

Private sector energy efficiency financing

Insights from the Carbon Trust's SME EE programmes

João Lampreia, Manager, Carbon Trust Brazil

April 2016

EE
2016 VII Seminario
Latinoamericano y
del Caribe de
Eficiencia Energética



We help our clients benefit from the opportunities of sustainable, green growth



ADVICE

Business Advice

Helping businesses capture the opportunities in a sustainable low carbon world

Government Advice

Providing cutting-edge policy advice and insights on the transformation of markets

Public Sector Advice

Enabling the public sector to cut costs and emissions

FOOTPRINTING

Measuring

Understanding the environmental impact of an organisation, product or service

Certifying

Providing independent verification of organisational or product footprints to endorse sustainable leadership



TECHNOLOGY

Implementation and Finance

Providing expertise and support to businesses to put energy efficiency plans into action



Innovation

Partnering with companies and governments seeking to create value from the clean technology revolution



We help our clients benefit from the opportunities of sustainable, green growth



ADVICE

Business Advice

Helping businesses capture the opportunities in a sustainable low carbon world

Government Advice

Providing cutting-edge policy advice and insights on the transformation of markets

Public Sector Advice

Enabling the public sector to cut costs and emissions

FOOTPRINTING

Measuring

Understanding the environmental impact of an organisation, product or service

Certifying

Providing independent verification of organisational or product footprints to endorse sustainable leadership



TECHNOLOGY

Implementation and Finance

Providing expertise and support to businesses to put energy efficiency plans into operation

Innovation

Partnering with companies and governments seeking to create value from the clean technology revolution



Catalysts of action and investments:

