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Welcome



Mute

Please mute your microphone until it's your turn to speak



Raise hand

Request permission to ask questions and give comments



Chat

Offer comments/questions to the entire audience, the moderator, or a specific participant

Acelerando la renovación residencial con financiación on- bill

22/11/2021 – Adriana Villoslada – Senior Consultant – Creara



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 847056.



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● El reto de la renovación energética

Para cumplir con los objetivos de la UE, se necesita reducir el **consumo energético del residencial** priorizando la **eficiencia energética** y **mejorando el rendimiento energético** de sus edificios.

- Los edificios son responsables del 40% de la demanda energética y de más de un tercio de las emisiones de GEI
- Actualmente la tasa anual de renovación de edificios es de 0.4 – 1.2%
- Se necesita incrementar a un 2.3% para lograr los objetivos propuestos por la UE
- Se necesita una inversión anual adicional de 90 millones de euros hasta 2050
 - Son necesarias soluciones para desbloquear recursos financieros adicionales
 - Es necesaria la integración de instituciones financieras
- Los esquemas **on-bill** son una propuesta para sumar recursos financieros a la renovación energética de edificios



Residential building energy renovations with on-bill schemes



RenOnBill promotes the development and implementation of **on-bill schemes** in Europe, to scale up investments towards **deep energy renovations** of residential buildings.

On-bill schemes bring the upfront costs of energy efficiency upgrades for end users down to zero by simply adding a periodical line item to a customer's utility bill as the repayment vehicle.



RenOnBill's assumption is that **on-bill schemes** can be proficiently implemented only if there is a **close cooperation between energy utilities and financial institutions**.

The RenOnBill Project



Client | European Commission – EASME

Funding | Horizon 2020

Project duration | 2019 – 2022

Partners |



More information:



On-Bill Schemes

On-bill schemes use utilities' energy bills as repayment vehicle for investments in residential building energy renovations.

- **Innovative mechanism** to finance energy renovations in residential buildings
- Typically offered and managed by **energy utilities** who either use their **own funds or third party capital** (public/private) for financing their clients renovation measures
- **Utility bill** serves as repayment vehicle



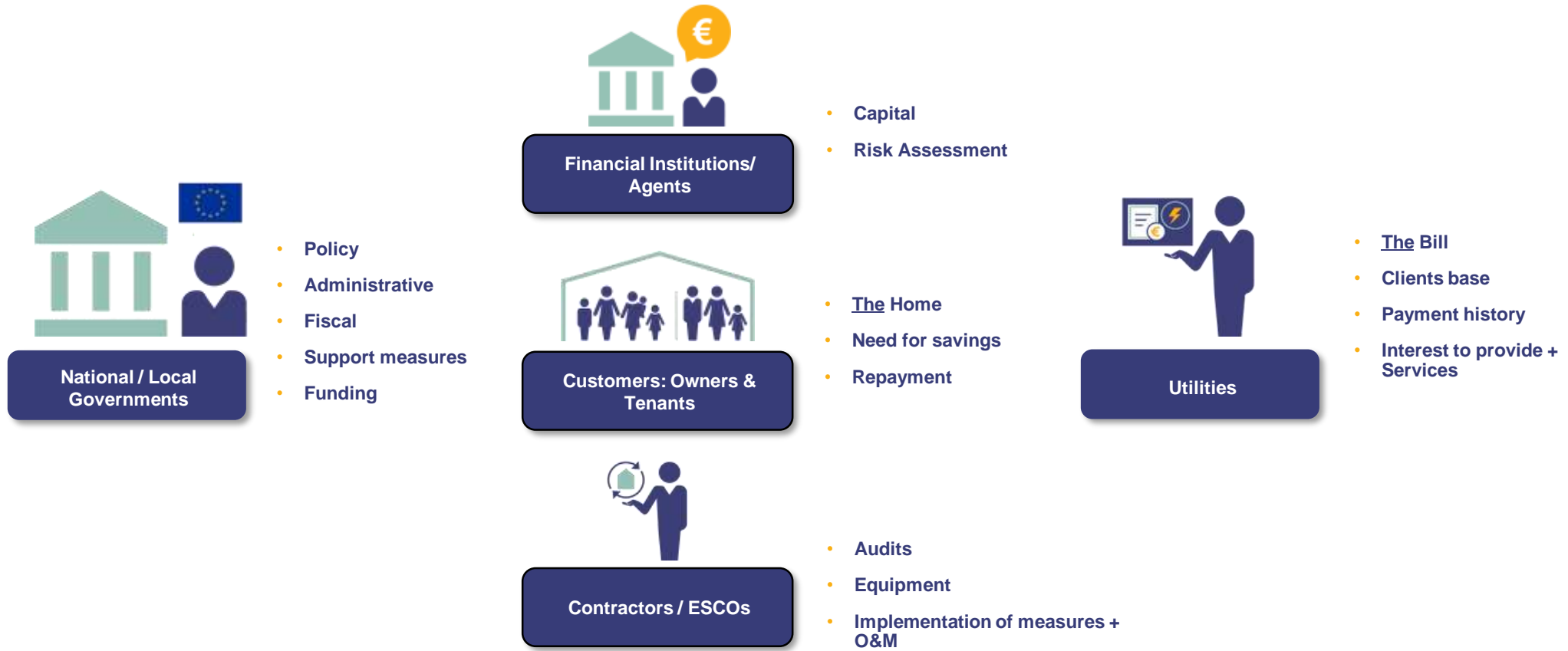
<https://www.eesi.org/obf/map>

In the U.S., more than 100 utilities offer on-bill programmes.



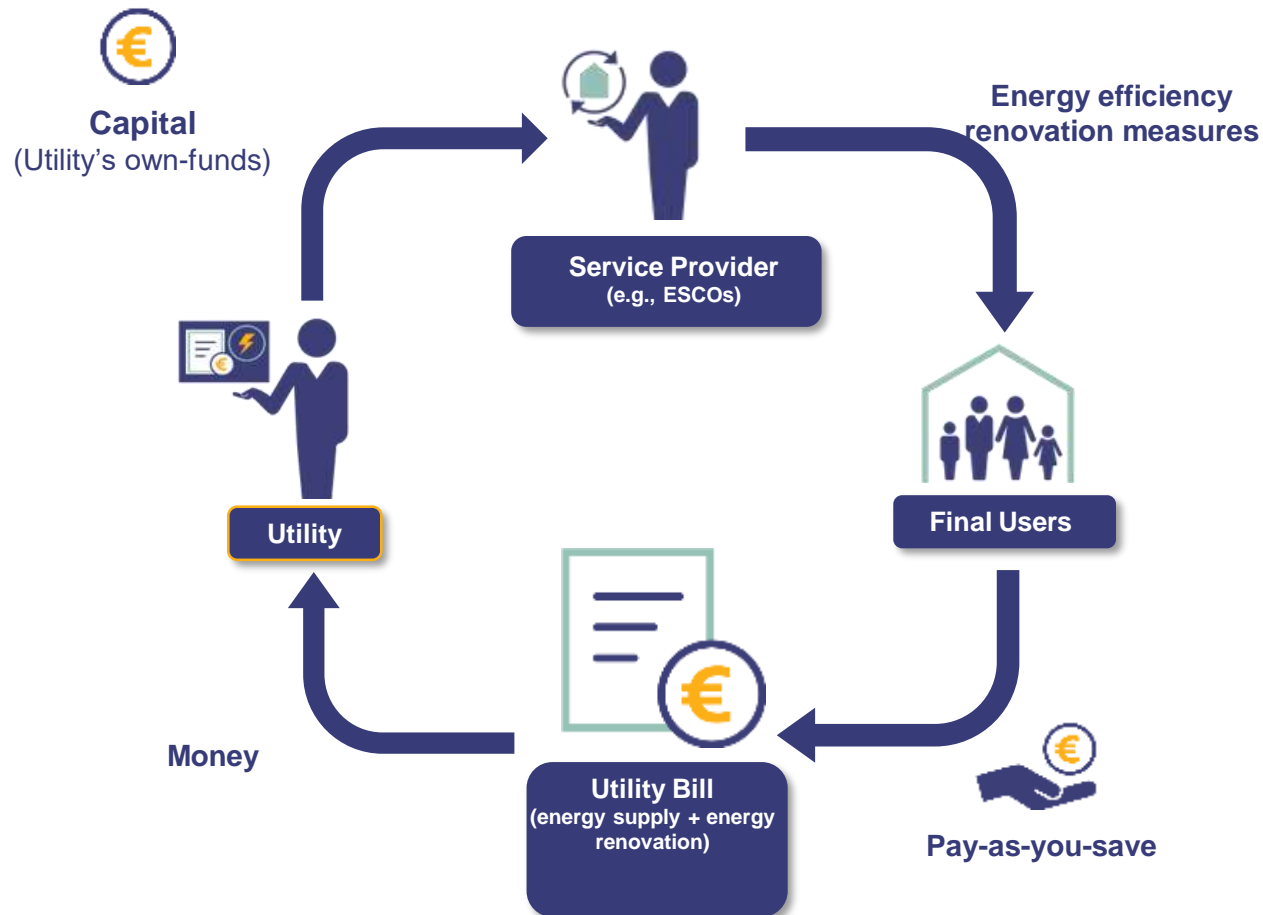
Key Stakeholders involved

The energy renovation of buildings in general, and on-bill schemes in particular, require finding a balance of interests between several stakeholders



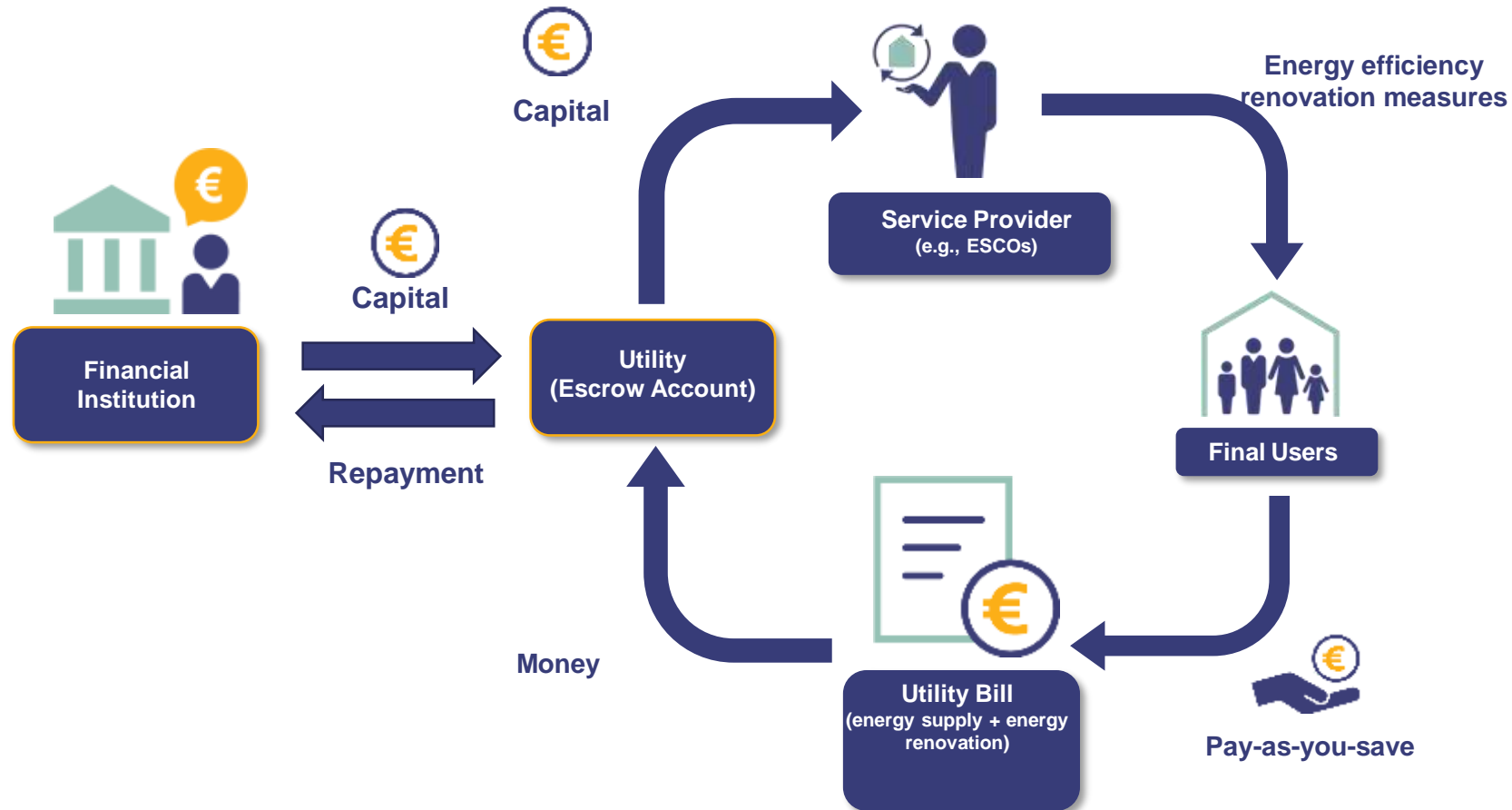
On-Bill Scheme Mechanisms

In an OBF model, the utility uses its own capital in order to finance the interventions performed by a service provider



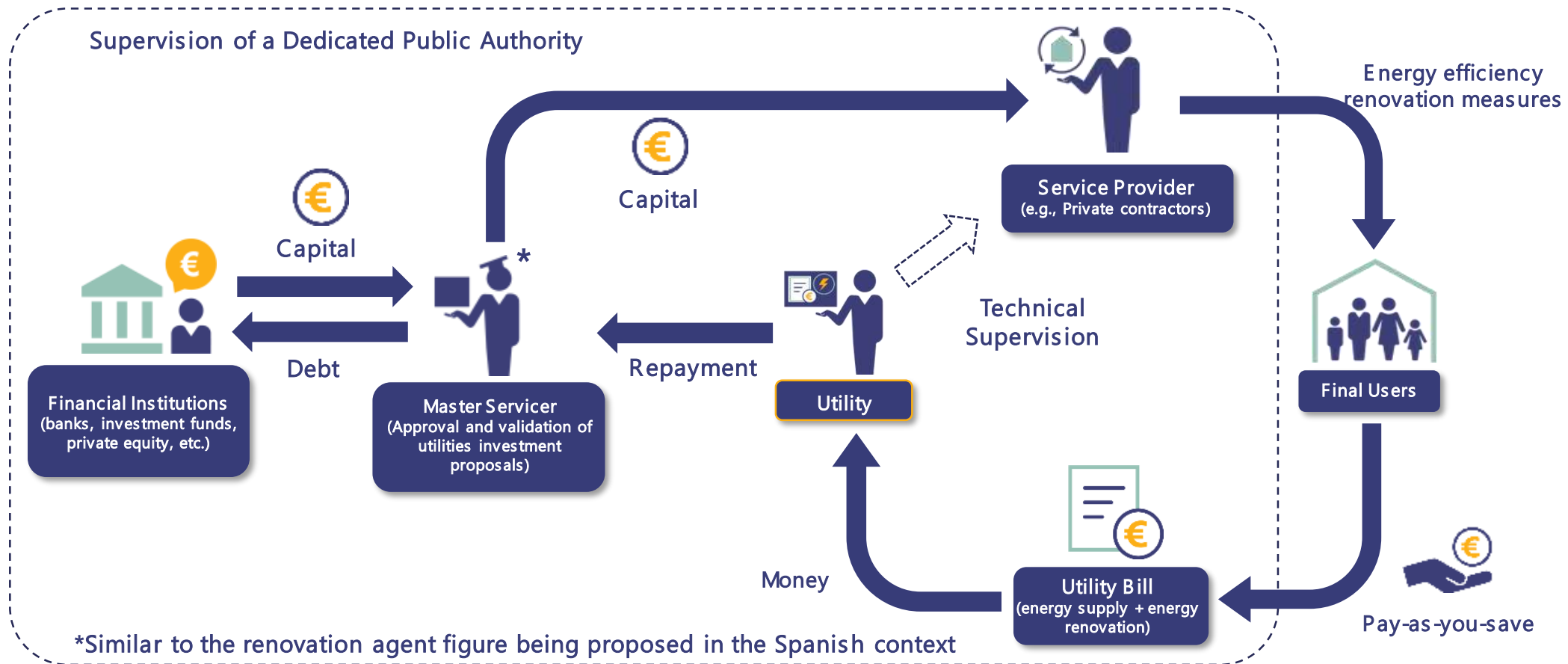
Standard on-bill repayment model (OBR)

In an OBR model, a financial institution provides capital to the utility, usually through an escrow account

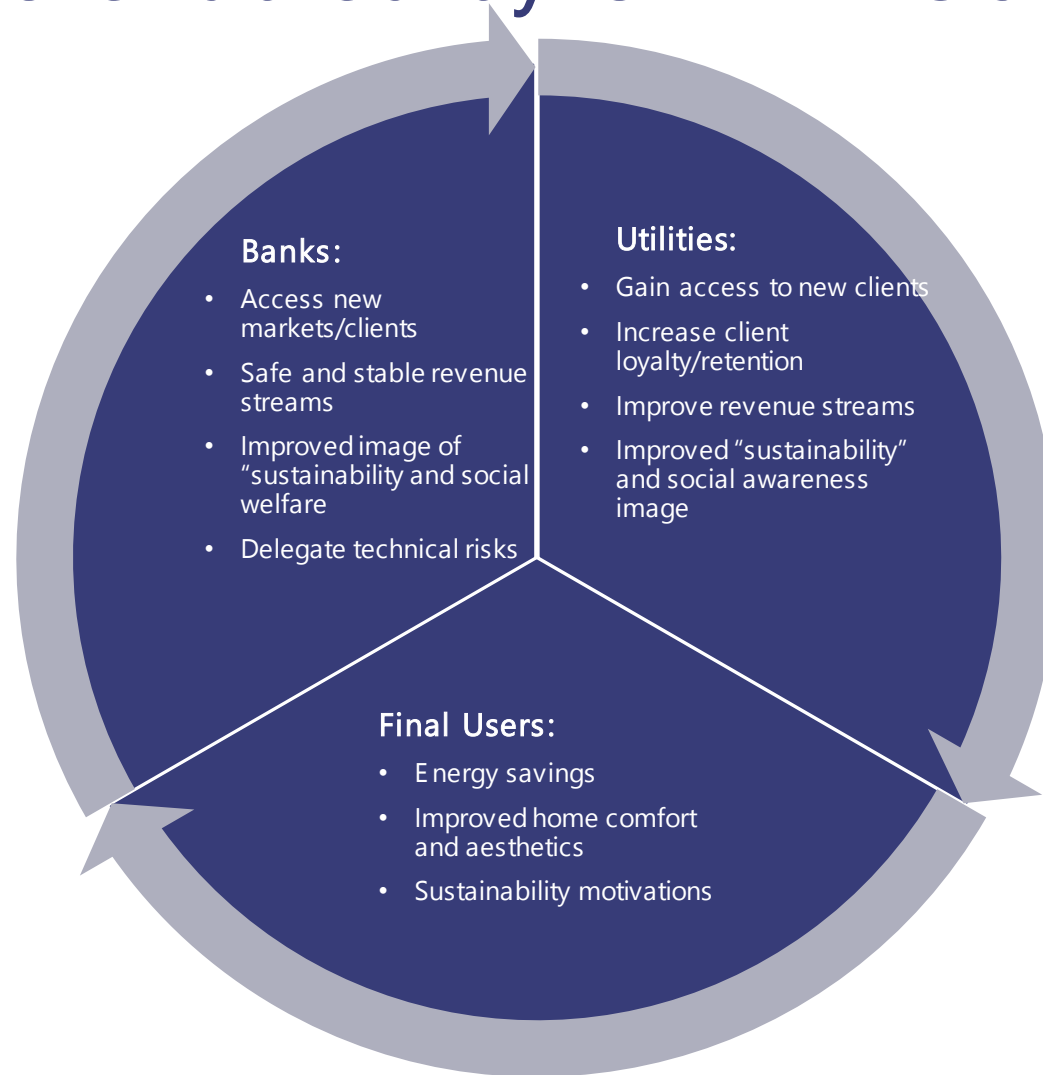


OB R model with Master Servicer (OB RM)

In an OBRM model, the “Master Servicer” acts as an intermediary between utilities and financial institutions and offers its services to all of those interested in participating in the OBS



Opportunities enabled by On-Bill Schemes



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Enabling and Disabling Factors

A market context analysis in Germany, Italy, Spain and Lithuania has allowed to identify the main factors affecting the development of on-bill schemes

Legal and regulatory framework

- Decision making process for EE implementation, i.e. tenant vs. owner
- Disconnection in case of non-payment
- Financial regulation on creditor
- EE Obligations (EED Art. 7)

Utility operational issues

- Level of liberalization of the market
- Possible caps to maximum client contract duration
- Possibility to add a position on the bill for on-bill services
- Overall Utility's strategy

Market Readiness

- Level of the current and expected demand for EE services
- Available offer in terms of EE services
- Availability of compatible support schemes
- Availability of technical and financial operators

- Market readiness, legal framework and operational issues identified as the main dimensions to scrutinize
- Each utility should analyze in detail the local context according to these categories before structuring its on-bill offer
- Based on such analysis, it is possible to select which kind of On-bill model to adopt



—● On-Bill Basics

On-Bill mechanisms have been active in the North American market for more than 30 years with considerable success

An energy utility arranges an energy renovation to a client's building, who then repays its cost to the utility on the energy bill, via a periodical fee which might be lower than the obtained savings (Golden Rule).

1

On-Bill Financing (OBF)

The upfront capital is provided by the utility (or a public source in case of specific programs).

- No financial institutions involved – all margin to the utility
- Suitable for large utilities
- Requires the utility to dedicate consistent capital
- Requires compliance with national credit(or) regulations

2

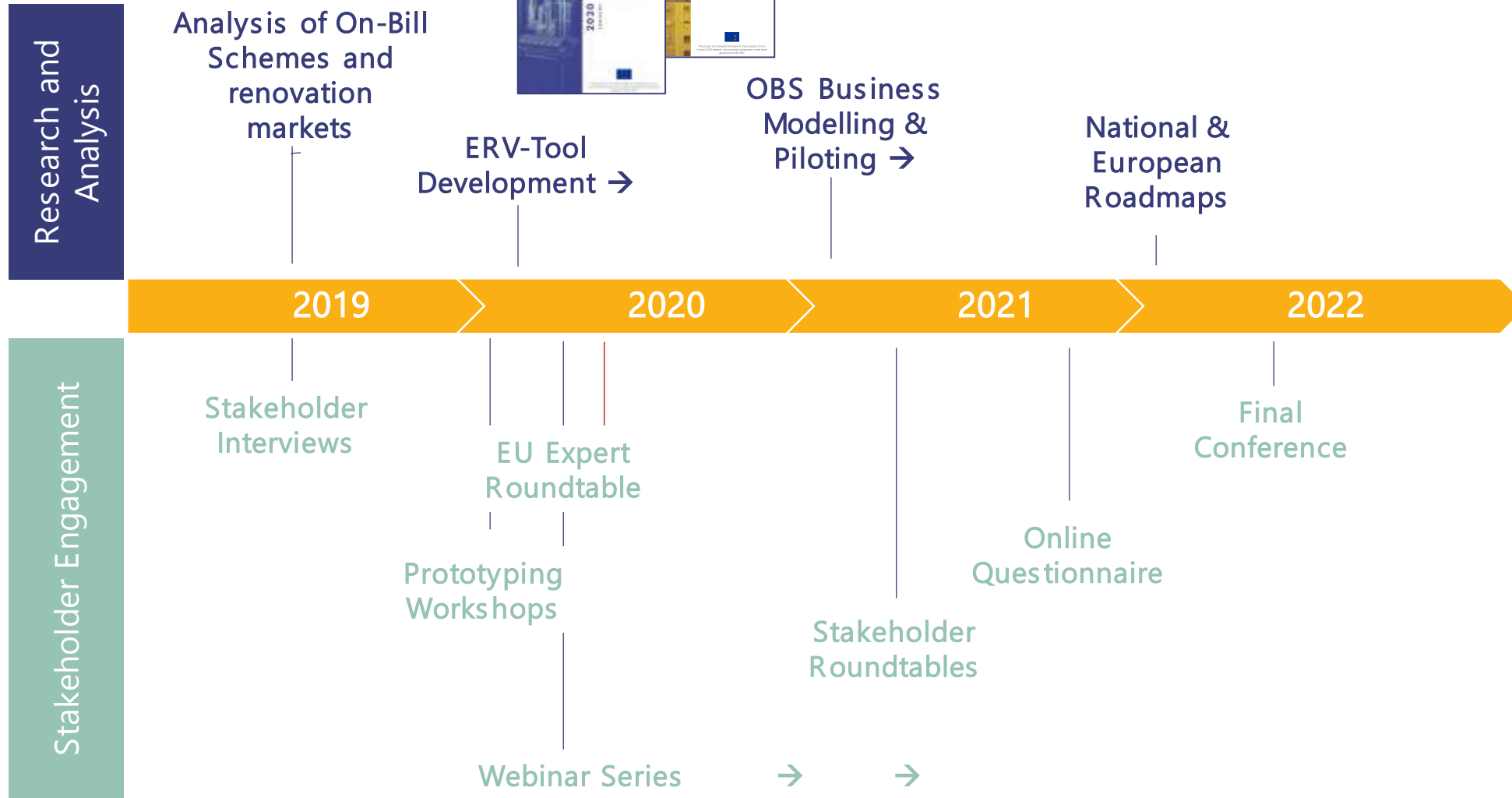
On-Bill Repayment (OBR)

The upfront capital is provided by a private third party (usually banks or other financial institutions)

- The financial institution involved absorbs part of the margin
- Suitable for small/medium utilities
- If the financial institution finances the utility directly, the utility's balance sheet can be affected (debt)



Timeline



Q&A



Any open questions from your side?



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THANK YOU




More information on on-bill schemes

- Project report "[Overview of on-bill buildings energy renovation schemes](#)" (01/2020)
- Project report "[Upscaling the residential sector with on-bill schemes – Replicability potential in the EU](#)" (11/2020)



Stay in touch with RenOnBill

 [@RenOnBill](https://twitter.com/RenOnBill)

 www.renonbill.eu

 avp@creara.es



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