

CENTRALIZED TRAINING FOR SUPPORTING STRUCTURES

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PadovaFIT!

A Financing Investment Tool for the retrofitting of housing and service facility buildings in the PADOVA area

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Padova FIT! - Key Figures (1/2)

- **Bundle** a critical mass of small and differentiated investment projects making them bankable
- City Council to act as a **facilitator** and **institutional guarantor** for the bundling
- **Repayment model** based on financing model
- Selection of a **Delivery Partner** (Energy Service Company) with a Public Tender

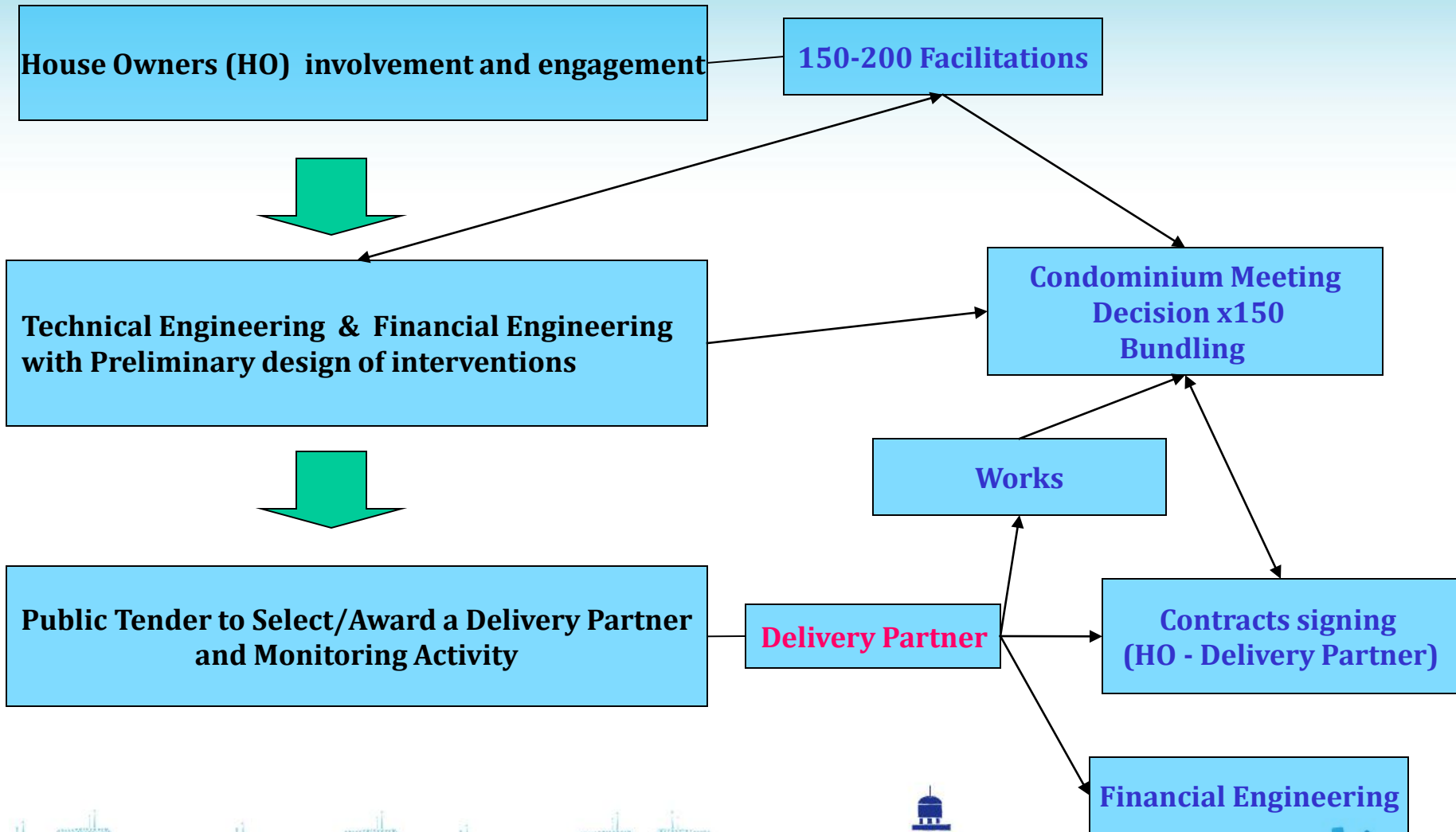


Padova FIT! - Key Figures (2/2)

- 15.800.000 € of foreseen investments launched in the **private housing building**
- ca. 4500 people involved by the investments and 150 buildings
- Cutting 3.744 CO2 emissions/year (15.703 MWh/year saved)
- Renewable Energy Production: 2.326 MWh/year
- Type of investments:
 - Structural Refurbishment (shell of buildings)
 - Heating plants renewal
 - Renewables
 - Average savings targeted: 25%



Padova FIT! - Structure of the Project



Padova FIT! - Key elements and critical factors (1/5)

0) Preliminary Planning

1-1,5 years in advance

a) Stakeholder involvement and engagement

- Training of Facilitators a TECHNICAL and PSYCHOLOGICAL work
- Target groups addressed: Building managers associations, small owners associations, House Owners/Tenants Unions, Builders associations
- Some target groups resistance and some target group exceeding expectations
- Facilitators in Condominium Meetings need to be backed up by a Comune Officer



Padova FIT! - Key elements and critical factors (2/5)

b) Technical Engineering & Preliminary design of interventions

- Carefulness to provide precise figures...which is the possible % error to be presented in Condominium Meetings?
- Minimum size buildings to be economically viable/interesting for Energy Service Companies?



Padova FIT! - Key elements and critical factors (3/5)

c) Financial Engineering

Fund for the awarded Delivery Partner to make the works bankable - ISSUES

- SCALE: the project's limited dimensions
- IS THE MARKET READY: the Italian market of Private Equity or Venture not ready to finance EE projects (more prepared with Renewables);
- TIMING and COSTS to create a Capital Fund
- WHICH INVESTORS?
- Need to involve professionals to structure complex financial operations (more viable for investments > 50/60 mln €).
- Securitization (Law 130) - again scale issue (100 mln €)



Padova FIT! - Key elements and critical factors (4/5)

FEASIBILITY OF THE FINANCIAL SCHEME

- Delivery Partner own capital → min 20% → remuneration 7%;
- Equity or Bond for third parties → 25-30% → remuneration 12%;
- Bank debit → 50- 55% → cost 8%;
- Contracts duration → 10 years;
- Discount for homeowners on old billing → 5%;
- Choice tax credits/white certificates.



Padova FIT! - Key elements and critical factors (5/5)

d) Procurement and Works

- Writing and issuing the Tender - No Competitive Dialogue!!!
- Building Differentiated Contracts:
 - Comune - Delivery Partner
 - Delivery Partner - Building/Owners
 - Auditing the Delivery Partner and advice Owners



Padova FIT! – From finance to Contract

d) Procurement and Works

Which documents to be annexed to the Tender

- Financial schemes
- Required Refurbishment Plans for three differentiated standard buildings (for assessment)
- Technical and financial qualification
- 3 years of experience in the field
- 2 years of active balance sheet
- 20% investment with own capital
- Rewarding Elements
 - Discounts >5% and/or % of guaranteed efficiency > 15%
 - Involvement of local workers/firms
 - Bringing own palaces
 - Financial indicators: $PFN/EBITDA < 5$, $PFN/PN < 3$



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