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Green • Clean • Sustainable

Energy Efficiency is an Industry Disruptor

EBEA & IENE CONFERENCE | May 27, 2025

What is Energy Efficiency ?

Energy Efficiency is "an energy source in its own right". By the end of the decade – 2030 – more energy will be saved than the amount of oil-based energy consumed then!

Energy Efficiency is expected to actually become the "Top fuel in the global market".

It appears we have to heavily invest in Energy Efficiency initiatives in order to achieve the 2030 climate and energy targets.

Why Energy Efficiency Needs Financing

-High upfront costs, long payback periods
-Public funds not enough
-Private capital is essential
-Efficiency = cost savings + emissions reduction

Energy Efficiency as a Green Bond Category

Green Bond Principles include EE
Eligible projects:

- Building retrofits
- Smart grids
- Industrial upgrades

Benefits of Green Bonds for Energy Efficiency

- ✓ Lower cost of capital
- ✓ Access to ESG investors
- ✓ Long-term financing
- ✓ Visibility & accountability

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Challenges

Small project size

High MRV burden

Standardization issues

Access for small issuers

Conclusion

Green Bonds:
A scalable, credible solution to fund energy efficiency at the pace required by climate goals.

Project Highlight :Bristol City Leap, UK

World First Approach Towards Decarbonisation at City-Scale

Technology Type:

Energy Efficiency | Wind Power | Solar Power |
EV Charging | Operations & Maintenance

Concession Agreement Term

20 years

City-Wide Project Span

34 ward areas

Estimated Five-Year Results

Carbon Reduction

140,000 tonnes

Project Size

£424M

Solution

Ameresco, in partnership with Vattenfall, will work with energy groups, city stakeholders and local Bristol businesses to install a full range of technologies aimed at optimising city-wide electrical infrastructure. The development and implementation of ongoing low-carbon, energy resilient investments will confirm Bristol as a global leader in meeting climate emergency targets. The project includes:

- ✓ Energy efficiency upgrades
- ✓ Wind and solar services
- ✓ Optimising city-wide electrical infrastructure
- ✓ Project financing
- ✓ Long-term operation and maintenance
- ✓ Generate zero-carbon energy

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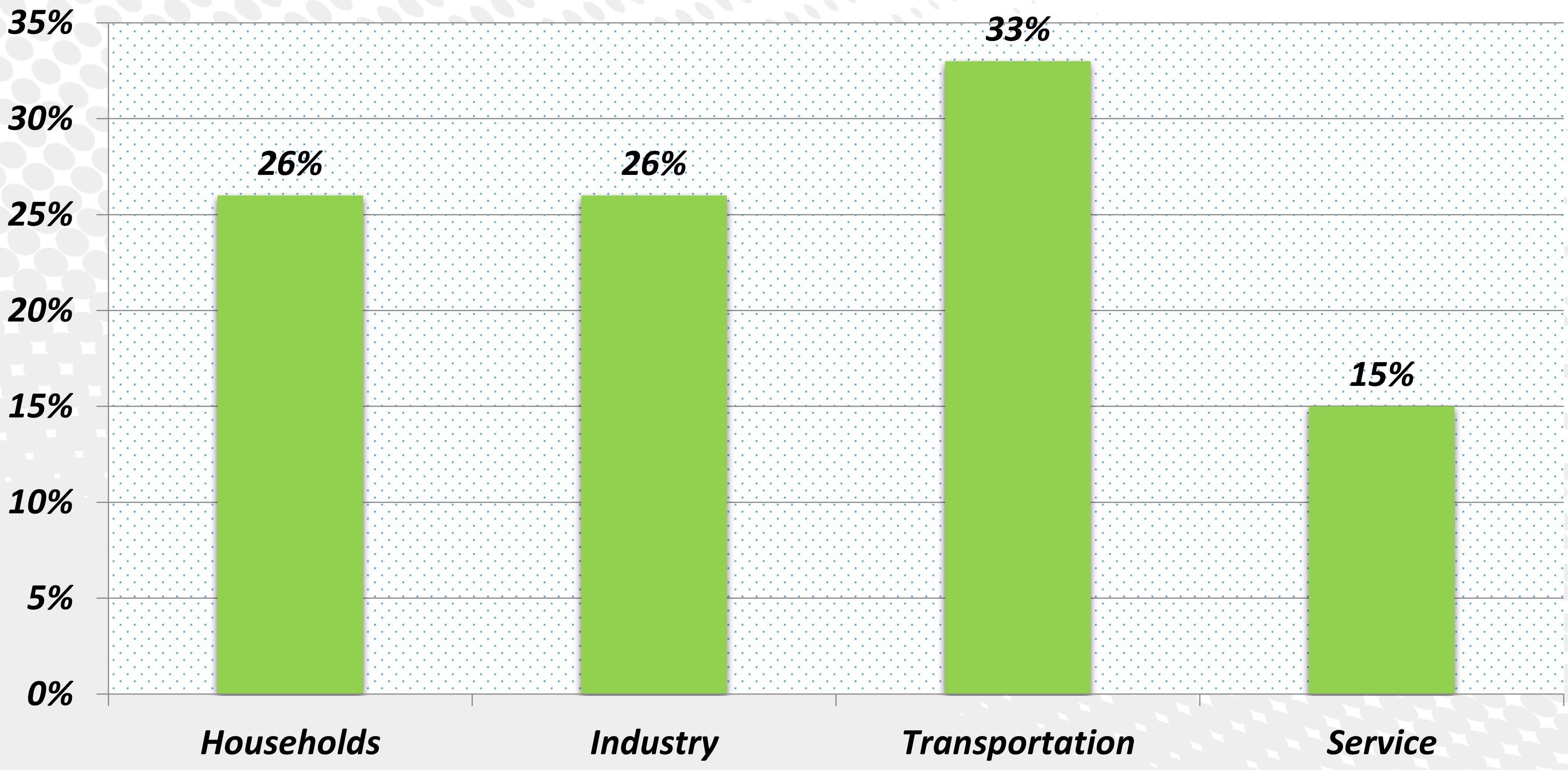
How can Energy Efficiency be used to help us achieve the energy objectives?

