Investor Ready Energy Efficiency

Luís Castanheira, ICP Europe Technical Director
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Lack of standardization (in project development and documentation) is one of the major barriers to increasing investment into energy efficiency

*Energy Efficiency – the first fuel for Europe*

Energy efficiency projects do not yet meet the requirements of capital markets. No two projects or contracts are alike.

*Michael Eckhart, MD & Global head of Sustainable Finance*

Standards are like DNA. They are the basic building blocks for all technology and economic systems.

*D.E. Purcell*
Lack of standardization results in:

- Greater performance risk
- Uncertainty limiting demand
- Higher transaction costs
- Difficult to build capacity
- Difficult to aggregate
• 231 projects – more than 21,000 units – undergone energy efficiency retrofits in NYC

• Low realization rate (actual savings divided by projected savings)

• While fuel savings projections ranged from 25% to 50% across about two thirds of the buildings, most projects actually saved 10% to 40%.

Source: Recognizing the benefits of Energy Efficiency in multifamily underwriting, Deutsche Bank
An international framework for reducing owner and investor risk, lowering due diligence costs, increasing certainty of savings achievement and enabling aggregation.

Ensures transparency, consistency and trustworthiness through best practice and independent verification.
What is the content of the IREE™ Certification?

**Elements**
- Standards
- Data Elements
- Qualifications

**Procedures**
- Best Practice Workflow
- Standard Industry Practices

**Documentation**
- Standard Documentation Package
- Itemized Outputs Required
The process of IREE™ Certification

ORIGINATION
Energy efficiency projects will come from a range of channels, programs, and businesses.
PROJECT DEVELOPMENT

Credentialed Project Developer develops and documents projects according to ICP Protocols.
CERTIFICATION
Independent Credentialed Quality Assurance Provider reviews project for ICP compliance and certifies qualifying projects as Investor Ready Energy Efficiency™.
INVESTMENT

Building owners and investors can make investment decisions with increased confidence based on predicted savings.
PERFORMANCE

Building’s energy performance is optimized and energy savings from retrofit are measured and verified according to ICP Protocols.
What project types is IREE™ designed for?

BUILDINGS

INDUSTRY

DISTRICT ENERGY SYSTEMS

STREET LIGHTING UPGRADES
Benefits: Project owners

IREE’s independent review and certification of proposed projects:

- Gives owners confidence in project development and savings achievement.
- Enables the comparison of projects and access to more project investment.
- Can function as a “Tender in a box” and underwriting criteria for buildings and portfolios.
Benefits: Investors

- IREE reduces due diligence costs and speeds underwriting.
- Opens access to quality projects through Credentialed Project Developers.
- Increases confidence in project fundamentals and engineering.
- Standard projects and document packs with third party allows for the aggregation of projects across borders and programmes.
Benefits:

Project developers

• Offers a repeatable project process, aiding Quality Assurance

• Enables more project approvals due to industry standards and 3rd party review

• Differentiates your company and increases credibility with customers

• Increases ability to connect with finance, insurance, utility programmes, without additional transaction costs
Benefits: Government programmes

- Investor Ready Energy Efficiency™ is based on internationally recognized and off-the-shelf technical standards ready to deploy.
- Ready made provider credentialing and training programme.
- Allows for the ability to distribute Quality Assurance costs to the market.
ICP Europe Ally Members
ICP Investor Network

ICP Investor Network represents €1.5 billion in energy efficiency project capital. They are looking for quality projects built to IREE™ standards and some provide incentives for IREE projects.
ICP Credentialed Project Developers (PDs) have been trained by ICP, their qualifications and experience have been vetted and are the only ones that can develop an IREE™ project.

PDs can be ESCOs, Engineering firms, facility managers, building owners, or others that develop project proposals.
ICP Credentialed providers: Quality Assurance Providers

ICP Credentialed Quality Assurance Providers offer **independent and documented verification** of project compliance for IREE™ designation. They have been **trained** by ICP, their **qualifications and experience** have been vetted and can be an individual, independent firms or programs.
**First IREE™ certified project in Europe**

National Health Service Liverpool Trusts

<table>
<thead>
<tr>
<th>Project</th>
<th>NHS Trusts - Liverpool, England</th>
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</thead>
<tbody>
<tr>
<td>Project Developer</td>
<td>Carbon and Energy Fund</td>
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<tr>
<td>Quality Assurance Provider</td>
<td>Verco</td>
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<tr>
<td>Investment</td>
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<td>Average annual energy savings</td>
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<tr>
<td>Average annual carbon savings</td>
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