EBRD Financing for District Energy

Workshop on Regional Heating and Cooling priorities in the framework of the Smart Specialisation Platform

May 2018, Brussels
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EBRD

Introduction

An international financial institution supporting the development of sustainable well-functioning market economies

Highest credit rating (AAA/Aaa)

Owned by 66 countries and 2 inter-governmental institutions (the EU and EIB)

€30 billion authorised capital (Share: €6.2 bn paid-in/23.5 callable)

1991 Established
1992 Russia and 11 other members of the former Soviet Union join
2007 The Czech Republic becomes the first country to “graduate” from the EBRD
2012 Starts investing in Egypt, Jordan, Morocco and Tunisia
2016 25th anniversary; China becomes 67th member
2017 Lebanon became a country of operation and the Bank also commenced operations in West Bank and Gaza

Shareholding structure

- **EU 28 Countries** 63%
- **Japan** 9%
- **USA** 10%
- **Others** 11%
- **EBRD region excluding EU** 8%

1. Includes European Community and European Investment Bank (EIB) each at 3%. Among other EU countries: France, Germany, Italy, and the UK each holds 8.6%.
Where we invest increasing footprint

Central Eastern Europe

SEMED

Western Balkans

Cyprus, Greece

Turkey

Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine

Central Asia (incl. Mongolia)

West Bank and Gaza

Lebanon
Green Economy Transition (GET)

40%
Green finance in EBRD annual business by 2020, from a 2015 level of 30%

€ 4 billion
Target annual EBRD green business by 2020

€ 22 billion
Target cumulative EBRD green business 2006-2016
Typical EBRD DE Projects

DE Company Level

• Sub-Sovereign loans often co-funded by donor grants
• Supply and demand side improvements
• Energy efficiency, meter based billing and improved standards of service
• Assistance with feasibility through to implementation

Country or Sector Level

• National framework agreements
• Technical cooperation projects with Government agencies
60 plus projects implemented in 16 different countries spanning:

- Central Asia
- Western Balkans
- Central and Eastern Europe
- Middle East

Pipeline of projects to sign in 2018/19

Improve operational and financial performance of district energy companies
What does EBRD look for?

Objectives

• To improve competitiveness and promote innovation to enhance energy and resource efficiency
• To support better municipal services to improve people's lives

Outcomes

• Energy efficiency and carbon reduction
• Improved operations and standards of service
• Cost recovery and consumption based billing
• Private sector participation
Abdali District Heating & Cooling Project
Jordan

**Signed in 2014**

- **Client:**
  - Jordan District Energy – Part-private company for provision of district energy services

- **EBRD financing:**
  - Loan of EUR 26.6 million (EUR 42 million EPC contract)

- **Transition Objectives:**
  - Demonstration of new products and technologies
    State of the art heating and cooling plant with a large thermal store that significantly reduces peak electricity demand;
  - Private sector participation
    Private market based solution based on cost effective service provision.
Abdali District Heating & Cooling Project
Jordan

- Reduced CO$_2$ emissions (~15,000 tonnes per year)
- ~40% energy savings
- Significantly reduced peak electrical demand
- Minimal water consumption (air cooled condensers)
- Ammonia refrigerant
- Lower cost heating and cooling for end users
Supporting the City of Banja Luka, in Bosnia and Herzegovina, for the purchase of an equity stake in a new district heating Company, which will convert expensive and polluting heavy fuel oil boilers to biomass.

- First non-sovereign municipal project in Bosnia and Herzegovina
- GCAP preparation
- City to adopt a new tariff structure.
- Company to adhere to EBRD’s environmental and social requirements.

EBRD Finance

€ 8.35 million

GHG Reduced

45,750 tonnes of CO₂ eq / yr
## Municipal District Heating

### Bishkek

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<thead>
<tr>
<th>EBRD Finance</th>
<th>€ 6.4 million</th>
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<tbody>
<tr>
<td>GHG Reduced</td>
<td>18,900 tonnes of CO₂ eq / yr</td>
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- First DH project in Kyrgyz Republic
- Reconstruction of network pumping stations
- New network control system (SCADA)
- Grant funding of EUR 3.5 million

### Prijedor

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<thead>
<tr>
<th>EBRD Finance</th>
<th>€ 7.0 million</th>
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<td>GHG Reduced</td>
<td>14,200 tonnes of CO₂ eq / yr</td>
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- Republika Srpska, Bosnia and Herzegovina
- New biomass boiler and CHP plant and demand side measures
- EUR 2 million grant from SIDA
Looking Ahead

The Bank will continue to support technical innovation in the sector and enhanced private sector participation.

- Renewable heat generation (biomass, solar and geothermal) and EfW
- Thermal storage and integration with renewable electricity generation
- Improved data collection and management
- Support for PPPs
- Equity stakes or direct investment
Contacts

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