

# Procedure file

Basic information	
COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed <a href="#">2010/0150(COD)</a>
Programme to aid economic recovery: financial assistance to projects in the field of energy, European Energy Efficiency Fund (EEEEF) Amending Regulation (EC) No 663/2009 <a href="#">2009/0010(COD)</a>	
Subject 3.60.05 Alternative and renewable energies 3.60.08 Energy efficiency 8.70.60 Previous annual budgets	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>ITRE</b> Industry, Research and Energy	S&D <a href="#">VAN BREMPT Kathleen</a>	15/06/2010
		Shadow rapporteur PPE <a href="#">CANCIAN Antonio</a> ALDE <a href="#">EK Lena</a> Verts/ALE <a href="#">TURMES Claude</a> ECR <a href="#">TOŠENOVSKÝ Evžen</a> EFD <a href="#">TZAVELA Niki</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
	<b>BUDG</b> Budgets	S&D <a href="#">GEIER Jens</a>	02/06/2010
	<b>REGI</b> Regional Development	The committee decided not to give an opinion.	
Council of the European Union	Council configuration	Meeting	Date
	<a href="#">Employment, Social Policy, Health and Consumer Affairs3053</a>		06/12/2010
European Commission	Commission DG	Commissioner	
	<a href="#">Regional and Urban Policy</a>	OETTINGER Günther	

Key events			
31/05/2010	Legislative proposal published	<a href="#">COM(2010)0283</a>	Summary
15/06/2010	Committee referral announced in Parliament, 1st reading		
26/10/2010	Vote in committee, 1st reading		Summary

27/10/2010	Committee report tabled for plenary, 1st reading	<a href="#">A7-0246/2010</a>	
11/11/2010	Results of vote in Parliament		
11/11/2010	Debate in Parliament		
11/11/2010	Decision by Parliament, 1st reading	<a href="#">T7-0395/2010</a>	Summary
06/12/2010	Act adopted by Council after Parliament's 1st reading		
15/12/2010	Final act signed		
15/12/2010	End of procedure in Parliament		
30/12/2010	Final act published in Official Journal		

### Technical information

Procedure reference	2010/0150(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
	Amending Regulation (EC) No 663/2009 <a href="#">2009/0010(COD)</a>
Legal basis	Treaty on the Functioning of the EU TFEU 194-p2
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/7/03041

### Documentation gateway

Legislative proposal		<a href="#">COM(2010)0283</a>	31/05/2010	EC	Summary
Committee draft report		<a href="#">PE443.045</a>	28/06/2010	EP	
Committee opinion	<b>BUDG</b>	<a href="#">PE445.700</a>	14/07/2010	EP	
Amendments tabled in committee		<a href="#">PE445.669</a>	15/07/2010	EP	
Economic and Social Committee: opinion, report		<a href="#">CES1188/2010</a>	15/09/2010	ESC	
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A7-0246/2010</a>	27/10/2010	EP	
Text adopted by Parliament, 1st reading/single reading		<a href="#">T7-0395/2010</a>	11/11/2010	EP	Summary
Draft final act		<a href="#">00051/2010/LEX</a>	15/12/2010	CSL	
Commission response to text adopted in plenary		<a href="#">SP(2011)610</a>	26/01/2011	EC	
Follow-up document		<a href="#">COM(2014)0686</a>	30/10/2014	EC	Summary
Follow-up document		SWD(2014)0335	30/10/2014	EC	Summary
Follow-up document		<a href="#">COM(2015)0484</a>	08/10/2015	EC	

Follow-up document		<a href="#">SWD(2015)0191</a>	08/10/2015	EC	
Follow-up document		<a href="#">COM(2016)0743</a>	30/11/2016	EC	Summary
Follow-up document		<a href="#">SWD(2016)0374</a>	30/11/2016	EC	
Follow-up document		<a href="#">COM(2018)0086</a>	05/03/2018	EC	Summary
Follow-up document		<a href="#">SWD(2018)0048</a>	05/03/2018	EC	
Follow-up document		<a href="#">COM(2020)0038</a>	10/02/2020	EC	Summary
Follow-up document		<a href="#">SWD(2020)0012</a>	10/02/2020	EC	
Follow-up document		<a href="#">COM(2020)0476</a>	03/09/2020	EC	
Follow-up document		<a href="#">SWD(2020)0169</a>	09/09/2020	EC	
Follow-up document		<a href="#">COM(2021)0670</a>	26/11/2021	EC	
Follow-up document		<a href="#">SWD(2021)0306</a>	26/11/2021	EC	
Follow-up document		<a href="#">COM(2022)0385</a>	05/08/2022	EC	
Follow-up document		<a href="#">SWD(2022)0204</a>	05/08/2022	EC	

