

Measures and arguments to activate municipalities (as implementer)

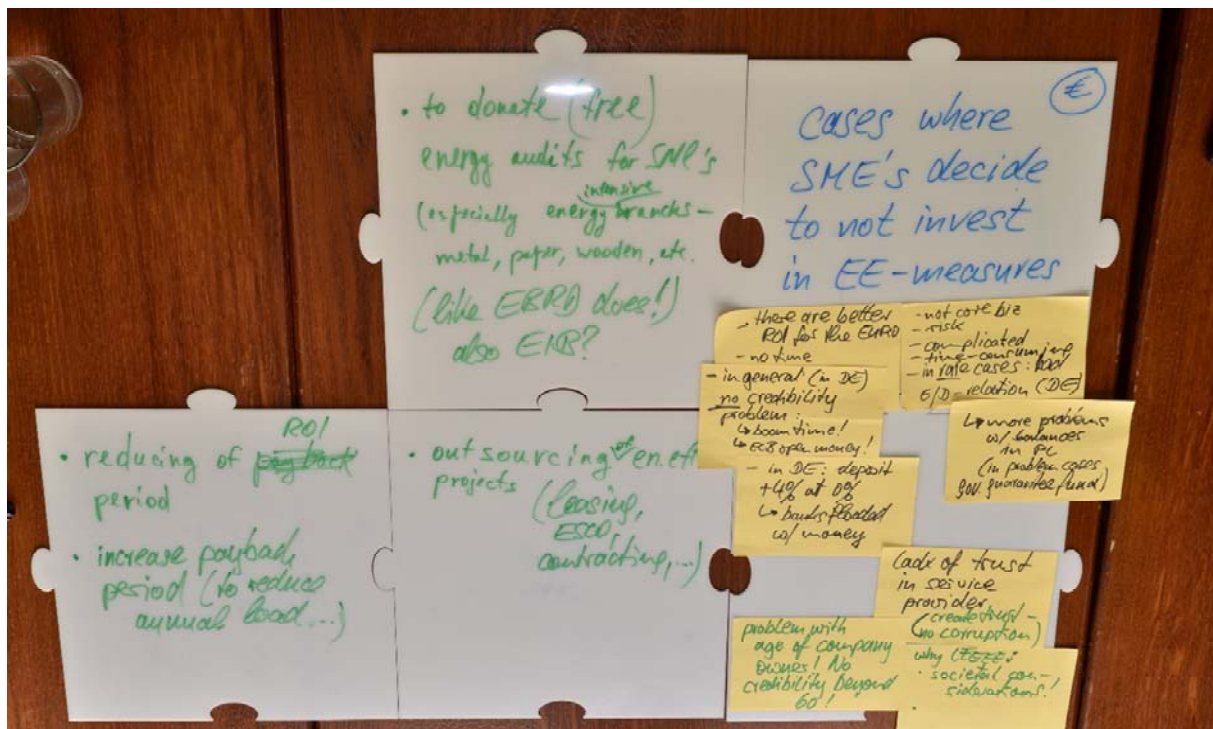
- Compliance with political goals
- Trigger local investments
- Generation of employment
- Long-term protection of assets – future proof and resilient
- Societal responsibility – climate change
- Role model: municipalities for SMEs and for citizens and for other municipalities

Measures and arguments to activate SMEs

- If profitable
 - Money
 - “good feeling”, risk avoidance, reputation
- If suffering
 - Money
- Resilience against fluctuating energy prices
- “Educate” SMEs about EE & potential of investing in EE through LFEE
- Exchange of experience
- Networking
- Trainings that don’t take people away from the company

