

# TrustEE



## Financing and **de-risking** industrial efficiency and renewables

TrustEE's platform is designed to benefit project initiators and financiers, including:

- Industry owners who develop and self-finance projects, where supplier warranties are enhanced by risk mitigation tools
- Industry owners who initiate and implement projects, which are financed by a bank loan with assurances based on TrustEE instruments
- Energy technology suppliers who develop projects that are financed by third-parties based on contracting schemes

# Financing and de-risking in efficiency and renewables

## Background

The EU industrial economical energy efficiency potential is 8-10% (EU Cooling and Heating Strategy Forum, 2016). And, in several industrial sectors such as food and beverage, transport equipment, and machinery, up to 60% of heat demand could be replaced with renewable energy sources. However, many promising industrial EE and RE projects fail to attract viable financing. Transaction costs associated with such projects are high relative to capital requirements. Further, projects developed by or for small and medium industrial enterprises (SMEs) often lack the necessary guarantees required by lending institutions.



**Our goal is to replace industrial fossil fuel thermal sources with energy efficiency and renewable energy systems.**



**Up to 60% of heat demand can be replaced with renewable energy sources in several industry sectors.**

## Goal

The goal of TrustEE is to define and implement a market based financing model to scale up investment in energy efficiency and renewable energy resources supplying industrial process heat applications.

The project aims to gather sufficient financial resources for the implementation of reference projects – €10 million within the project lifetime – among a wide base of investors and to lay the grounds for a dedicated investment fund vehicle.

TrustEE focuses on small to mid-size RE and EE projects implemented by SMEs, which include both end-users and technology suppliers. We engage with banks and financial investors who seek lending and investment opportunities in the industrial sector, which are characterised by a conservative risk/return approach.

## Progress

*TrustEE partners are focused on:*

- Establishing a pool of technology suppliers to develop EE and RE projects.
- Setting up an web-based platform to streamline technical assessment, analyse and de-risk EE and RE projects for industrial heat-production.
- While laying groundwork for future investment vehicle, testing and developing tools, templates, and instruments for financial structuring, risk mitigation, guarantees, insurance coverage, and underwriting assistance in reference projects.

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## Findings

*The project launched in 2016. Achievements and findings include:*

- Identifying and partnering with industrial project developers and seasoned EE and RE investors to develop pilot projects and test the platform model.
- Developed a potential study to identify priority markets (initially Austria, France, Germany, Italy, Portugal, Spain, and UK), industrial sectors (initially food and beverage, automotive, pulp and paper), and applications (process heating).
- While financing is available, SMEs are particularly vulnerable due to high transaction costs associated with due diligence and insufficient performance and credit guarantees. These barriers hinder project development.
- TrustEE services address transaction cost barriers by pre-qualifying projects, standardising process steps and documentation requirements across projects, and fast tracking approved project developers for financing.
- The TrustEE platform's project development cost and risk mitigation solutions will be flexible, broadly applicable, and beneficial for many types of project developers and financiers, including:
  - *Industry owners who develop and self-finance projects, where supplier warranties are enhanced by risk mitigation tools included in the platform.*
  - *Industry owners who initiate and implement projects, which are financed by a bank loan with assurances based on TrustEE instruments.*
  - *Energy technology suppliers who develop projects that are financed by third-parties based on contracting schemes.*



**TrustEE focuses on industrial production with thermal heating demand, including for example the food and beverage sector.**

**Contact us with industrial-based biogas and/or biomass system project proposals.**



**Financing and guaranteeing industrial thermal process efficiency and renewable projects is our focus.**



# TrustEE

## Further information

Further information is available at [www.trust-ee.eu](http://www.trust-ee.eu) (project website), and by contacting the project coordinators.

## Project coordinators

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A Horizon 2020 project investing in industrial energy efficiency and renewable energy projects

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**ainia**

centro tecnológico



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