\$8 billion in energy costs avoided

+60 Mt CO₂ avoided



160+ staff working for our clients globally

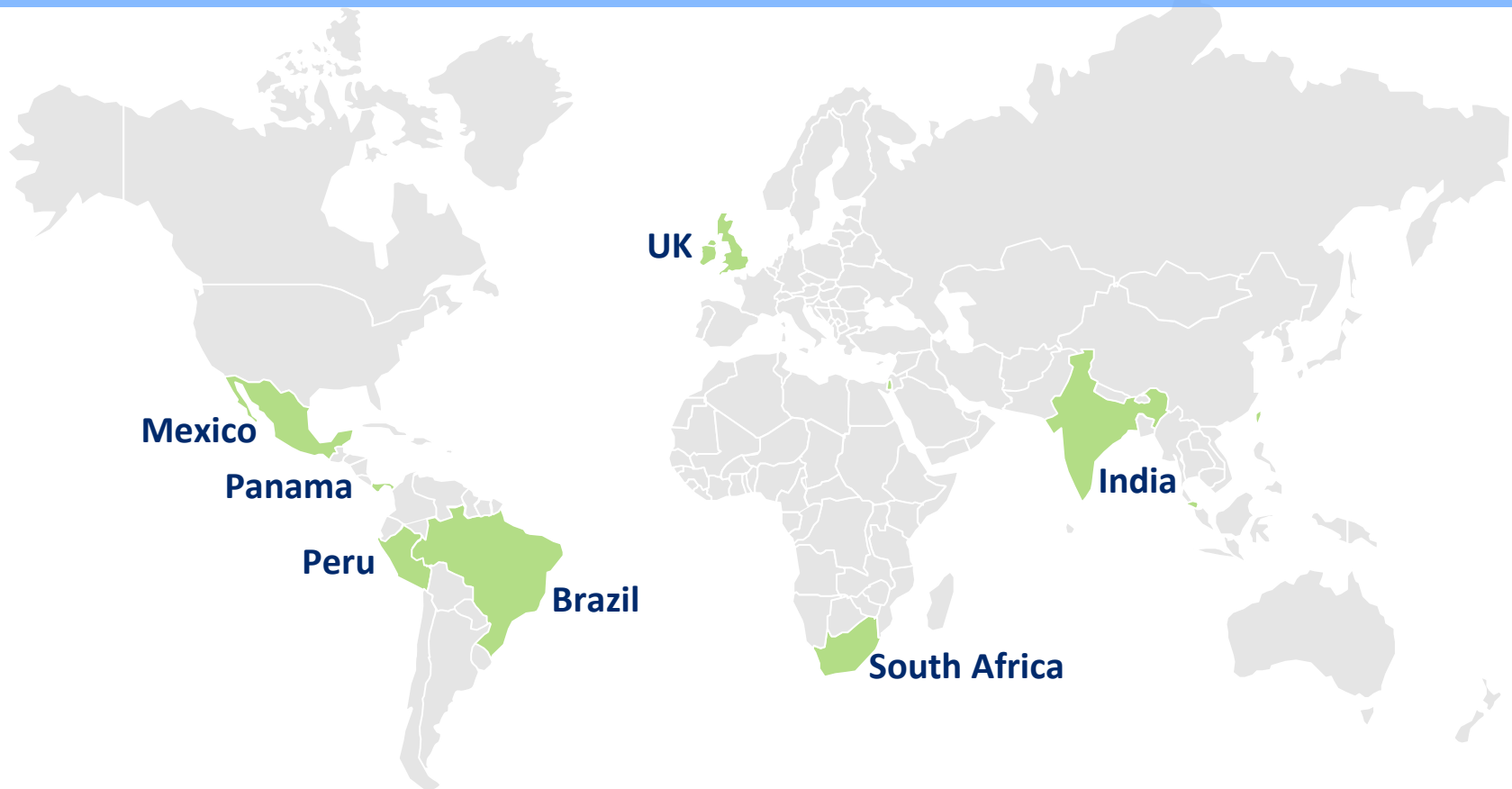


 Carbon Trust office

 Geographical scope of recent client work

We have designed scalable EE programmes around the world to kickstart local EE markets

- Different stages of implementation
- Different target audiences
- Different sizes
- Different funding sources



These programmes seek to join 3 elements to unlock EE opportunities:



1 awareness raising - to build the pipeline

- advertisement & marketing
- workshops
- use of technology suppliers



2 technical assistance - to de-risk loans

- call centre
- detailed on-site energy surveys
- project eligibility criteria
- assistance throughout implementation
- accreditation of technologies & suppliers
- face-to-face and online advice through web tools and sector reports



3 concessional finance - to make it attractive

- low interest
- unsecured or low guarantee requirements
- direct disbursement
- simple automated application process
- no administration fee

