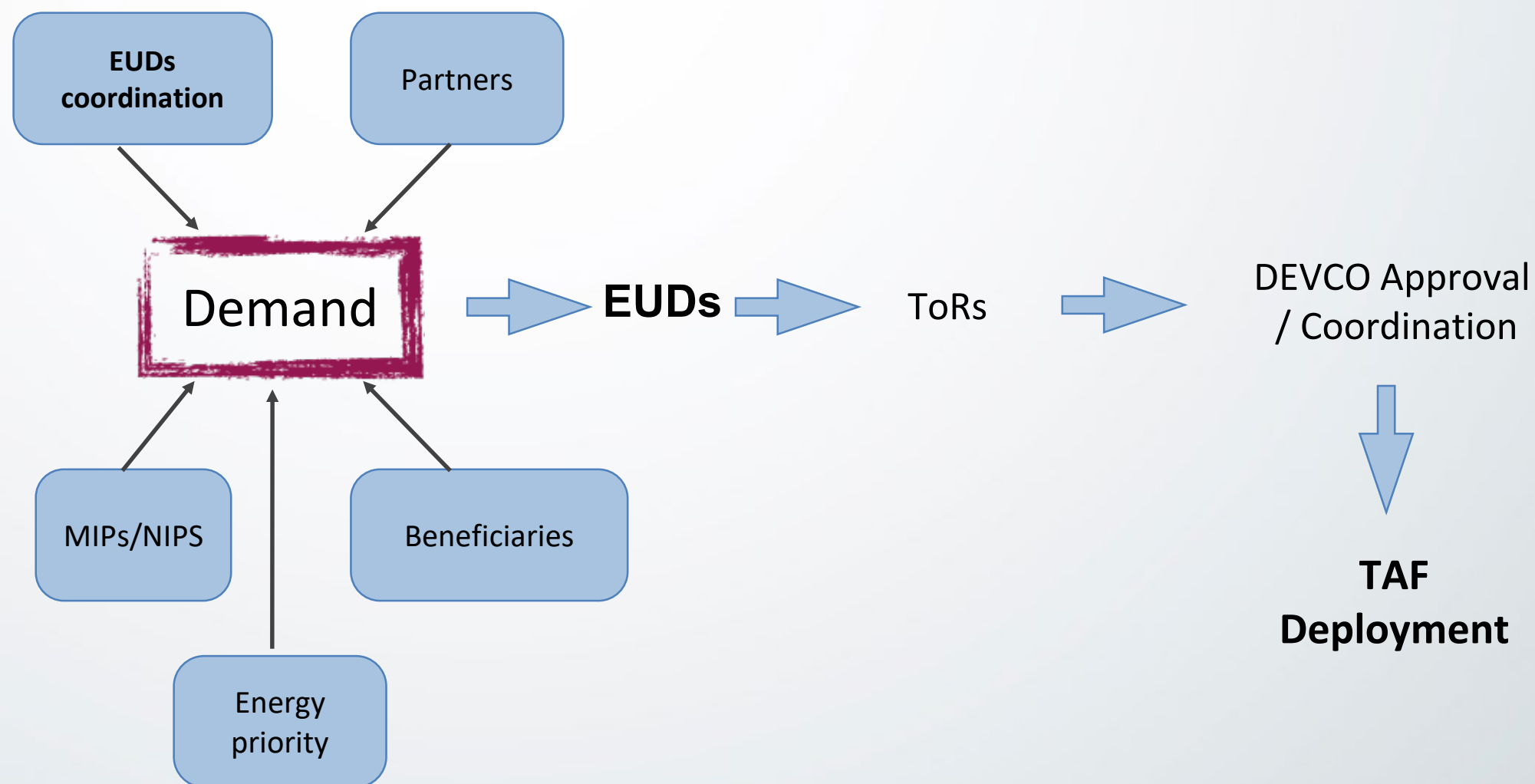
1. EU Technical Assistance Facility (TAF) for Sustainable Energy
2. Regional context
3. Renewable energy policies
4. Energy efficiency policies
5. Integrated RE and EE policies
6. Energy poverty
7. Conclusions

1. EU Technical Assistance Facility for sustainable energy Delivering High Level Technical Assistance



1. Initial stocktaking, technical support in the elaboration and implementation of national energy sector policies and reforms
2. Capacity building particularly in the policy and regulatory areas
3. Technical support in preparation of investment projects
4. Mobilisation of funds and facilitation of partnerships
5. Industrial and technology cooperation
6. Project demonstration