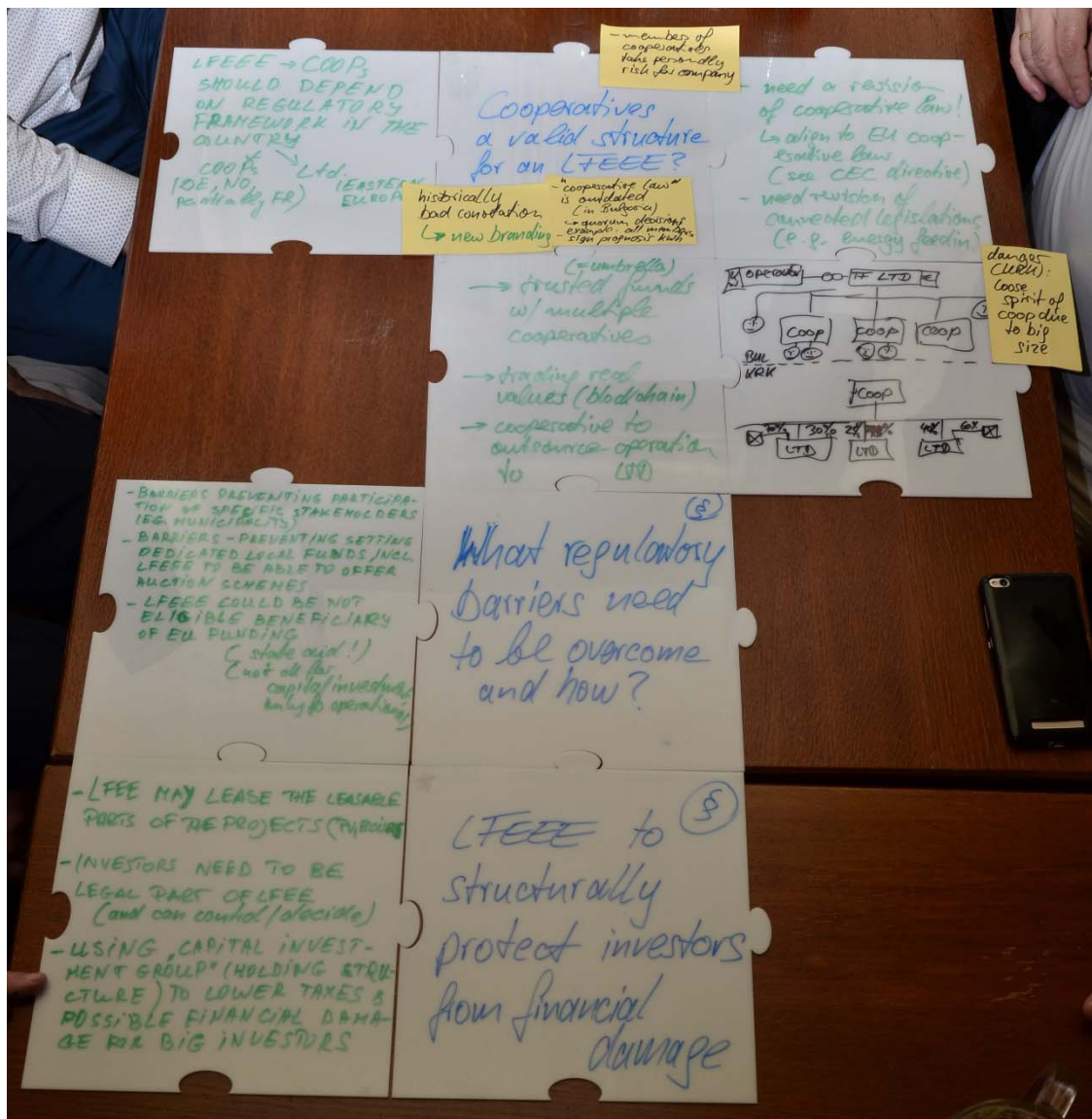
Measures and arguments to motivate citizens to invest in LFEE (projects, deposits)

- Explain to the citizens the benefits / impact of the investment vs. energy saving in the private household
- Expand the possibilities of a ... person
- Building confidence in the results of the EE measures of the LFEE through establishing systems for monitoring and verification



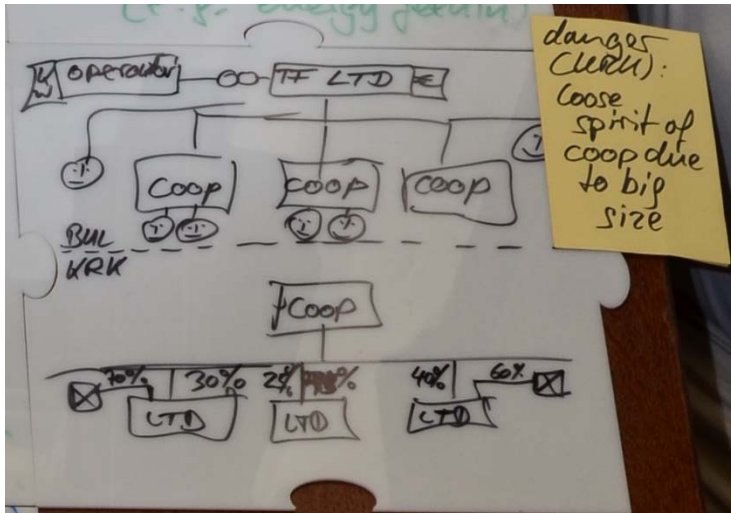
Cases where SMEs decide not to invest in EE measures

- To donate (free) energy audits for SMEs (especially energy intensive branches – metal, paper, wooden etc., like EBRD does!) also EIB?
- Outsourcing of energy efficiency projects (leasing, ESCO, contracting,...)
- Reducing of ROI period
- Increase payback period (to reduce annual load...)
- There are better ROI for the EURO
- No time
- In general (in DE) no credibility
 - Problem:
 - Boom time
 - ECB open money
- In DE: deposit +4% at 0%
 - