How is the energy crisis affecting EU Member States?
EU and EIB response to the energy crisis

JASPERS Stakeholders Meeting 2022
Brussels, 27th October 2022
Market recap

- Russia is EU’s largest gas supplier and a major oil producer
- Gas and oil markets tight globally
  - Use of energy as economic/political weapon by cutting supplies
- Europe cannot cope without Russian gas without significant demand reduction
  - Issue of timing
  - Mitigants for the short term:
    - Increase of LNG supply
      - pipeline/terminal constraints,
      - fill in storage,
      - demand reductions
      - emergency preparedness,
REPowerEU Plan

ACCELERATE CLEAN ENERGY TRANSITION

PHASE OUT DEPENDENCY ON RUSSIAN FOSSIL FUELS

DIVERSIFY ENERGY SOURCES

SAVE ENERGY

SMART INVESTMENT
National and European plans: reforms and investments, faster permitting and innovation
REPowerEU: Accelerate Energy Efficiency and Renewables

• Additional investment of €210 billion between now and 2027

• New proposed targets
  • 45% renewables by 2030
  • Increase from 9% to 13% of the binding Energy Efficiency Target

• Goal of 55% emissions cut by 2030 remains unchanged

• MS will determine success
The EIB response

**Significant increase of energy related lending from EIB resources**

- Sustainable energy
  - Renewable energy investments
  - Grids and Storage
  - Low carbon gas infrastructure
- Energy Efficiency and Energy Transition
  - EE in buildings
  - Energy transition
  - EE in hard to abate sectors
- Green innovation (including low-carbon hydrogen)
  - Green tech funds
  - Green innovation of large corporates
  - Net zero transition of hard to abate sectors
  - Green developers

**Increased Advisory support**

- Project advisory support & pipeline building
- Focus on energy transition & innovation
- Product development incl. blending for energy efficiency
JASPERS support

• Energy efficiency in buildings
• DH systems
• Renewable energy & Smart Grids
Implementation of the Renovation Wave + REPowerEU

- double the annual energy renovation rate of buildings by 2030,
- foster deep energy renovations,
- 35 million building units renovated by 2030,
- EUR 90 bn in additional investments per year (the lion’s share).

Examples of JASPERS support

- Collaboration with Ministry of Culture in Poland.
- Renovation of 139 arts schools with 252,623 m² floor area.
- 60% energy savings, 70% CO₂ emission savings.
- Support to options analysis and economic analysis
- Slovenia: Implementation of EPC projects in the public sector and on combining grants and FI.
- Poland, Slovakia, Latvia, Lithuania: Support to Energy Performance Contracting
DH systems

• There are some 10,000 DH systems in the EU, serving 70 million citizens.
• DH provides 9% of heating in the residential sector.
• DH still mainly relies on fossil fuels (75%).
• The total GHG emissions from the DH sector correspond to 5% of total GHG emissions associated with energy consumption in the EU.
• In Poland, some 80% of the DH systems do not comply with the efficient district heating system definition.

Examples of JASPERS support

• Support to major projects in Zagreb and Bucharest.
• Support to smaller systems in Slovakia, Romania, Croatia.
• Multi-criteria analysis of decarbonisation options
Renewable energy & Smart Grids

- Support to wind, biomass, geothermal, solar (e.g. Wind Float, Provence Grande Large, CEZ biomass CHP).
- Focus on innovative technologies and energy communities.

- Support to power transmission and distribution projects (e.g. PSE S.A., ADMIE, Transelectrica).
- Focus on smart grids at local level and power storage projects.
Conclusions

Already challenging environment in implementing the Fit for 55 package
• Substantial investment effort is required to meet 2030 decarbonisation objectives.
• Considerable funding was made available under the Green Deal.
• Key sectors in 2021-2027 FP include: EE in buildings, DH, RE and smart grids.
• Effective absorption of funds may be challenging, new approaches to implementation may be necessary.

Additional challenges in the current context
• Significantly increased investment needs
• Focus should be on long-term investments to ensure independency

Support available under JASPERS
• JASPERS has a mandate to support projects funded with ESIF and JTM resources.
• JASPERS TA may support project promoters and MA in the preparation of individual projects as well as on horizontal topics.

Further Support available from the EIB both lending and advisory
• Significant increase in EIB lending
• Additional advisory support both upstream and downstream
  • TARGET; ELENA; InvestEU Advisory Hub