The energy consumption in Europe.



Industries We Serve

- Airports
- Colleges & Universities
- Federal Government
- Healthcare Facilities
- Industrial & Manufacturin g
- K-12 Schools
- Public Housing
- Retail & Commercial
- State & Municipal Government
- Utilities
- Water Utilities

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Ameresco's Experience Spans Markets & Solutions

Ameresco's European Portfolio

Building the Ameresco Portfolio in Europe since 2013

- Energy Efficiency
- Wind
- Solar
- Combined Heat & Power
- Interior LED Lighting
- LED Streetlighting
- Decarbonization

Let's examine the public sector. It would be ideal to look at the heavy energy users first:

- *Hospitals*
- *Universities*
- *Schools*
- *Government*
- *Military*

Financing alternatives include:

Public funds from Public investment budget

EU contributions

subsidies grants

Loans from EU banks: EBRD, EIB, GR

Public Private Partnerships

Esco financing: Energy Service Performance Contract (ESPC)

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We may now follow the private sector.

The top priorities for energy efficiency initiatives would be:

- *Industrial facilities*
- *Hospitals*
- *Office buildings*
- *Residential buildings*
- *Supply chain installations*
- *Hotels*
- *Store & office chains*

Financing sources may include:

- *Company's own funds*
- *Bank loans: burden on the Balance Sheet*
- *Government subsidy/grant*
- *EU subsidy/grant*
- *Third party financing*
- *Esco funding*
- *ESPC*
- *Power Purchase Agreement (PPA)*

How to secure financing and make it happen!

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A

- Open and honest discussion with client as to his/her objectives
- Detailed facility audit by a professional team

B

- Preliminary proposal
- Sensitivity analysis

C

- Operation & maintenance is a critical factor in securing the longevity of the project
- You are in good shape. Closing is around the corner.

Financing

- It depends on the credibility of the energy proposal
- Banks/financial institutions wish to mitigate the risk
- Esco's credibility & reliability is the primary guarantee on performance
- Insurance companies provide coverage
- Make sure the bank has a full understanding of the project, model used & savings!

Ameresco is the leading independent Energy Services integrator in North America, the United Kingdom, Italy, Romania and Greece.

Implemented energy projects total value in excess of $15.0 billion

A team of more than 1500 professionals operating in 40 US states, 5 Canadian provinces and 4 European countries

It is the trusted sustainability partner of a large number of customers with a diverse background

Our customer list includes the following:

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Schools: Grade schools & High Schools in more than 20 states

State Governments

US Federal Government

Hospitals

Universities: Arizona State University AZ, Northeastern University MA

US Armed Forces: Army, Navy, Air Force, Marines

US Cities: Boston MA, Chicago IL, New York NY, Reno NV, Phoenix, AZ

Industries: BMW, General Motors

BUILDINGS

account for 40% of Europe’s total energy consumption

BUILDINGS

75% of the building stock is energy inefficient

BUILDINGS

35% of the buildings are older than 50 years

At the current 1% annual renovation rate it would take around a century to decarbonize the building stock to modern, low carbon levels!!!

As such, financing will be needed at a much faster rate in order to reach the objectives set by the EU.