#### Additional information

National parliaments	<a href="#">IPEX</a>
European Commission	<a href="#">EUR-Lex</a>

#### Final act

[Regulation 2010/1233](#)  
[OJ L 346 30.12.2010, p. 0005](#) Summary

## Programme to aid economic recovery: financial assistance to projects in the field of energy, European Energy Efficiency Fund (EEEF)

**PURPOSE:** to amend Regulation (EC) No 663/2009 establishing a programme to aid economic recovery by granting Community financial assistance to projects in the field of energy.

**PROPOSED ACT:** Regulation of the European Parliament and of the Council.

**BACKGROUND:** [Regulation \(EC\) no 663/2009](#) established a programme to aid economic recovery for Europe (EEPR) by granting ?3.98 billion by the end of 2010. This Community financing was allocated to three sub-programmes in the field of gas and electricity infrastructure projects; offshore wind electricity projects (OWE), and carbon capture and storage projects (CCS).

It is estimated in the [report from the Commission](#) of 27 April 2010 on the implementation of the EEPR that almost the entire EEPR financial envelope will be committed in the course of spring 2010. An amount of around ?114 million will however not be committed under the EEPR Regulation. The amount of uncommitted funds will be known by the end of 2010.

In the spirit of the [Europe 2020 strategy](#) for sustainable growth and jobs, the development of further renewable sources and the promotion of energy efficiency would contribute to Greener Growth, building a competitive and sustainable economy, and tackling climate change. By giving support to these policies, Europe will create new jobs and green market opportunities fostering the development of a competitive, secure and sustainable economy.

Providing for increased financial incentive and technical assistance is a key element to address the barriers of high up-front cost and lack of information and stimulate sustainable energy improvements. In a market constrained by the prevailing economical crises and in a time of caution by commercial banks, generating low investment rates, there are additional barriers for project financing to promote this policy area. Existing experiences across Europe demonstrate how well-targeted and well-designed financial aid policies can lead to massive improvement and succeed to tap the development potential of sustainable energy. Investments help in sustainable energy can be most effective and beneficial when targeted at municipal and local levels.

In the [2nd Strategic Energy Review](#), the European Commission's announced its intention to launch a Sustainable Energy Financing Initiative in cooperation with the European Investment Bank and other International Financial Institutions (IFIs) in order to establish appropriate financing mechanisms for the massive development of energy efficiency and renewable energies.

A dedicated financial instrument to support energy efficiency and renewable initiatives within the Sustainable Energy Financing Initiative should therefore be created to use the uncommitted funds under Chapter II of Regulation (EC) No 663/2009.

IMPACT ANALYSIS: no impact analysis was carried out.

LEGAL BASIS: Article 194(1)(c) of the Treaty on the functioning of the European Union (TFEU).

CONTENT: the Commission is proposing to use the uncommitted funds under Chapter II of the EERP Regulation for the creation of a dedicated financial instrument to support energy efficiency and renewable initiatives within the Sustainable Energy Financing Initiative. The financial facility shall support the development of bankable energy efficiency and renewable energy projects and facilitate the financing of investments in energy efficiency and renewable energy, in particular in urban settings. In order to foster a large number of decentralised investments, municipal, local and regional public authorities will be the beneficiaries. The approach will build up on the success of the Covenant of Mayors, signed up by more than 1600 regions and cities across Europe.

The sustainable energy projects to be financed include public and private buildings, high energy efficient combined heat and power (CHP) and district heating/cooling networks (in particular from renewable energy sources), decentralised renewable energy sources embedded in local settings, clean urban transport and local infrastructure such as smart grids, efficient street lighting, and smart metering.

So as to maximise the impact of the EU funding in the short term, the facility should be managed by one or several financial intermediaries such as International Financial Institutions (IFIs). The selection should be operated on the basis of the demonstrated capacity of the financial intermediaries to use the funding in the most efficient and effective way and with the highest leverage between the EU funding and the total investment in order to raise significant investments in the EU.