TAF Demand Driven Process



2. Regional context

Business and Investment Climate – FDI & EDB



Source: World Bank data, 2017

2. Regional context

EU Investment Approach and Tools – External Investment Plan (EIP)

Evolved model : **Grants** > **Loans** > **Guarantees**

Leverage private finance (1:10)

6 Energy guarantee tools (2 in UNECE region)

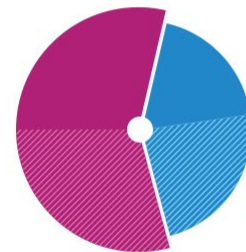
> **Energy efficiency &
Sustainable Cities**

(€750m)

> **Boosting investment
in Renewables**

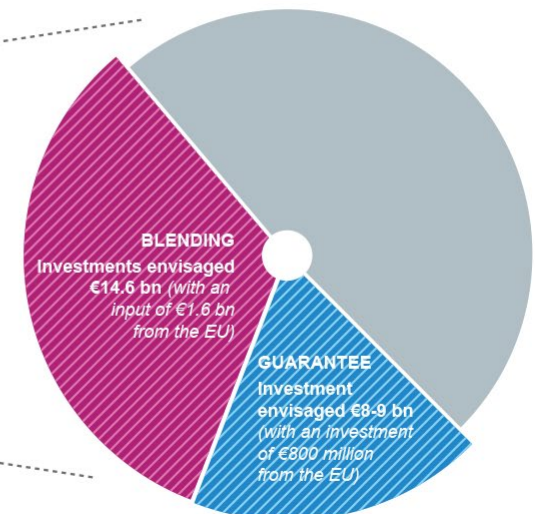
(€2bn)

