



# New Financial Instruments in Slovenia

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# Local Energy Agency of Gorenjska LEAG

- **LEAG was established in 2009**
- **18 municipalities located in the Region of Gorenjska**
- **We offer consultations to municipalities and companies on energy management and use of Renewable Energy Sources**
- **LEAG assists local institutions in planning projects to reduce energy consumption and maximise energy efficiency.**



# Key policies

## National Energy and Climate Plan was adopted In February 2020

- The key goals to achieve by 2030 are:
  - reduction of total greenhouse gas emissions by 36%,
  - at least 35% improvement in energy efficiency,
  - at least 27% use of renewable energy sources,
  - 3% investment in research and development.

## Draft of Climate strategy 2050 has been unveiled in September 2020

- The centerpiece of the document is zero net emissions or climate neutrality by the 2050.
- The key goals are:
  - reducing greenhouse gas emissions by 80-90% compared to 2005,
  - in transport, emissions are expected to be reduced by 90-99%,
  - industry sector is expected to reduce emissions by 80-87%
  - agriculture sector is expected to reduce emissions by 5-22%.

# Improving policies on energy rehabilitation of MAB and public buildings

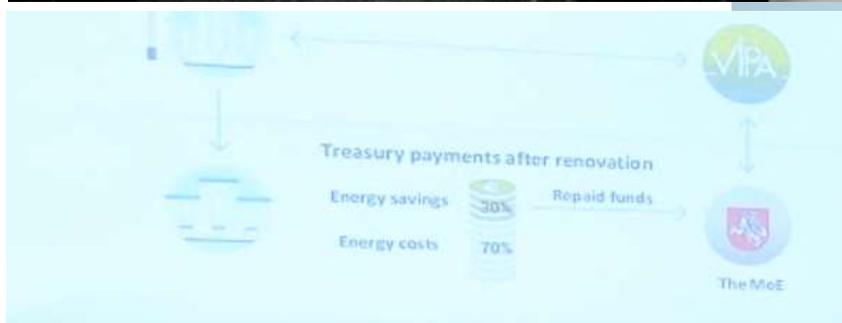
- 1. Simplifying tender requirements for energy renovations of MAB and public buildings.**
- 2. Possibility of ESCO companies entering into the market of energy renovations of MAB.**
- 3. Introduction of the energy renovations of MAB and the main elements of the good practise experiences from Lithuania, as a key element of the Local energy concepts for municipalities and and in the preparation of Joint Sustainable Energy and Climate Action Plan (SECAP) of Gorenjska Region (18 municipalities).**

# BUILD2LC - Related to Good Practices

1. **Technical Support and Promotion in Multi-Apartment Building Modernization (BETA Agency) (VIPA, Lithuania)**
2. **Technological Corporation of Andalusia: regional RTDI funding Public-Private Partnership (AEA, Spain)**
3. **Reconstructed public buildings in City of Zagreb under the ZagEE project (REGEA, Croatia)**



Visit of VIPA - Lithuania, January 2018



## CONDITIONS OF THE MODERNIZATION LOAN

**Main loans conditions:**

- up to 2 % margin + EURIBOR
- up to 20 years
- loan amount - up to 80 % eligible expenditure, when the borrower is ESCO
- loan amount up to 100 % eligible expenditure, when the borrower is public entity
- ESCO must contribute their own funds - no less than 20 % from project value
- standard ESCO documentation - approved by MoE

# New financial instruments for multi-apartment buildings



# Financial instruments for multi-apartment buildings ESCO

The plan is to develop the first financial instrument for the comprehensive energy renovation of multi-apartment buildings by the end of 2020.

The financial instrument is already being implemented in the energy services market as Energy Supply Contracting. In this way, in the past, measures for the renovation of common boiler rooms in multi-apartment buildings were mostly financed. By modifying the existing model, it would be possible to extend the set of measures to the building envelope and joinery.

In 2021 the Eco Fund will carry out a pilot project to test the financial instrument in practice.

# New financial instruments for multi-apartment buildings

Another form of energy contracting, which would require the development of a new form of financial instrument, is needed for the complete renovation of buildings and it would be based on ensuring energy savings through the subsequent redemption of receivables. The model is not yet used in Slovenia, but the pilot project is predicted.

Efforts are also being made to obtain funding from ELENA technical assistance for the preparation of energy renovation projects for multi-apartment buildings and its financing. 90% of the cost of project documentation could be financed through the ELENA which is very encouraging, especially for multi-apartment buildings with a smaller number of owners (from 3 to 10), where the cost of documentation represents a large part of the final investment cost.

# New financial instruments for municipalities

## In the numbers:

- **212 municipalities; 11 with the status of a city municipality**
- **The smallest municipality has 362 and the largest over 250.000 inhabitants**



# Co-financing renovation of buildings owned and used by municipalities

**In February 2020, funds for the energy renovation of municipal buildings and the narrower and wider public sector were re-tendered within the OP in the total amount of 46,8 million EUR (tenders JOB-2020, OJS 2020 and ŠJS 2020).**



# Co-financing renovation of buildings owned and used by municipalities

- **A new call for co-financing the preparation of technical and economic documentation for energy renovation projects of public buildings with ELENA assistance was also published. The amount of tendered funds is 1,6 million euros.**
- **The National Energy and Climate Plan also plans to create appropriate financial products for ESCO service providers. Support measures, such as training, technical assistance, quality assurance and additional tools will be developed.**

# Co-financing renovation of buildings owned and used by municipalities

Public tender for co-financing the energy renovation of buildings owned and used by **municipalities** (2020, 2021 and 2022)

The subject of co-financing from the public tender are operations of comprehensive energy renovation of buildings owned and used by municipalities. The operation may include a proposal for the energy renovation of one or more buildings.

Responsible: Ministry of Infrastructure

Finances: Total amount of grant is EUR 25 million  
(21,25 million EUR ~ EU funding and 3,75 million EUR ~ state budget).

Policy: "European Cohesion Policy Operational Program 2014-2020", Priority Axis 4 "Sustainable Energy Use and Production and Smart Grids", Priority Investments 4.1 "Promoting energy efficiency, smart energy management and the use of energy from renewable sources in public infrastructure", including public buildings, and the housing sector", specific objective 1 "Increasing energy efficiency in the public sector".

# Loans for the energy renovation of public buildings

Loans to finance projects for the comprehensive energy renovation of **public buildings**

The beneficiaries of the loan program are persons from the **entire public sector and the municipalities**, as well as **energy service providers (ESCOs)**.

Responsible: SID Bank

The loan will provide funds for projects of comprehensive energy renovation of public buildings:

- measures on the building envelope,
- measures on the heating, cooling and ventilation system,
- measures for the use of renewable resources,
- installation measures for cogeneration systems, devices and energy management systems,
- measures for the use and production of electricity, etc.

Finances: Available approx. EUR 38,5 million

(under the program, they can obtain a loan in the amount of 100.000 to 15.000.000 EUR with a loan period of 5 to 25 years)

The goal of SID Bank is to support comprehensive energy renovations of public buildings and thus contribute to positive changes in energy consumption in all sectors. The purpose of the loan program is to promote the comprehensive energy renovation of public buildings owned and used by public sector entities.



Thank you!