In compliance with Regulation (EC) No 663/2009, the facility should be limited to the financing of measures that have a rapid, measurable and substantial impact on economic recovery within the EU, increased energy security and reduction of greenhouse gas emissions. The criteria set out in Regulation (EC) No 663/2009 should fully apply to the selection and eligibility of the measures financed under the facility. The geographical balance of the projects should also be taken into account as an essential element.

Since the exact amount of uncommitted funds may be known just by the end of 2010, individual legal commitments implementing budgetary commitments should be made by 31 March 2011.

Due to the urgent need to address the economic crises and the Union's pressing energy needs, expenditure should be eligible as from 13 July 2009 as many applicants requested the eligibility of expenditure from the submission of the grant application in line with Regulation (EC, Euratom) No 1605/2002 (Financial Regulation).

BUDGETARY IMPLICATION: this proposal has no implication for the European Union's budget.

## Programme to aid economic recovery: financial assistance to projects in the field of energy, European Energy Efficiency Fund (EEEF)

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The Committee on Industry, Research and Energy adopted the report drafted by Kathleen VAN BREMPT (S&D, BE) on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EC) No 663/2009 establishing a programme to aid economic recovery by granting Community financial assistance to projects in the field of energy (EERP).

It recommended that the European Parliament's position at first reading under the ordinary legislative procedure (formerly known as the codecision procedure) should be to amend the Commission proposal as follows:

Financial Facility: the report states that the facility shall be limited to the financing of investment projects and technical assistance for renewable energy and energy efficiency projects. Such investment projects contribute to green growth, the development of a competitive, connected, sustainable and green economy, as well as to the protection of employment, job creation and tackling climate change, in accordance with the "[Europe 2020](#)" objectives. These shall include, in particular, projects concerning:

- microgeneration from renewable energy sources;
- clean urban transport to support increased energy efficiency and integration of renewable energy sources, with an emphasis on public transport, electric and hydrogen vehicles and reduced greenhouse gas emissions;
- local infrastructure, including efficient lighting of outdoor public infrastructure including street lighting, electricity storage solutions, smart metering, and smart grids, that make full usage of ICT;
- energy efficiency and renewable energy technologies with innovation and economic potential using the best available procedures.

The facility shall sustain investment projects demonstrating an economic and financial viability, in order to refund the investments allocated by the facility and to attract public and private investments.

Furthermore, up to 15% of the funding that cannot be committed under Chapter II of Regulation (EC) 663/2009 may be used to provide technical assistance to local, regional or national, authorities on the setting up of, and on the initial deployment phase of technology related to, energy efficiency and renewable energy projects.

Financial intermediaries: the proposal provides that the financial facility should be managed by one or several financial intermediaries. According to the report, the financial intermediaries shall endeavour to allocate all the funding from the Union contribution available in the facility to investment projects and to technical assistance for renewable energy and energy efficiency projects by 31 March 2014. No funding from the Union contribution shall be allocated after that date.

All funding from the Union contribution not allocated by the financial intermediaries by 31 March 2014 shall be returned to the Union budget. The funding from the Union contribution allocated to investment projects shall remain invested for a specified length of time that may not extend beyond 31 March 2034.

The Union shall be entitled to returns on its investment in the facility throughout the lifetime of the facility, in proportion to its contribution to the facility and in accordance with its shareholder rights.

The selection of such financial intermediaries should take place on the basis of their demonstrated ability to use the funding in the most

efficient and effective way, with the objective of maximising the participation, within the shortest possible time, of other public and private investors.

Funding that cannot be committed under Chapter II of Regulation (EC) 663/2009: funding which cannot be subject to individual legal commitments under Chapter II for an amount of EUR 146.344.644,50 shall be for the facility for the purpose of developing suitable funding instruments in cooperation with financial institutions.

Eligibility of expenditure: due to the urgent need to address the economic crisis, the report states that expenditure incurred under Chapter II of Regulation (EC) 663/2009 should be eligible as from 13 July 2009. Expenditure incurred under Chapter IIa should be eligible as from 1 January 2011.

Synergies: Members consider that when granting financial or technical assistance, attention shall also be paid to synergies with other financial resources available in the Member States, such as the Structural and Cohesion Funds and the European Local Energy Assistance (ELENA) Facility, in order to avoid overlaps with other instruments. The facility shall make available online all information on programme management that is relevant for interested parties.