European Fund for Sustainable Development (EFSD)
€4.1 billion of EU input

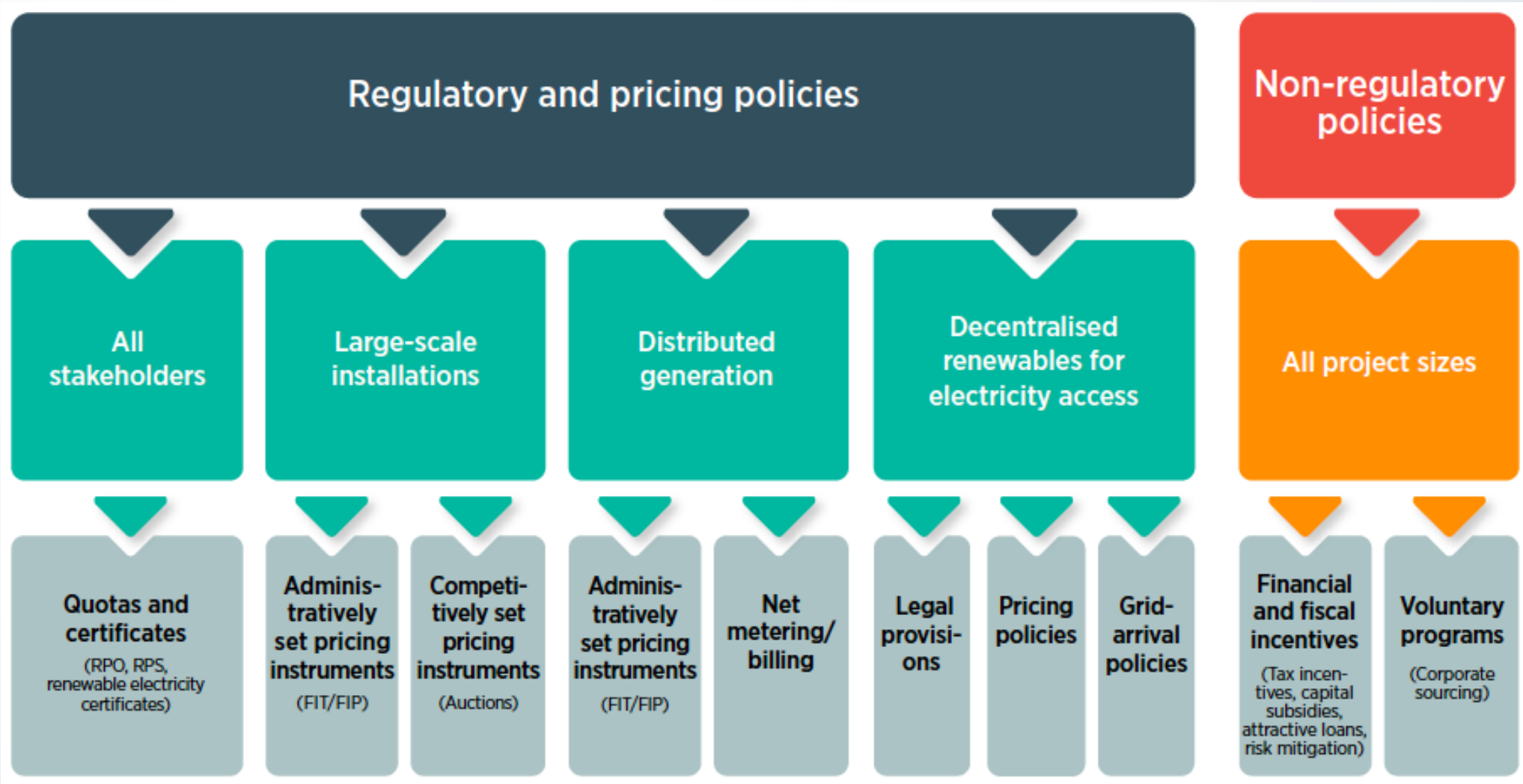


BLENDING
● Total available **€2.6 billion**
● More than half already allocated **€1.6 billion**