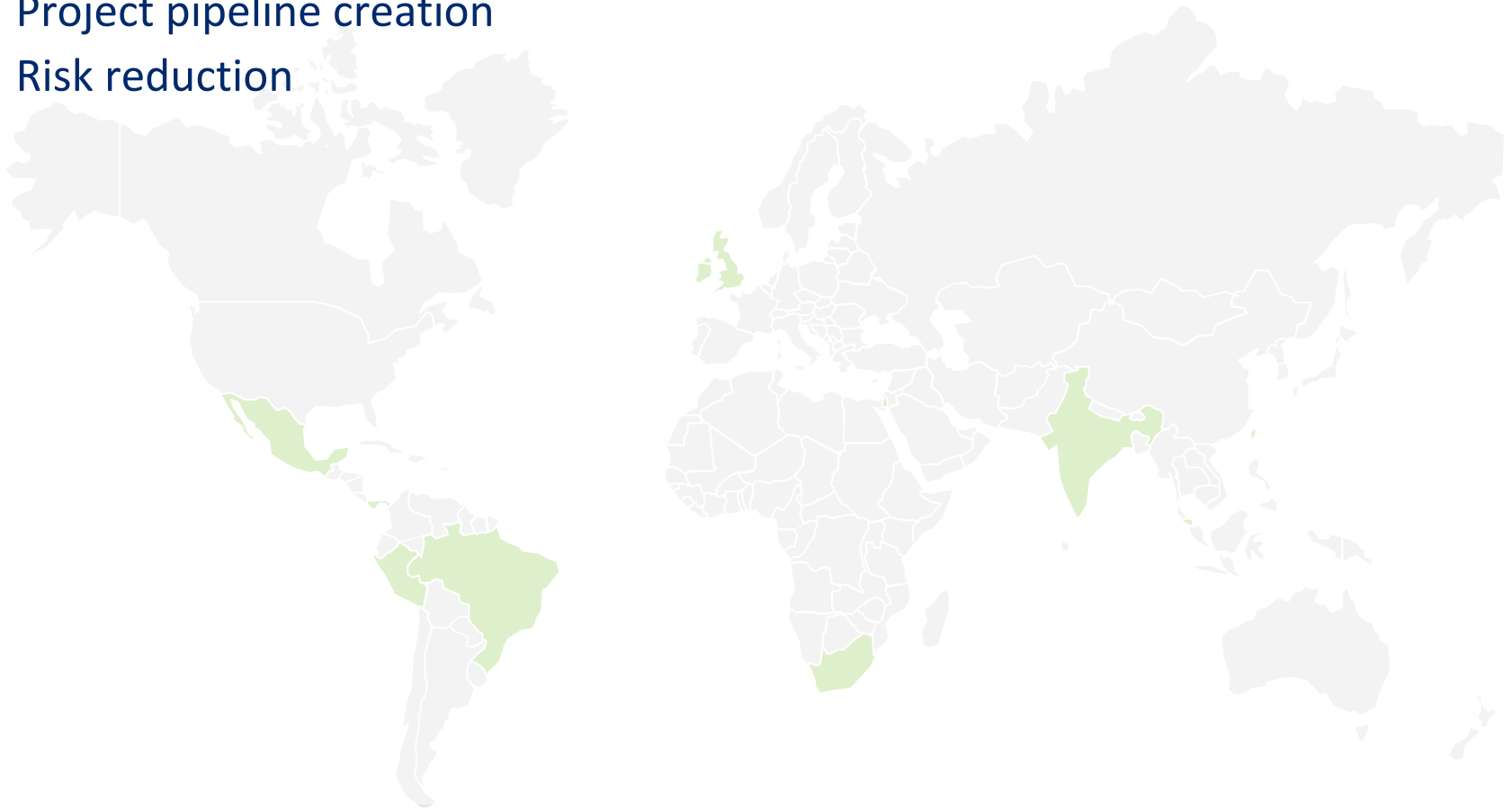


United Kingdom

0% interest energy efficiency loans scheme



- › General stats
- › Loan application & management process
- › Project pipeline creation
- › Risk reduction



United Kingdom

0% interest energy efficiency loans scheme



Since 2003 we offer 0% interest and unsecured loans to SMEs in the UK*

\$300 million

on energy efficiency finance through a revolving fund originally fed by DECC

7,000

SMEs supported

\$4.6k - \$600k

loan size

\$30 million

in awareness raising, coordination, marketing and advice

>2 MtCO₂

avoided in programme's lifetime

\$560 million

energy waste avoided



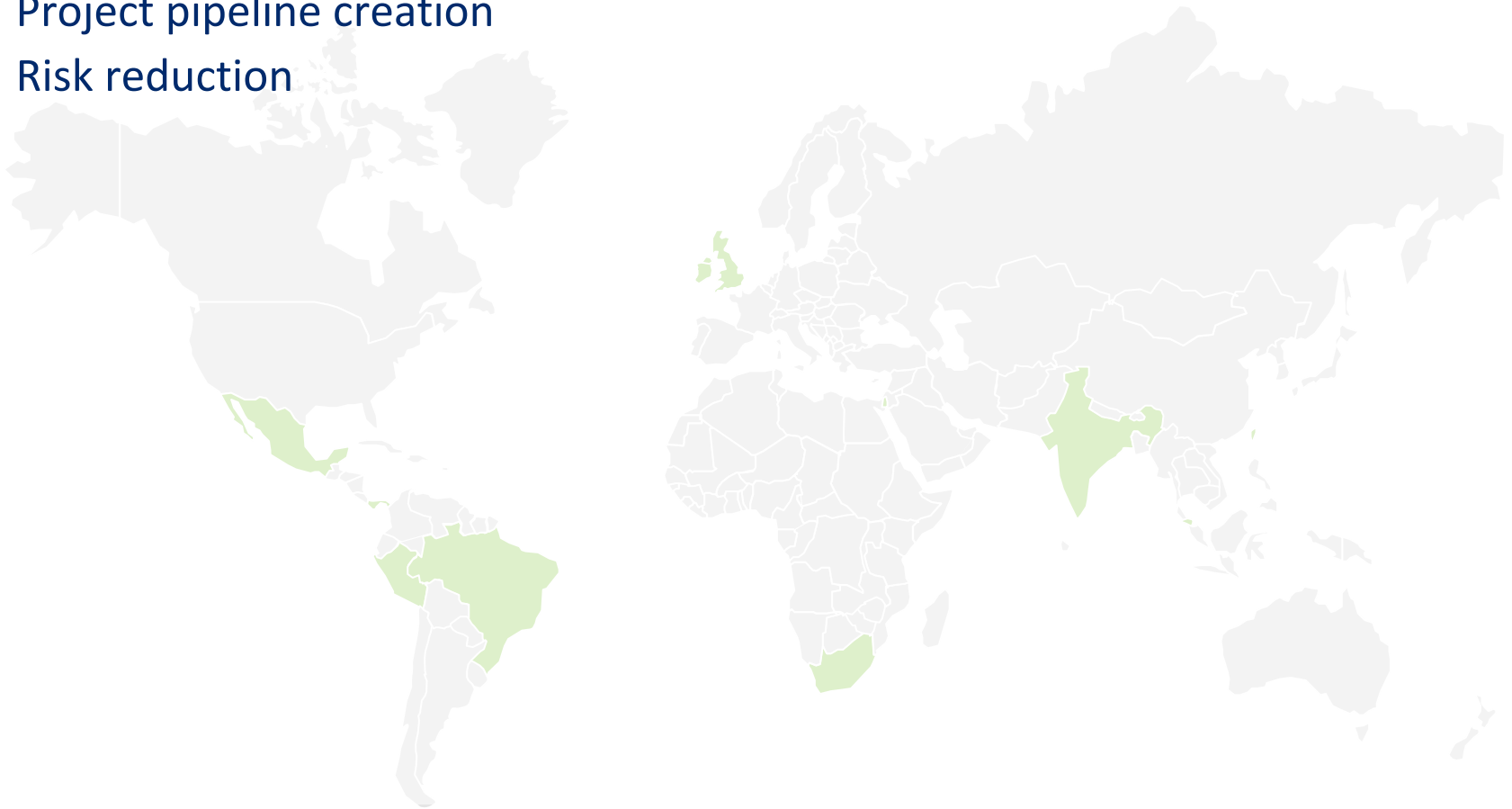
* Since 2011 the 0% interest loans are only available in Northern Ireland & Wales. Since then, the Carbon Trust has partnered with Siemens Financial Services who committed \$840m at commercial interest rates.