Factors to be taken into account: as regards the selection of projects, particular attention shall be paid to the geographical balance.

As regards the financing of investment projects, the leverage factor for individual investment projects may vary, depending on a number of factors such as the actual size and type of a project and on local conditions including the size and financial capabilities of the beneficiary.

Conditions for public authorities' access to financing under the facility: public authorities requesting financing shall comply with the following conditions:

- they have made, or are making, a political commitment to mitigate climate change, where appropriate including concrete objectives, for example relating to increasing energy efficiency and/or the use of energy from renewable sources;
- they are either working towards developing multi-annual strategies to mitigate climate change and, where appropriate, to attain their objectives, or are participating in a multi-annual strategy at local, regional or national level to mitigate climate change.

Evaluation and reporting: by 30 June 2013 the Commission shall submit a mid-term evaluation report on the measures taken under the Financial Facility. The report shall be accompanied by a legislative proposal for the continuation of the facility.

## Programme to aid economic recovery: financial assistance to projects in the field of energy, European Energy Efficiency Fund (EEEF)

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The European Parliament adopted by 582 votes to 27, with 7 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EC) No 663/2009 establishing a programme to aid economic recovery by granting Community financial assistance to projects in the field of energy (EERP).

The European Parliament adopted its position at first reading under the ordinary legislative procedure (formerly known as the codecision procedure). The amendments adopted in plenary are the result of a compromise negotiated between the European Parliament and the Council.

Financial Facility: the resolution states that the financial facility shall be used for the development of energy saving, energy efficiency and renewable energy projects and shall facilitate the financing of investments in those areas by local, regional and, in duly justified cases, national public authorities. Such investment projects contribute to green growth, the development of a competitive, connected, sustainable and green economy, as well as to the protection of employment, job creation and tackling climate change, in accordance with the "[Europe 2020](#)" objectives. These shall include, in particular, projects concerning:

The facility shall be used for sustainable energy projects, in particular in urban settings. This shall include, in particular, projects concerning :

- public and private buildings incorporating energy efficiency and/or renewable energy solutions including those based on the usage of Information and Communication Technologies (ICT);
- investments in high energy efficient combined heat and power (CHP), including micro-cogeneration, and district heating/cooling networks, in particular from renewable energy sources;
- decentralised renewable energy sources embedded in local settings and their integration in electricity grids ;
- microgeneration from renewable energy sources;
- clean urban transport to support increased energy efficiency and integration of renewable energy sources, with an emphasis on public transport, electric and hydrogen vehicles and reduced greenhouse gas emissions ;
- local infrastructure, including efficient lighting of outdoor public infrastructure, such as street lighting, electricity storage solutions , smart metering, and smart grids, that make full usage of ICT;
- energy efficiency and renewable energy technologies with innovation and economic potential using the best available procedures.

The facility shall sustain investment projects demonstrating an economic and financial viability, in order to refund the investments allocated by the facility and to attract public and private investments.

Furthermore, up to 15% of the funding that cannot be committed under Chapter II of Regulation (EC) 663/2009 may be used to provide technical assistance to local, regional or national, authorities on the setting up of, and on the initial deployment phase of technology related to, energy efficiency and renewable energy projects.

It should be noted that the facility should not constitute a precedent with regard to the use of the Union budget and possible future funding measures, including in the energy sector, but should be considered rather as an exceptional measure adopted during a period of economic difficulty

Financial intermediaries: the financial facility should be managed by one or several financial intermediaries. According to the amended text, the financial intermediaries shall endeavour to allocate all the funding from the Union contribution available in the facility to investment projects and to technical assistance for renewable energy and energy efficiency projects by 31 March 2014. No funding from the Union contribution shall be allocated after that date.

All funding from the Union contribution not allocated by the financial intermediaries by 31 March 2014 shall be returned to the Union budget. The funding from the Union contribution allocated to investment projects shall remain invested for a specified length of time that may not extend beyond 31 March 2034.

The Union shall be entitled to returns on its investment in the facility throughout the lifetime of the facility, in proportion to its contribution to the facility and in accordance with its shareholder rights.

The selection of such financial intermediaries should take place on the basis of their demonstrated ability to use the funding in the most efficient and effective way, with the objective of maximising the participation, within the shortest possible time, of other public and private investors.