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A few tips:

The selling price of Residential Assets are 3-8% higher after Energy Efficiency improvements

↓

The rental price of Residential Assets are 3-5% higher after EE improvements

↓

The selling price of Commercial Buildings are 10-20% higher after Energy Efficiency improvement

↓

The rental price of Commercial Assets are 2-5% higher after EE improvements

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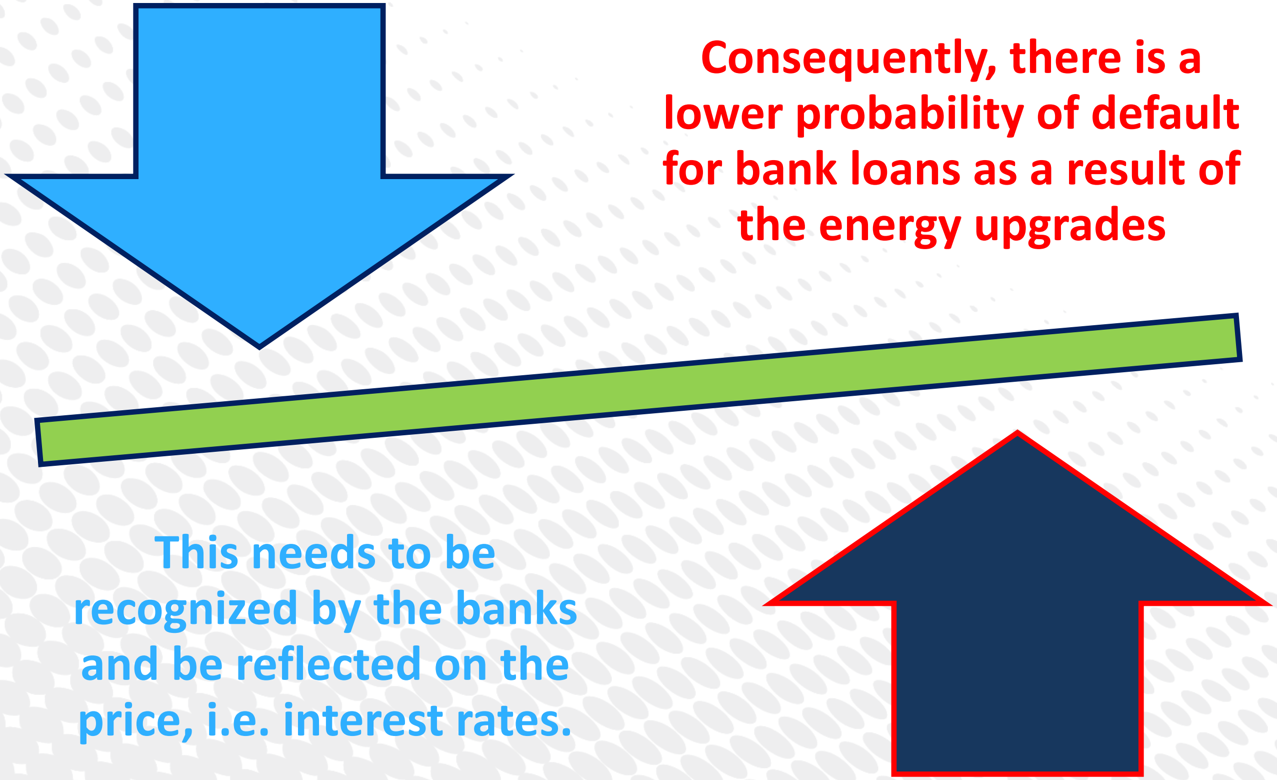

The EU Commission states that:

“The mobilization of an extra €177 billion from public and private sources is needed annually from 2021 to 2030 in order to reach climate & energy targets”.

GREEK CASE STUDY:

LED STREET LIGHTS IN MAJOR CITIES

70% of energy consumption for cities comes from street lighting

LED can reduce energy consumption by 80%, i.e. reduce the energy bill by 50-60%

Financing for Street Lighting projects in Greece:

- ✓ *Loan from EBRD via the Bank of Consignments (ΤΠ&Δ)*
- ✓ *Esco via ESPC*
- ✓ *PPP (ΣΔΙΤ)*
- ✓ *City provides financing?*

US CASE STUDY:

LED STREET LIGHTS IN THE CITY OF CHICAGO

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- **Budget: $180.0 million**

CITY OF CHICAGO

Mayor: Where to start from?

- **“Start from the South Side”.**

- **energy savings in excess of 50%**
- **crime rate reduction by 35% in the South side of Chicago**

Outcome:

When calculating the benefits of energy efficiency initiatives ,

we have to include the qualitative benefits that often far exceed the intrinsic value of the project.

Panayiotis-Peter Kontis
Vice President

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