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

2010/0150(COD) - 15/12/2010 - Final act

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.