Funding that cannot be committed under Chapter II of Regulation (EC) 663/2009: funding which cannot be subject to individual legal commitments under Chapter II for an amount of EUR 146.344.644,50 shall be for the facility for the purpose of developing suitable funding instruments in cooperation with financial institutions.

Eligibility of expenditure: due to the urgent need to address the economic crisis, the resolution states that expenditure incurred under Chapter II of Regulation (EC) 663/2009 should be eligible as from 13 July 2009. Expenditure incurred under Chapter IIa should be eligible as from 1 January 2011.

Synergies: Parliament considers that when granting financial or technical assistance, attention shall also be paid to synergies with other financial resources available in the Member States, such as the Structural and Cohesion Funds and the European Local Energy Assistance (ELENA) Facility, in order to avoid overlaps with other instruments. The facility shall make available online all information on programme management that is relevant for interested parties.

Factors to be taken into account: as regards the selection of projects, particular attention shall be paid to the geographical balance.

As regards the financing of investment projects, the leverage factor for individual investment projects may vary, depending on a number of factors such as the actual size and type of a project and on local conditions including the size and financial capabilities of the beneficiary.

Conditions for public authorities' access to financing under the facility: public authorities requesting financing shall comply with the following conditions:

- they have made, or are making, a political commitment to mitigate climate change, where appropriate including concrete objectives, for example relating to increasing energy efficiency and/or the use of energy from renewable sources;
- they are either working towards developing multi-annual strategies to mitigate climate change and, where appropriate, to attain their objectives, or are participating in a multi-annual strategy at local, regional or national level to mitigate climate change.

Evaluation and reporting: by 30 June 2013 the Commission shall submit a mid-term evaluation report on the measures taken under the Financial Facility. The report shall be accompanied by a legislative proposal for the continuation of the facility.

## Programme to aid economic recovery: financial assistance to projects in the field of energy, European Energy Efficiency Fund (EEEF)

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**PURPOSE:** to create a dedicated financial instrument to support energy efficiency and renewable initiatives within the Sustainable Energy Financing Initiative.

**LEGISLATIVE ACT:** Regulation (EU) No 1233/2010 of the European Parliament and of the Council amending Regulation (EC) No 663/2009 establishing a programme to aid economic recovery by granting Community financial assistance to projects in the field of energy.

**CONTENT:** following a first-reading agreement reached with the European Parliament, the Council adopted this Regulation allowing for the financing of investment projects in the area of energy efficiency and energy from renewable sources, by local, regional and national public authorities, in particular in urban settings.

The total amount allocated to this financial facility is EUR 146.3 million which comes from unspent funds from the European Energy Programme for Recovery as established by regulation 663/2009, in line with the Commission declaration annexed to the regulation.

Regulation 663/2009 established a programme to aid economic recovery in Europe by granting EUR 3.98 billion for 2009 and 2010 to projects in the field of energy, in particular gas and electricity infrastructure, offshore wind electricity and carbon capture and storage (CCS).

The facility shall be used, in particular, for projects concerning:

- public and private buildings incorporating energy efficiency and/or renewable energy solutions including those based on the usage of Information and Communication Technologies (ICT);
- investments in high energy efficient combined heat and power (CHP), including micro-cogeneration, and district heating/cooling networks, in particular from renewable energy sources;
- decentralised renewable energy sources embedded in local settings and their integration in electricity grids;
- micro-generation from renewable energy sources;
- clean urban transport to support increased energy efficiency and integration of renewable energy sources, with an emphasis on public transport, electric and hydrogen vehicles and reduced greenhouse gas emissions;
- local infrastructure, including efficient lighting of outdoor public infrastructure such as street lighting, electricity storage solutions, smart metering, and smart grids, that make full usage of ICT;
- energy efficiency and renewable energy technologies with innovation and economic potential using the best available procedures.

The facility may be also used to provide incentives and technical assistance as well as to raise the awareness of local, regional and national

authorities so as to ensure optimal use of the Structural and Cohesion Funds, in particular in the areas of energy efficiency and renewable energy improvements in housing and other types of buildings. The facility shall sustain investment projects demonstrating an economic and financial viability, in order to refund the investments allocated by the facility and to attract public and private investments.

Thus, the facility may, inter alia, include provisioning and capital allocation for loans, guarantees, equity and other financial products. Furthermore, up to 15% of the funding may be used to provide technical assistance to local, regional or national, authorities on the setting up of, and on the initial deployment phase of technology related to, energy efficiency and renewable energy projects.

To maximise the impact of the Union funding in the short term, the facility should be managed by one or more financial intermediaries such as international financial institutions.

Evaluation report: by 30 June 2013, the Commission shall submit to the European Parliament and the Council a mid-term evaluation report on the measures taken under the financial facility. The report shall, if appropriate, be accompanied by a legislative proposal for the continuation of the facility.?

ENTRY INTO FORCE: 30/12/2010.

## Programme to aid economic recovery: financial assistance to projects in the field of energy, European Energy Efficiency Fund (EEEF)

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The Commission presented a report on the implementation of the European Energy Programme for Recovery (EEPR) and the European Energy Efficiency Fund (EEEF).

As a reminder, in December 2010, EUR 146.3 million from the [European Energy Programme for Recovery](#) (EEPR) were allocated to a financial facility for sustainable energy projects. EUR 125 million were used as the EU contribution to the European Energy Efficiency Fund (EEEF), created in July 2011.

The EEEF provides tailored financing (both debt and equity instruments) for energy efficiency, renewable energy and clean urban transport projects.

From its creation to 31st December 2015, the EEEF has signed contracts with ten projects for EUR 117 million, which have generated EUR 219 million of final investments. Its investments have achieved savings of close to 223 300 tons of CO<sub>2</sub> and Primary Energy Savings of 102 790 MWh.

In 2015, the EEEF provided financial support to energy efficiency upgrades of 32 buildings at the Universidad Politécnica de Madrid in Spain. The project involves the replacement of existing oil boilers providing hot water and heating. The project will unlock 27% of Primary Energy Savings and 45% CO<sub>2</sub> savings annually compared to baseline.

For 2016, the project pipeline contains 9 projects with a total volume of EUR 253 million for which the envisaged EEEF share is EUR 92 million.

The report concluded that the EEEF has progressively established a solid track record of profitable investments. It has also been successful: (i) a commercial fund was established to provide financing solutions; (ii) the EEEF also serves as a role model for innovative financial instruments investing in cost-effective and mature sustainable energy projects that can attract private capital.

## Programme to aid economic recovery: financial assistance to projects in the field of energy, European Energy Efficiency Fund (EEEF)

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The Commission presented a report on the implementation of the [European Energy Programme for Recovery](#) (EEPR) and the European Energy Efficiency Fund (EEEF).

As a reminder, in December 2010, EUR 146.3 million from the European Energy Programme for Recovery (EEPR) were allocated to a financial facility for sustainable energy projects. EUR 125 million were used as the EU contribution to the European Energy Efficiency Fund (EEEF), created in July 2011 and which has reached a total volume of EUR 265 million, supported by a Technical Assistance grant facility with a budget of EUR 20 million and EUR 1.3 million for awareness-raising activities.

The EEEF provides tailored financing (both debt and equity instruments) for energy efficiency, renewable energy and clean urban transport projects.

In 2016, a new transaction was added to the Funds portfolio. Ore Valley Housing Association (OVHA) has reached financial close with EEEF on a project worth £4.6 million. The money will fund the development of wind turbine sites in Fife-Scotland, plus an innovative funding scheme replacing 200 heating systems for OVHA homes. This was EEEFs first community based transaction within the UK, and is the result of a four-year long co-operative effort between EEEF and OVHA.

From its creation to 31st December 2016, the EEEF has signed contracts with 11 projects for EUR 121 million, which have generated EUR 224 million of final investments. Its investments have achieved savings of close to 249 000 tons of CO<sub>2</sub> and Primary Energy Savings<sup>4</sup> of 308 802 MWh.

In November 2016, the European Energy Efficiency Fund also launched a new facility for Technical Assistance (TA). Following on from the European Commissions TA facility, managed by EEEF, the Fund has set up a new tool to support ambitious public beneficiaries with bankable sustainable energy investment projects. Such projects shall relate to the energy efficiency sector, small-scale renewable energy and/or public transport initiatives.

EEEF is supporting beneficiaries regions, city councils, universities, public hospitals and other public entities located in the 28 EU Member States by way of allocating consultancy services to the planned investments, for instance performing feasibility studies, energy audits, legal services and analysis of economic viability.

EEEF TA Facility has received funding from the ELENA facility under the Horizon 2020 Programme of the European Union.

The report concluded that the EEEF has progressively established a solid track record of profitable investments and will actively look for additional senior investors to leverage the EU contribution further.

For 2017, the project pipeline contains 17 projects with a total volume of EUR 337 million for which the envisaged EEEF share is EUR 142 million. The EEEF will continue to seek to broaden its geographical coverage, where project and market conditions permit.

## Programme to aid economic recovery: financial assistance to projects in the field of energy, European Energy Efficiency Fund (EEEF)

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This Commission report reviews, for each part of the European Energy Programme for Recovery (EEPR), the progress made in implementing the projects and the European Energy Efficiency Fund (EEEF). Following the previous report, adopted in 2018, it covers the implementation of projects between 31 August 2016 and 31 December 2018, as well as payments made during this period.

The report concludes that the EEPR has delivered good results. It has played a key role in providing financial support for major infrastructure of common interest for the integration of gas and electricity markets and the enhancement of security of supply.

### Overall implementation of projects

By the end of December 2018, 43 out of 59 projects (6 more than in 2017) had been completed, with payments to beneficiaries totalling EUR 2 514 424 758 (after deduction of recovery orders amounting to EUR 196 099 270.83). As regards gas and electricity infrastructure, most of the projects have been completed and two projects are ongoing.

To date, 38 out of 44 infrastructure projects (three more than in 2017) have been completed, two are ongoing and four have been terminated:

- in the electricity sector, all 12 projects have been completed (two more than in 2017);
- in the gas interconnection sector, 13 of the 18 projects (one more than in 2017) have been completed, two projects are progressing according to the new schedule and three others have been terminated;
- in the sector of reverse flow and interconnection projects in Central and Eastern Europe, 13 projects have been completed and the Commission terminated one project in Romania in September 2014.

Since the last report on the implementation of the EEPR, the following projects have made progress:

- the Interconnector Greece-Bulgaria, a key route to bringing gas from the trans-Adriatic pipeline northwards as well as Greek LNG;
- the implementation of a natural gas terminal in Cyprus which will contribute to the diversification of Cyprus' energy mix and help to end the island's energy isolation.

To date, these two ongoing projects are expected to be completed by the end of 2021 and 2022 respectively.

The strict control exercised by the European Commission in the implementation and monitoring of the projects has contributed to increase the efficiency of the instrument.

### Offshore Wind Energy Projects

This part of the EEPR consisted of nine projects receiving support totalling EUR 565 million. Four of the nine projects were completed, while two others were prematurely terminated. EUR 341 639 214 (after deduction of recovery orders) was paid to the projects. The three remaining projects are ongoing.

With regard to the Aberdeen offshore wind farm, the eleven wind turbines with the world's largest capacity went into operation on 1 July 2018 at the Vattenfall company's Aberdeen Bay offshore wind farm.

Offshore wind projects have proved more complex than expected, but developers and constructors have been able to find solutions to bring them to a successful conclusion, sometimes by extending the duration of contracts. Over the ten years of the programme, the EEPR has contributed to the acquisition of technological knowledge and the development of offshore wind turbine interconnection technologies.

### Carbon Capture and Storage (CCS)

This part of the EEPR included six projects and EUR 1 billion to support the demonstration of the full carbon capture, transport and storage process. EUR 387 211 547 (after deduction of recovery orders for a total amount of EUR 48 660 666.85) was paid to these projects.

Although financial support from the EEPR is not sufficient to provide incentives for companies to carry out CCS demonstration projects on a commercial scale, the Commission considers CCS to be important for decarbonation (the only reliable technology for long-term storage of carbon dioxide), for the EU in general and for carbon and energy intensive industries in particular.

### European Energy Efficiency Fund (EEEF)

In December 2010, EUR 146.3 million from the European Energy Programme for Recovery (EEPR) was allocated to a financial facility for sustainable energy projects. An EU contribution of EUR 125 million was paid to the European Energy Efficiency Fund (EEEF).

The fund, which was established in July 2011 with a total volume of EUR 265 million, is supported by a grant facility for technical assistance with a budget of EUR 20 million and EUR 1.3 million for awareness raising activities.

The EEEF has invested in several energy efficiency projects and shall continue to expand its project portfolio, offering financing solutions and generating profits for its shareholders. The EEEF also serves as a model for innovative financial instruments investing in cost-effective and mature sustainable energy projects that can attract private capital while demonstrating the business case behind these investments and creating a credible track record.



