

Press release

On-bill financing in Europe: a new project to scale up investments towards deep energy renovations of residential buildings

For immediate release

Brussels, 9 September 2019 – In order to achieve the European Commission’s long-term energy vision for 2050, yearly energy investments in the EU need to almost double during the decade 2021-30. Of these investments, energy efficiency improvements in residential buildings represent more than half. Deep retrofits will thus be critical, but, as they can be expensive, new and innovative ways of financing are vital. The Horizon2020 project RenOnBill promotes the development and implementation of on-bill schemes in Europe, based on the cooperation between energy utilities and financial institutions, with the aim of scaling up investments towards deep energy renovations of residential buildings.

In order to achieve the European Commission’s long-term vision for 2050, energy investments in the EU need to almost double during the decade 2021-30, i.e. from EUR 229 billion to EUR 396 billion per year¹. Energy efficiency investments in residential buildings represent more than half of the total energy investment required in the period 2021-30, equal to EUR 214 billion per year².

There is the need to build new energy efficient buildings, but especially to substantially reduce energy use and emissions from existing ones. While conventional building retrofits reduce energy use by 10-25%, deep retrofits save at least 30-50%. Deep retrofits to existing buildings will thus be critical for reducing energy use and greenhouse gas emissions over the next 30 years. Such retrofits can require high upfront-costs, therefore innovative ways of financing are vital for unlocking the potential of energy renovation of residential buildings.

On-bill schemes (OBS) are one key innovative way of financing energy efficiency: they bring the upfront costs of energy efficiency upgrades down to zero by simply adding a periodical line item to a customer’s utility bill as the repayment vehicle. This means that the upfront costs for energy improvements may be paid by the utilities or the financial institutions involved, and paid back by the customer overtime through the utility bill. During the payback period, the energy savings can offset the line item added, allowing the bill to remain unchanged; after the complete repayment of the energy efficiency improvements, the bill will be much lower.

OBS programmes have been in use for more than 30 years, and are especially widespread in the USA and Canada, where they significantly drive the building renovation market. For example, in the USA, average OBS loans can be up to USD 25,000, for 100s of projects in one programme. In Europe, few attempts have been made, such as the UK’s Green Deal and Latvia’s SUNSHINE, but the potential for on-bill schemes in Europe is still very significant.

Here is where the new EU-funded project RenOnBill comes in: by promoting the development and implementation of on-bill schemes, RenOnBill aims to scale up investments towards deep energy renovations of residential buildings. Starting from an analysis of existing OBS to lay the foundation for replication in Europe, RenOnBill engages stakeholders at the national level, to foster cooperation among the different actors and jointly develop national roadmaps for the replication of OBS in four focus countries. RenOnBill will then develop a tool to structure the residential sector’s energy

¹ <https://www.eib.org/attachments/draft-energy-lending-policy-26-07-19-en.pdf>

² <https://energypost.eu/driving-energy-efficiency-investment-beyond-2020/>

renovation demand, by assessing risks and investments. It will finally test the results on the three partner utilities, for which tailored business models will be developed. RenOnBill's four focus countries are Germany, Italy, Lithuania and Spain, chosen to capture to an extent the differences that can be encountered when replicating on-bill schemes across wider Europe.

The success of the project means a huge step forward in reaching the 2050 European Union energy and CO₂ targets and offers a win-win perspective for different actors: construction and energy service companies, utilities, investors, and ultimately for society as a whole.

More information can be found on the RenOnBill website: www.renonbill.eu

PRESS CONTACT

Roberta D'Angiolella
Communications Manager

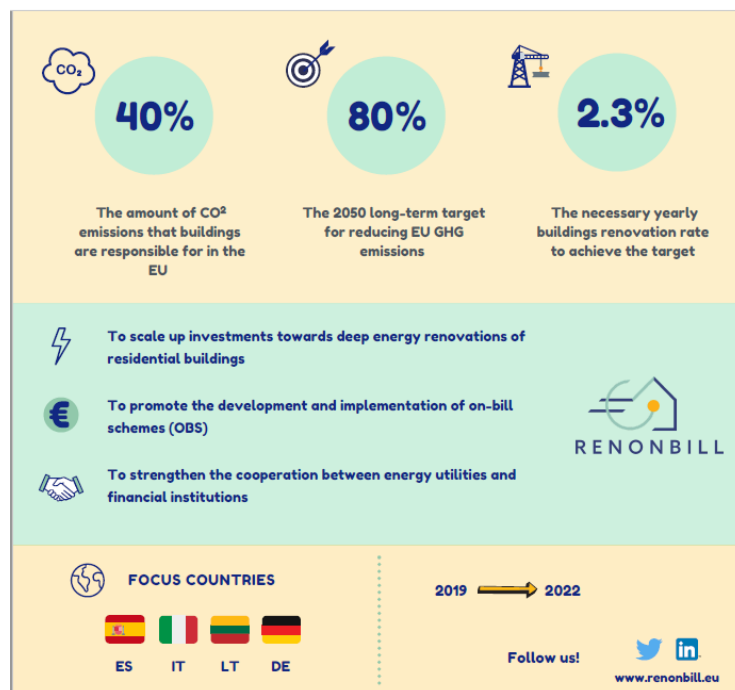
Email: Roberta.dangiolella@bpie.eu

Phone: +32 2 789 30 02

Mobile: +32 498 73 58 03

Buildings Performance Institute Europe (BPIE)

NOTES TO THE EDITOR



Partners of RenOnBill: Creara (project coordinator - Spain), adelphi (Germany), Bluenergy (Italy), BPIE – Buildings Performance Institute Europe (Belgium), Epta Prime (Italy), Fenie Energia (Spain), Kauno Energija (Lithuania), LEI – Lietuvos energetikos institutas (Lithuania), UNIGE – Università degli studi di Genova (Italy).

RenOnBill stands for *Residential Building Energy Renovations with On-Bill Financing*

This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No #847056.