

European Investment Bank
EIB President and Members of the Board of Directors

Brussels, 5 September 2019

EIB Energy Lending Policy
Energy efficiency for a fast, fair and attractive transformation

Dear Mr. Hoyer, Dear Members of the Board of Directors,

I would like to share with you a few comments from the Coalition for Energy Savings to the draft EIB energy lending policy (ELP), which I understand will be discussed at your meeting next week.

Accelerating energy efficiency investments is the key to a fast, fair and attractive transition that can deliver a net-zero emission energy system. This requires a clear signal and a strategic investment outlook, something the EIB is in a position to provide.

First, we welcome that the draft ELP refers to the goal of net-zero emissions by 2050, acknowledges the **Energy Efficiency First Principle** and makes “unlocking energy efficiency” one of the four themes. However, more clarity is needed with regard to the application of the Energy Efficiency First Principle.

The Bank’s 2013 Economic Appraisal of Investment Projects already recommends comparing energy supply projects with energy efficiency projects. The guide requires to compare power generation projects as well as gas grids, terminals and storage projects with possible alternatives including “the launching of actions and policies aimed at energy saving” (page 107).

The Coalition finds that the ELP could go further than that and:

- » ensure that the project-based comparison is undertaken transparently and systematically;
- » set out that the energy demand projections used by the Bank are compatible with the EU’s 2030 targets and net-zero GHG emission objective;
- » apply minimum conversion efficiencies for supply side support, in addition to carbon cut off criteria, and consider primary energy consumption impacts of sector coupling; and
- » apply the Principle across all sectors, in particular transport and the digital sector, which drive up energy use.

Second, we welcome the plan to establish a **European Initiative for Building Renovation** and the reinforcement of technical and financial advisory services to

project developers and public authorities. This approach can channel investments in an area with high potential and will help partners, notably Southern and Eastern countries, seeking to scale up investment in the regions.

In order to reach the 2030 energy efficiency targets additional annual investments of at least €260bn are required, half of it for renovating well above 3 million residential dwellings per year. We believe that addressing this challenge offers a unique opportunity for citizens to steer the energy transition and benefit from improved living conditions, but also to improve Europe's energy security in the long term.

Therefore, the Coalition for Energy Savings encourages the EIB to use its expertise in finance to signal a direction how to close the investment gap. Sustainable business models such as one-stop shops and energy performance contracting need to be further developed. Citizens need to be mobilised by trusted and relevant organisations, supported by tailored EIB technical and financial advisory services.

The ELP needs to clarify that breaking the renovation deadlock requires re-thinking stakeholder alliances and collaboration patterns. The Coalition for Energy Savings is willing and available to participate in an open dialogue on this matter, which we invite the EIB to convene.

Yours sincerely,

Stefan Scheuer, Secretary General

The Coalition for Energy Savings strives to make energy efficiency and savings the first consideration of energy policies and the driving force towards a secure, sustainable and competitive European Union. Its membership unites businesses, professionals, local authorities, cooperatives and civil society organisations in pursuit of this goal.

Coalition members represent:

- more than 500 associations, 200 companies, 1,500 cooperatives
- 15 million supporters and 1 million citizens as members of cooperatives
- 2,500 cities and towns in 30 countries in Europe

Members of the Coalition:

ACE - Architects' Council of Europe | **APPLiA** - Home Appliance Europe | **BPIE** - Buildings Performance Institute Europe (advisory member) | **CAN** - Climate Action Network – Europe | **CEE Bankwatch Network** | **ClientEarth** | **Climate Alliance** | **E.V.V.E.** - European Association for the Consumption-based Billing of Energy Costs | **E3G** | **eceee** - European Council for an Energy Efficient Economy | **ECOS** - European Environmental Citizens Organisation for Standardisation | **EEB** - European Environmental Bureau | **EFIEES** - European Federation of Intelligent Energy Efficiency Services | **ehi** - Association of the European Heating Industry | **Energy Cities** | **EPEE** - European Partnership for Energy and the Environment | **eurima** - European Insulation Manufacturers Association | **EuroACE** - The European Alliance of Companies for Energy Efficiency in Buildings | **European Alliance to Save Energy** | **European Climate Foundation** | **European Copper Institute** - Copper Alliance | **Friends of the Earth Europe** | **Glass for Europe** | **Housing Europe** | **PU Europe** - European Association of Polyurethane Insulation Manufacturers | **RAP** - The Regulatory Assistance Project (advisory member) | **REScoop.eu** | **T&E** - Transport & Environment | **WWF European Policy Office**