Expected to mobilise
€44 billion
in private and public investment



3. Renewable energy policies – Electricity



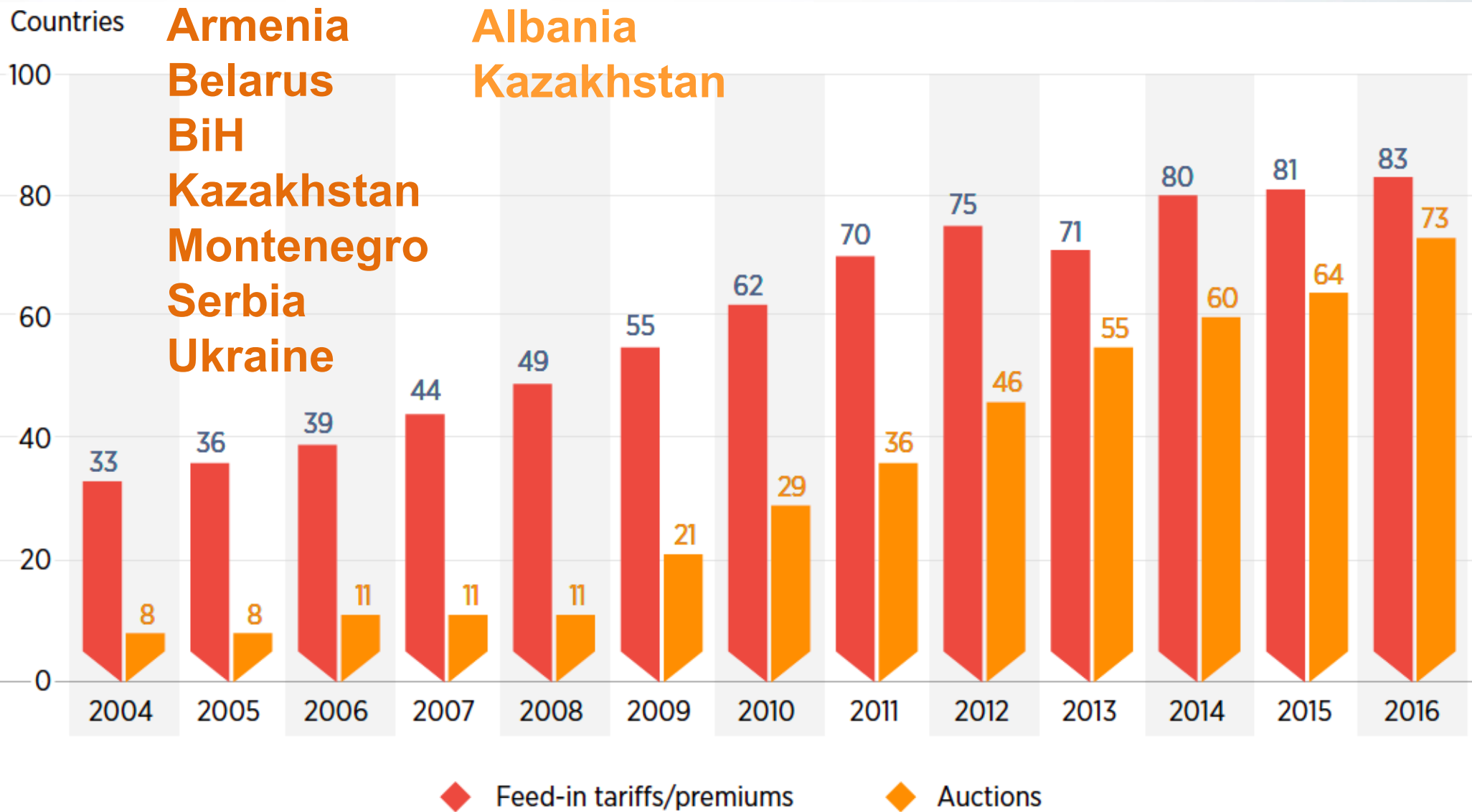
Source: IRENA/IEA/REN21 2018

3. Renewable energy policies – **Electricity**



- ❖ **Targets** (generic; tech-specific, **NREAP**)
- ❖ **Financial incentives** (grants, subsidies)
- ❖ **Pricing instruments**
 - ❖ Feed-in Tariffs (FIT)
 - ❖ Feed-in Premiums (FIP)
 - ❖ Auctions
- ❖ Energy / Carbon taxes (exempting RE)
- ❖ RE quotas & obligations (RPS, RPO, RO)
- ❖ Tradeable certificates
- ❖ Net metering/billing

3. Renewable energy policies – Electricity



Source: IRENA/IEA/REN21 2018

3. Renewable energy policies – **Heating & Cooling**



❖ Similar to electricity:

Targets, Financial incentives (grants, loans, tax rebates), Output-based incentives (like FIT), Energy/Carbon taxes, RE quotas

❖ **Building codes**

❖ Technology focus on:

Biomass, Biogas, Heat pumps, Solar WH

❖ Scope and scale:

Individual & district heating/cooling

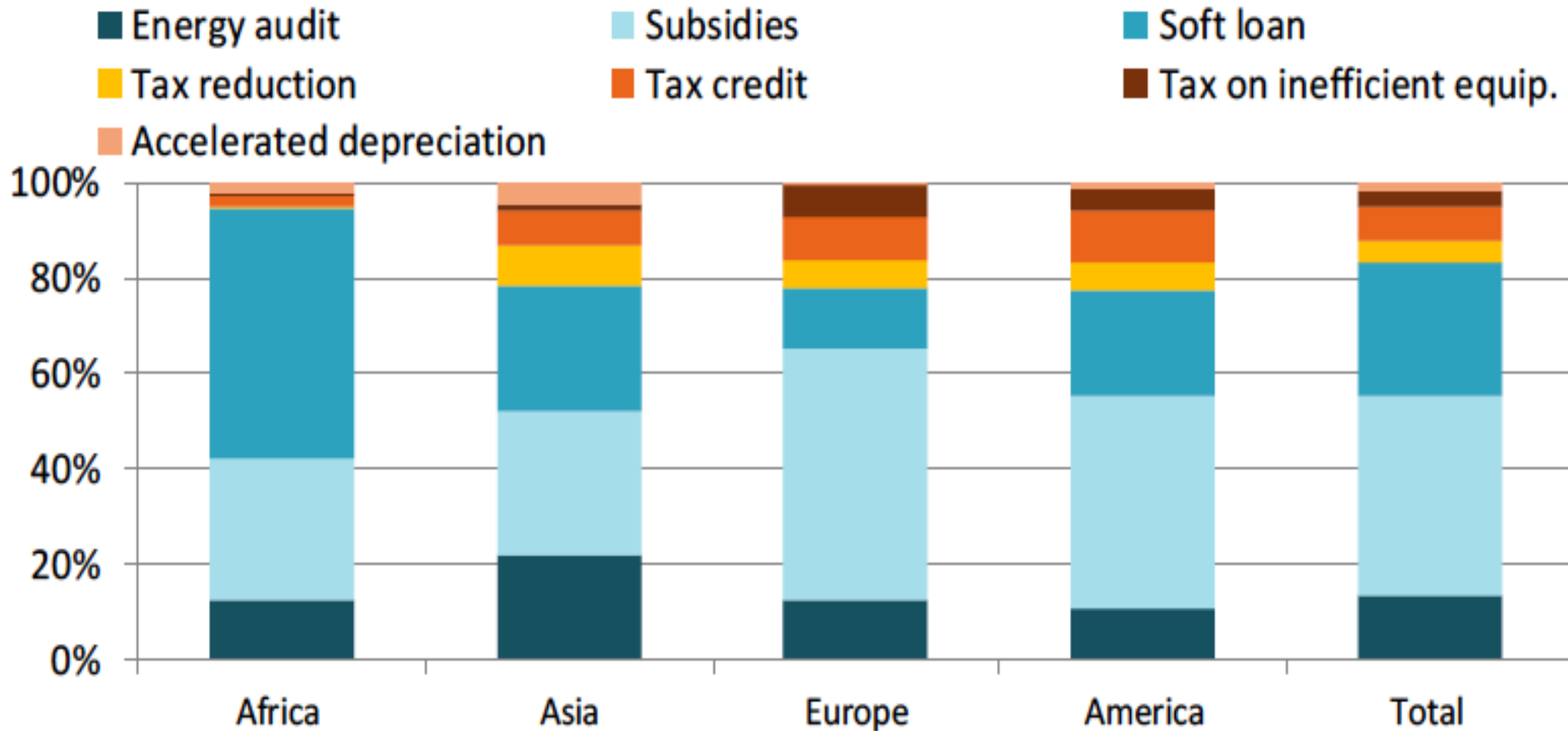
Ukraine and FYRO Macedonia

4. Energy Efficiency policies – **Buildings**



- ❖ Targets (**NEEAPs**) and Institutions
- ❖ Building codes, Standards and Labels (S&L) for appliances
- ❖ Financial incentives
 - ❖ **Grants, soft loans**
- ❖ Fiscal incentives
 - ❖ **Tax benefits, VAT reduction, depreciation**
- ❖ Energy Efficiency Funds (revolving)
- ❖ ESCOs and PPPs

4. Energy Efficiency policies – Financial & Fiscal



Source: WEC 2016

5. Integrated RE & EE policy and investment approach



- ❖ **Challenge:** Supply vs. Demand
- ❖ **Common ground:** Energy security, Climate policy, Energy access/poverty
- ❖ **Targets** (Net Zero Energy development)
- ❖ **Building codes** / Urban planning
- ❖ **Financial mechanisms**
 - ❖ Green climate funds (CO₂ targets)
 - ❖ Credit lines – for both RE & EE

6. Addressing **Energy poverty**



- ❖ Household / community problem =
Local solutions = focus on buildings
- ❖ **Investment approaches:**
 - ❖ Grid renewables X
 - ❖ Decentralised RE ✓
 - ❖ RE heating ✓ ✓
 - ❖ Energy efficiency ✓ ✓ ✓
 - ❖ ESCOs ✓ ✓ ✓
- ❖ Government policy to focus on
income-based subsidies (means test)

6. Addressing **Energy poverty** - tools



- ❖ Grants, subsidies, soft loans
- ❖ **FREE products** – insulation, LED, S&L
- ❖ Energy company obligations (UK, FR)
- ❖ Social housing refurbishment schemes
- ❖ Fuel allowances (Ireland)
- ❖ **Social safety net** (individualised support)

7. Conclusions



- ❖ Enabling policies and regulation is key to investor confidence
- ❖ Policy tools need to match investment aspirations
- ❖ Focus on tried-and-tested approaches
- ❖ Aim to integrate RE and EE policies
- ❖ Addressing energy poverty is well aligned with RE & EE objectives

EU Technical Assistance Facility for Sustainable Energy

EU TAF Project Office
(4th floor)
Avenue des Arts 24
Brussels 1000, Belgium

Telephones:
+32 (0)2 416 17 00 (Office)
+32 (0)2 416 17 05 (direct)

E-mails:
EU TAF TL: t.lefevre@ceerd.net
EU TAF KE2: emmanuel.bergasse@sofreco.biz
EU TAF NKE1: assen.gasharov@gmail.com
EU TAF NKE2: v.triantafyllos@revellegroup.eu

Thank you for your kind attention

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