



# Financial Instruments for Renewable Energy Investment

## Key lessons from FIRESPOL for public RES financing

Renewable energy financing for the public sector

**Ana Martinez\_ AGENEX**

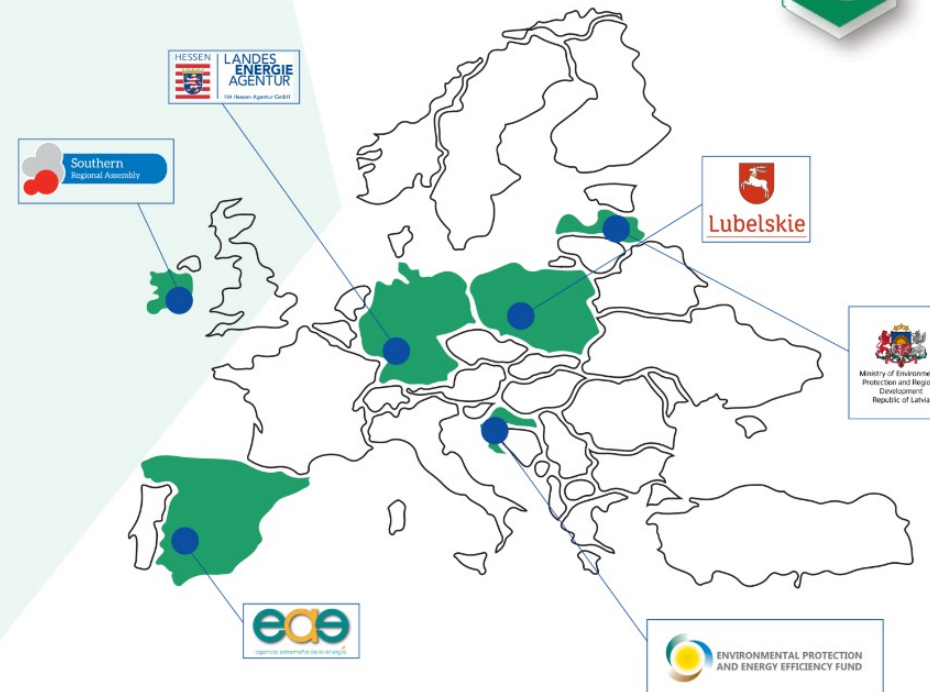
Lead partner of FIRESPOL project



28th April 2022

## Financial Instruments for Renewable Energy Investment

FIRESPOL aims at promoting renewable energy sources with public and private financing schemes beyond the traditional grants and subsidies, moving towards innovative financial instruments or complex grant schemes



# FIs for RES Analysis

## Project good practices

Sort: Newest first

- Auctioning of CO2 emission allowances as RES sector funding...**

28/05/2020  
State budget programme supporting prevention of...  
Location: Latvia, Latvia (Latvija)  
Climate change...
- Community Power - a community-based Virtual Power Plant (cVPP)**

25/05/2020  
Community Power is Ireland's first community own...  
Location: Southern and Eastern, Ireland (Éire)  
Citizens...
- Domestic Solar PV Pilot Scheme**

19/05/2020  
Pilot grant scheme introduced by the Irish Govern...  
Location: Southern and Eastern, Ireland (Éire)  
Renewables
- BaltCap Infrastructure Fund**

14/05/2020  
BaltCap Infrastructure Fund (BINF) provides develo...  
Location: Latvia, Latvia (Latvija)
- Green Bonds issued by JSC "Latvenergo"**

14/05/2020  
Green bonds for climate change mitigation project...  
Location: Latvia, Latvia (Latvija)  
Climate change...
- Promoting energy efficiency and renewable energy use in public...**

05/05/2020  
Using ESCO model to improve energy efficiency, w...  
Location: Jadranska Hrvatska, Croatia (Hrvatska)  
Efficiency...

- BaltCap buyout investments scheme**

20/04/2020  
BaltCap company provides buyout investments in ...  
Location: Latvia, Latvia (Latvija)  
Environment...
- ESCO formula in Poland**

28/02/2020  
ESCO project in Public-Private Partnership formula ...  
Location: Warmińsko-Mazurskie, Poland (Polska)
- Coolbawn Water Treatment Plant Biomass ESCO Project**

14/02/2020  
Energy Services Contract (ESCO) approach, includin...  
Location: Southern and Eastern, Ireland (Éire)  
Economy, Finance...
- Templederry Community Wind Farm**

13/02/2020  
Templederry Community Wind Farm is a 100% com...  
Location: Southern and Eastern, Ireland (Éire)  
Environment...
- Green Bonds issued by National Development Finance Institution...**

11/02/2020  
ALTUM Green Bonds (GB) providing loan without c...  
Location: Latvia, Latvia (Latvija)  
Renewables, Economy...
- From a local Association to Energy Cluster Dolina Zielawy**

03/02/2020  
Energy cluster Dolina Zielawy contributes to achiev...  
Location: Lubelskie, Poland (Polska)
- SUN Nordhessen: Local Financing and Involvement of Private...**

29/11/2019  
SUN is building and operating wind and solar powe...  
Location: Kassel, Germany (Deutschland)  
Engagement, Air, Energy...
- Solar Initiative (Sonneninitiative e. V.): Citizen Solar Power...**

08/07/2019  
The Solar Initiative conveys roof areas and interest...  
Location: Gießen, Germany (Deutschland)  
Engagement, Renewables...
- Energy Saving Service: Police Academy Wiesbaden, Hessen**

07/06/2019  
"Contracting" as an energy saving service can thus ...  
Location: Darmstadt, Germany (Deutschland)  
Finance, Instrument...