United Kingdom

0% interest energy efficiency loans scheme



- › General stats
- › Loan application & management process
- › Project pipeline creation
- › Risk reduction



United Kingdom

0% interest energy efficiency loans scheme



Loan application & management process

Simple online application process

- › Quick online application - **30 minutes**
- › Requires submission of the following information:
 - A cost quotation from the supplier
 - An energy savings assessment template from the supplier
 - Summary of 12 month utility bills
 - Statement of balance from accountant
 - Copy of business bank account
 - Owners of business' personal identification

Two-pronged assessment process

- › Automated **project eligibility check** followed by a **credit check**
- › If credit score is OK our technical team **sense checks** the savings assumptions
- › Loan approval notification takes **about 10 days from submission**
- › Customers have 3 months to draw down their loan
- › Customers must provide a commissioning certificate to evidence installation

Ensuring repayment

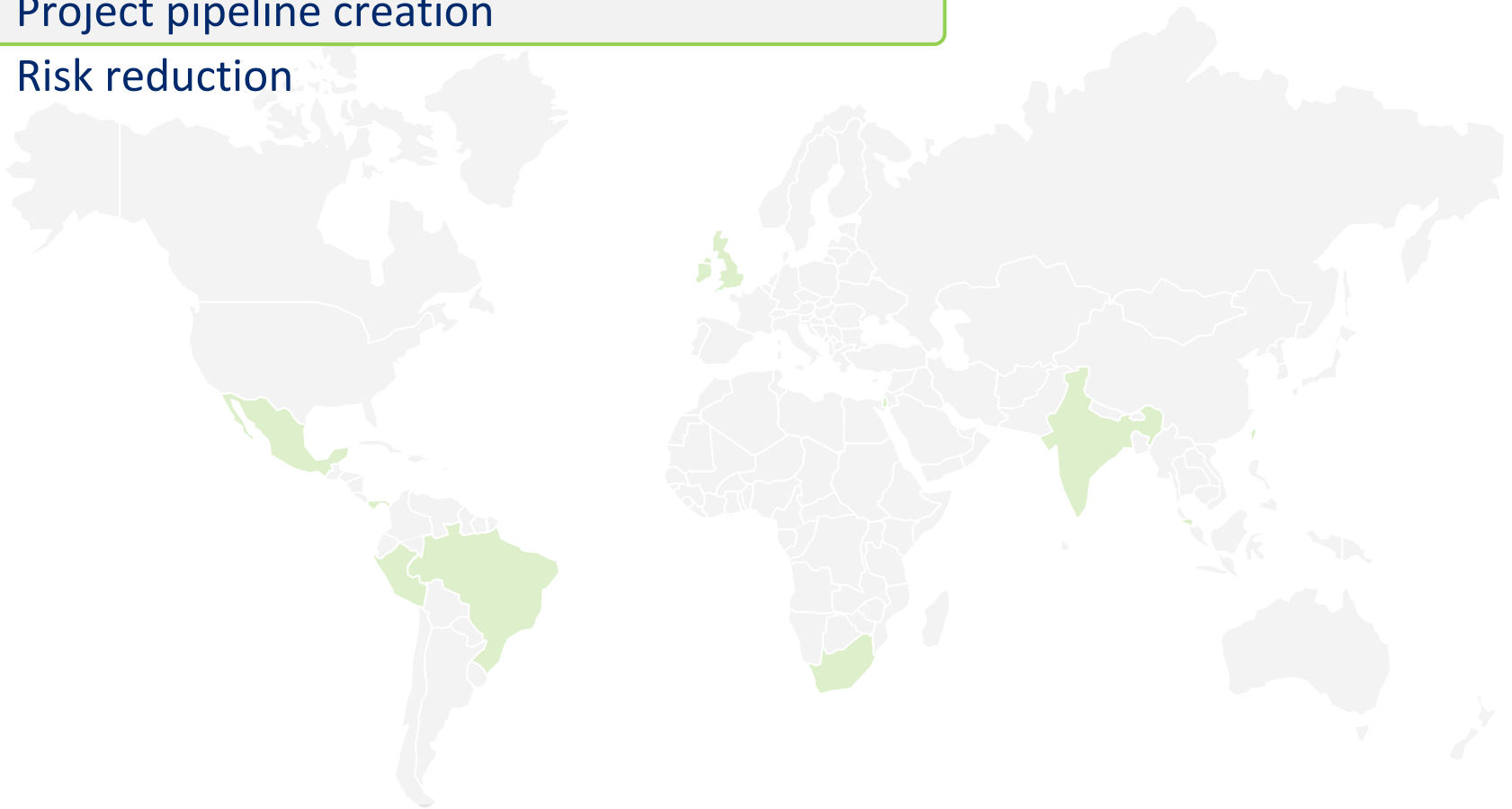
- › Direct debit to manage payments and lower chances of default
- › Court enforceable contract protection
- › Keeping track of applications from start to disbursement
- › A team of loan re-claimers is used to process accounts in arrears, which can be offered an adjusted payment plan if they are struggling to make payments