## Project good practices

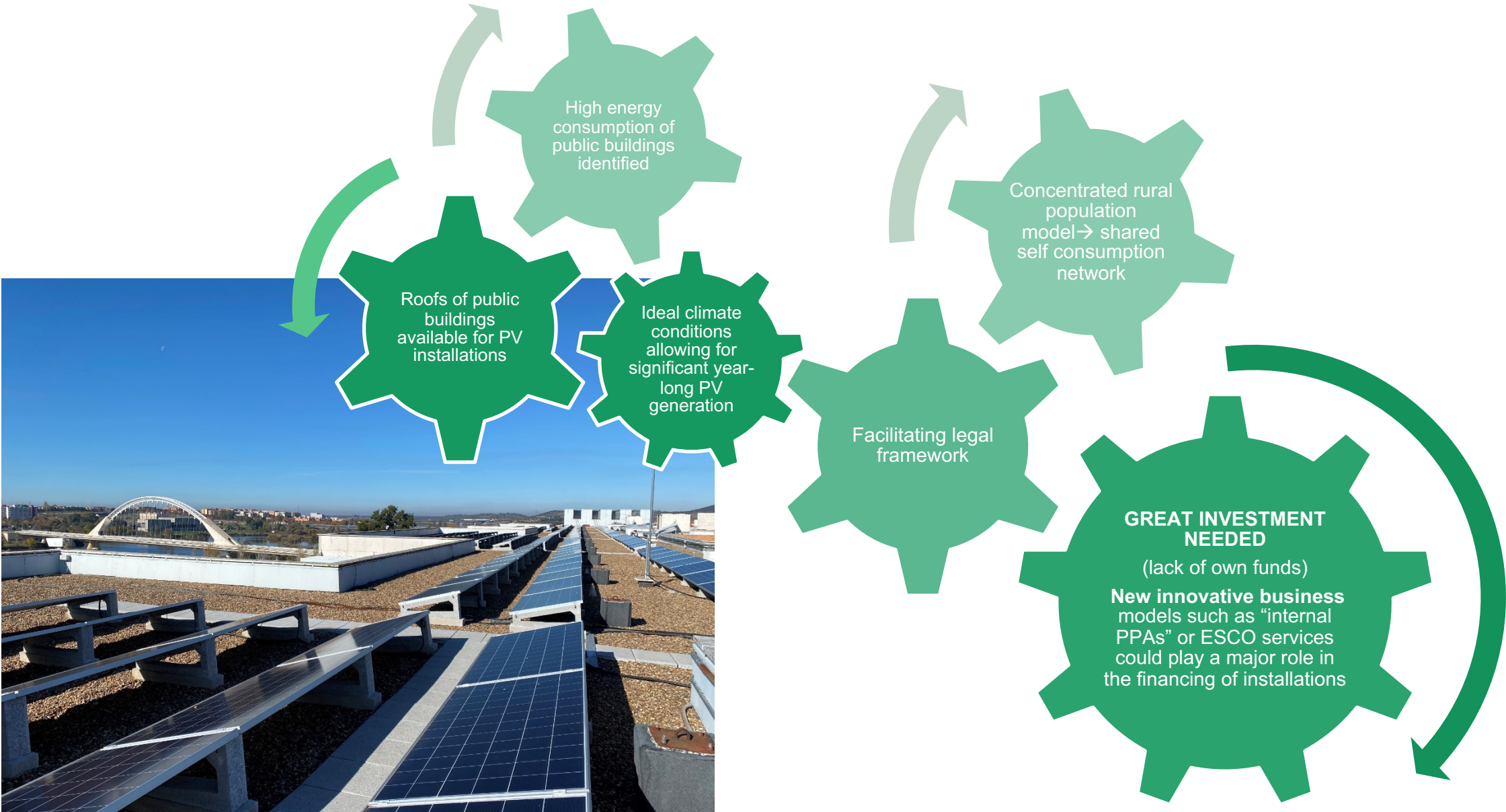
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 Date: 07/06/2019  
 Category: Finance, Instrument...



# Opportunities for FINANCIAL INSTRUMENTS for RES in the public sector



# Potential FINANCIAL INSTRUMENTS & strategies identified for RES in the public sector

## PPA

- \* Pay for the **ENERGY** generated
- \* More stability in energy prices
- \* More competitive energy prices
- \* No initial investment, the developer invests, designs, installs, operates and maintains
- \* Operation and maintenance risk is on the side of the solar developer

## Leasing

- \* Pay for the **INSTALLATION**
- \* No initial investment
- \* Monthly payments
- \* Energy savings in energy bills
- \* Ownership of the PV once the installation is paid
- \* Maintenance not included

## Renting

- \* Pay for the **INSTALLATION**
- \* No initial investment
- \* Monthly payments
- \* Energy savings in energy bills
- \* Maintenance can be included
- \* Option to purchase the power plant after a certain number of years

## Solar communities As a service

- \* The developer is the owner of the installation
- \* No investment or maintenance cost needed
- \* Energy savings
- \* Possibility to do it with other private and public buildings close to the PV installation (<500m) → Involvement of citizens
- \* Complete service

PROJECT BUNDLING

## Barriers of FINANCIAL INSTRUMENTS for RES in the public sector



- 1 • Low awareness of the benefits of using FIs for RES public investments
- 2 • Public Procurement Law
- 3 • Lack of experience of public sector using FIs
- 4 • Legal and Technical assistance needed for tender process

## Key lessons learned from FIRESPOL project for public RES finance



Large scale RES are mainly financed by Project Finance

No specific FIs identified for RES in public buildings during FIRESPOL

Some examples of ESCOs for RES and EE measures in public buildings identified

There is a great opportunity for FIs for public RES finance

Legal & Technical assistance is required for implementation





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Thank you!

Questions welcome



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