United Kingdom

0% interest energy efficiency loans scheme



- › General stats
- › Loan application & management process
- › Project pipeline creation
- › Risk reduction



United Kingdom

0% interest energy efficiency loans scheme



(i) A tailored marketing campaign to build the pipeline

- Raise awareness of EE opportunity
- Create trusted, authoritative brand
- Drive demand for our services



A 0% loan?

Bet your competitors aren't ignoring this ad.

Get an unsecured 0% loan for new energy saving equipment to help you stay ahead. Loans from £3,000–£500,000 are available, with repayments calculated to be offset by your monthly energy savings. And a Carbon Trust loan is designed to pay for itself, saving you money year after year.

Applying is easy, there are no arrangement fees and you'll have a decision within 24 hours. But there are limited funds available so contact us now.

Visit www.carbontrust.co.uk/loans or call **0800 917 3030** today.

Apply now for a 0% business loan.
Search 'Carbon Trust Loans',
visit carbontrust.co.uk/loans
or call **0800 917 3030**

ACT ON CO₂

CARBON TRUST

Eligibility terms & conditions apply. The Carbon Trust is funded by Government.



3 Easy steps to reducing business costs.

1. Apply for a 0% loan.
2. Replace old equipment.
3. Cut energy costs.

You can take the first steps to reducing your business costs by applying for an unsecured, interest free Carbon Trust loan.

Loans range from £3,000 – £400,000 and repayments are calculated to be offset by your monthly energy savings. A Carbon Trust loan is actually designed to pay for itself and save you money year after year.

Applying for your loan is easy, there are no arrangement fees and you'll have a decision within 24 hours.

Find out more: visit www.carbontrust.co.uk/loans, search 'Carbon Trust Loans' or call **01865 885 866** today.

Apply now for a 0% business loan.
Search 'Carbon Trust Loans',
visit carbontrust.co.uk/loans
or call
01865 885 866

ACT ON CO₂

CARBON TRUST

Eligibility terms & conditions apply. The Carbon Trust is funded by Government.

United Kingdom

0% interest energy efficiency loans scheme



(ii) Training and accrediting technology suppliers to promote the scheme

- Reach potential consumers via suppliers' networks
- Support energy efficiency sales
- +50 suppliers accredited

Energy-Efficiency Loans

Boost your sales with interest free loans

An illustration showing three stacks of silver coins of increasing height from left to right. A blue arrow starts from the base of the first stack and curves upwards, passing over the second and third stacks, symbolizing growth and investment.

ACT ON CO₂

The Carbon Trust logo, consisting of three blue curved lines above the text "CARBON TRUST".

ACCREDITED
SUPPLIER

Find your ideal energy efficient equipment and renewable energy technology supplier

Looking to install energy efficiency or renewable energy technology? Find your ideal supplier and installer in our directory of Carbon Trust accredited businesses. Find out more about accredited suppliers



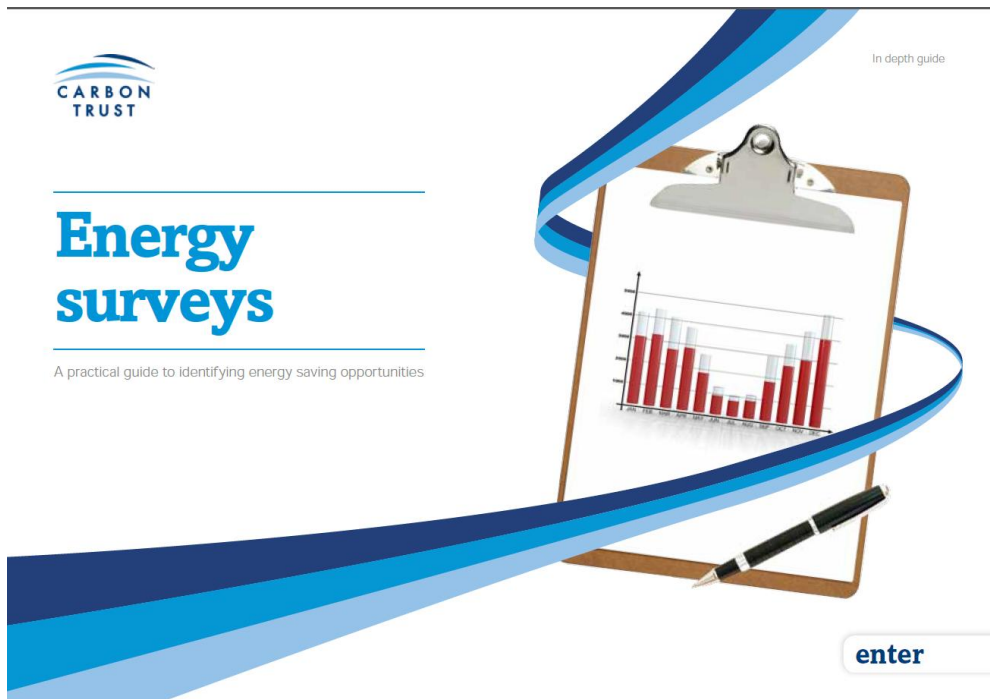
United Kingdom

0% interest energy efficiency loans scheme



(iii) Training and accrediting independent consultants to deliver energy surveys

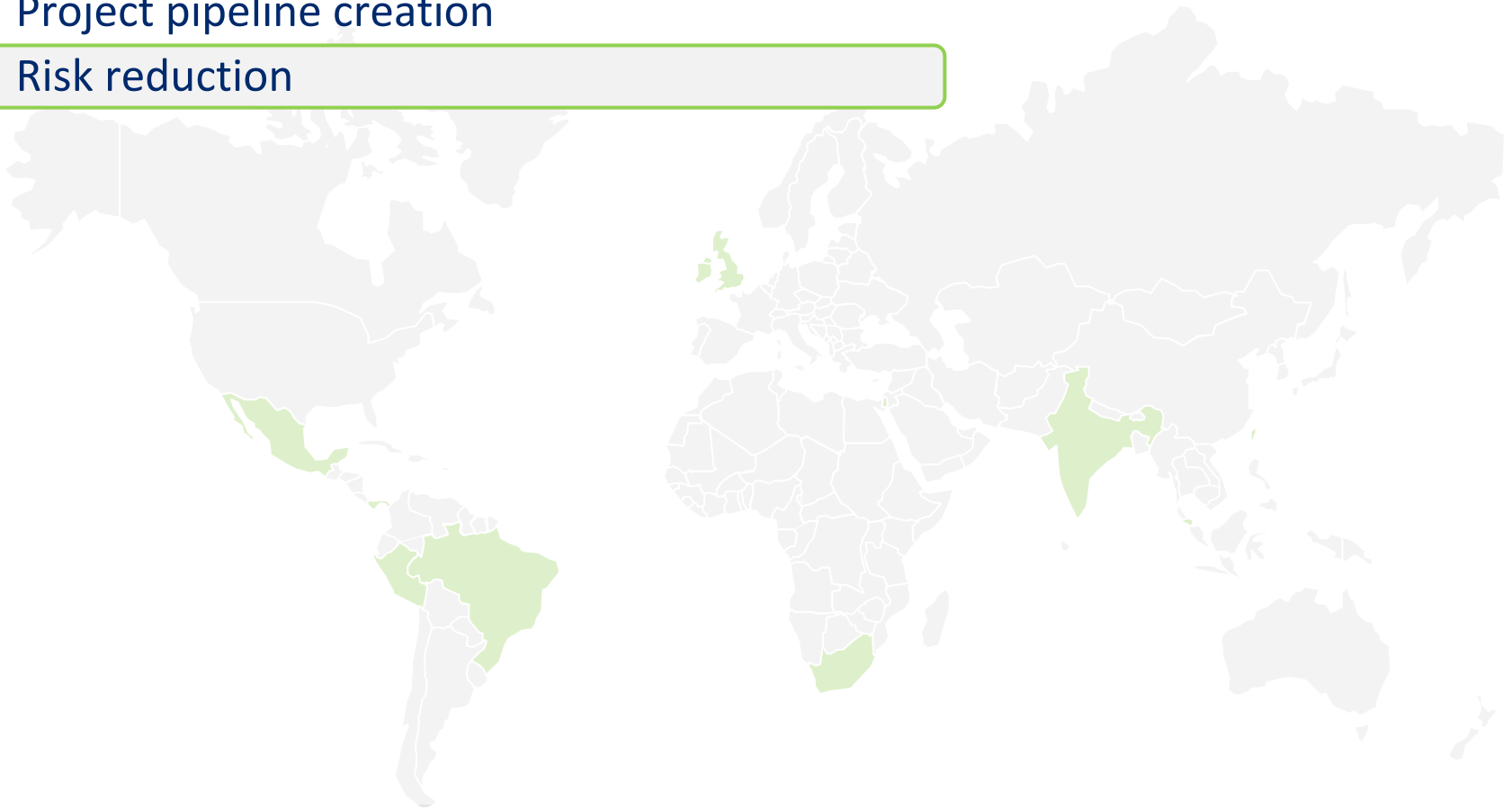
- Periodical technical and policy workshops
- 200+ trained accredited independent consultants
- For few mid-sized companies in each sector (energy spend between £50k to £3-4m)



United Kingdom

0% interest energy efficiency loans scheme

- › General stats
- › Loan application & management process
- › Project pipeline creation
- › Risk reduction



United Kingdom

0% interest energy efficiency loans scheme



(i) Reducing technology risk - Energy Technology List (ETL)

- Manufacturers apply online to register products
- Only 25% most efficient technologies are listed
- List is kept up to date with technology advances
- Finance mechanism is limited to these technologies
- Loan approval is easier
- Significant influence on UK innovation acceleration



Buying new energy efficient equipment?



Claim a tax break by choosing products on the Energy Technology List which help you reduce your energy costs. Click for more.

United Kingdom

0% interest energy efficiency loans scheme



(ii) Reducing credit risk

- Regular credit check with threshold
- Contracts don't allow companies to sell EE equipment without Carbon Trust approval

(iii) Reducing supplier risk

- Training and accrediting suppliers reduces risk of poor installations

Find your ideal energy efficient equipment and renewable energy technology supplier

Looking to install energy efficiency or renewable energy technology? Find your ideal supplier and installer in our directory of Carbon Trust accredited businesses. Find out more about accredited suppliers



ACCREDITED
SUPPLIER

United Kingdom

0% interest energy efficiency loans scheme



(iv) Ensuring high quality energy surveys

- Training and accrediting independent consultants **reduces risk of poor surveys**



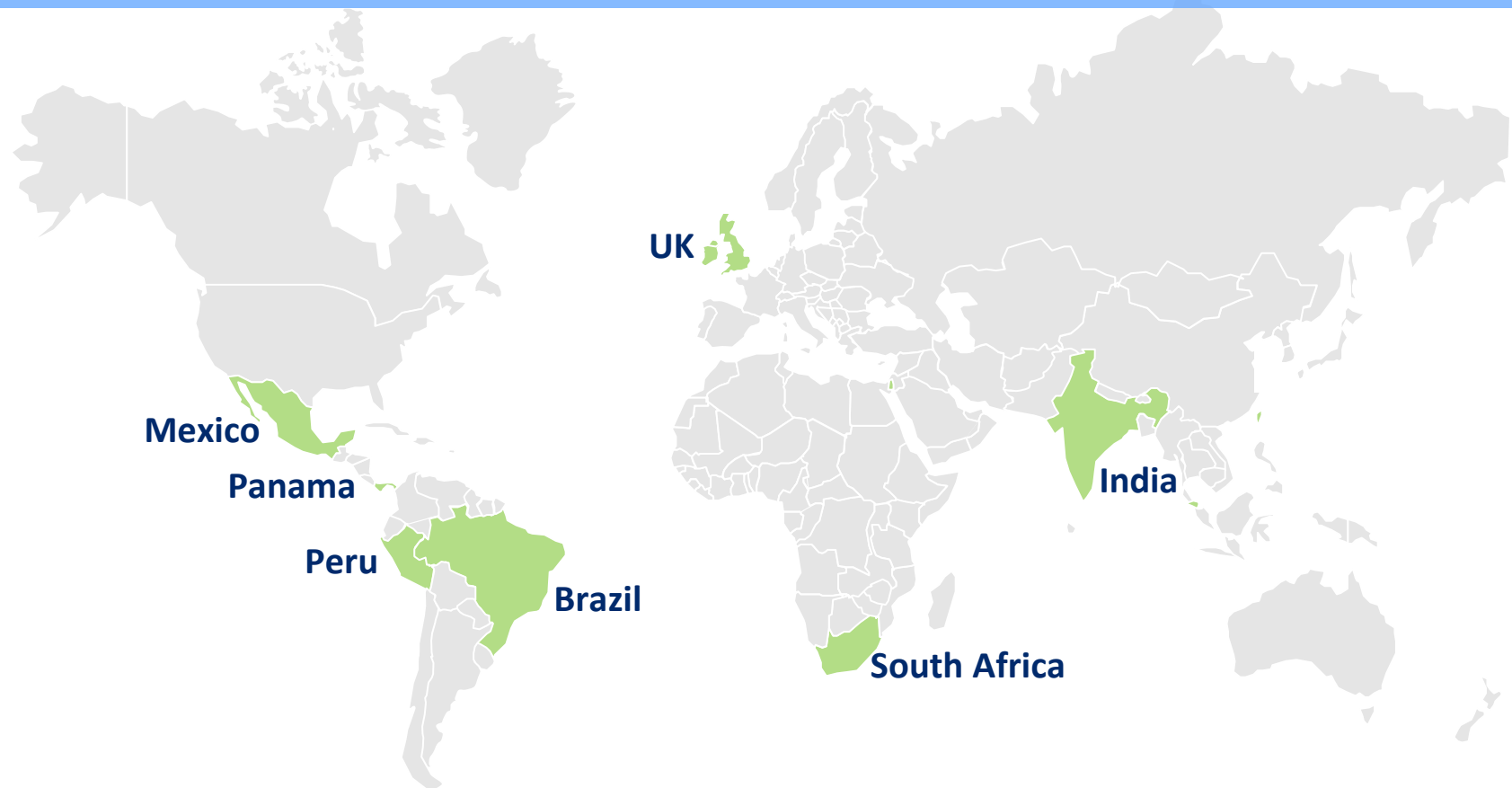
We took a lot of risk, but our de-risking package kept default rates

below 10%

even during the financial crisis.

We have designed scalable energy efficiency programmes around the world

- Different stages of implementation
- Different target audiences
- Different sizes
- Different funding sources



South Africa



Title: Private Sector Energy Efficiency Programme



Status: Under implementation

\$13 million

in technical assistance to
leveraging local finance

100,000

medium and large companies
supported

\$238 million

expected energy waste
avoided

3.6 MtCO₂

expected emissions
avoided

DFID Department for
International
Development



See results at: http://www.psee.org.za/downloads/casestudies/NBI_Energy_Efficiency_Leadership_Network.pdf

Mexico



Title: SME Energy Efficiency Programme

Status: Designed and funding secured, not yet under implementation

\$80 million

in loans secured from ICF

\$20 million

in loans secured from IDB

\$26 million

in coordination, promotion
and technical assistance from
Mexican govt.

150,000

SMEs to be supported

\$1 billion

expected energy waste avoided

6.5 MtCO₂

expected emissions avoided



Peru



Title: Development through energy efficiency: a transformational program for Peru's private sector

Status: Designed and seeking funding for pilot

\$55 million

in loans sought

\$15 million

in coordination,
promotion and technical
assistance sought

50,000

SMEs to be
supported

\$665 million

expected energy
waste avoided

4.2 MtCO₂

expected emissions
avoided



PERÚ

Ministerio
de Energía y Minas



Brazil



Title: Beef Supply Chain Resource Efficiency Programme

Status: Designed and formalizing local support from ministries

\$100 million

in loans sought

\$20 million

in coordination, promotion and technical assistance sought

2,000 beef ranchers

50 processing facilities

50 supermarkets

800 transporting companies

to be supported

\$1 billion

expected energy waste avoided

16 MtCO₂

expected emissions avoided

Institutions consulted in design phase:



Panama



Title: Panama Energy Efficiency Programme

Status: Designed, business case written, and seeking funding

\$15 million

in loans sought

\$5 million

in coordination, promotion
and technical assistance
sought

1,800

businesses in commercial
and service sectors to be
supported

\$103 million

expected energy waste
avoided

470 ktCO₂

expected emissions avoided
(~5% of Panama's total
annual emissions)



India



Title: Enhancing the EE Impact of India's National Clean Energy Fund

Status: Designed and business case currently under consideration by Government of India

\$340 million

in loans sought from recycling repayments from the National Clean Energy Fund

\$35 million

in coordination, promotion and technical assistance sought

17,000

SMEs and large industries to be supported

\$5.5 billion

expected energy waste avoided in lifetime of measures

53 MtCO₂

expected emissions avoided



MINISTRY OF FINANCE



Ministry of POWER
GOVERNMENT OF INDIA





Gracias por su atencion

João Lampreia, Manager, Carbon Trust Brazil

joao.lampreia@carbontrust.com

Keep in touch ☺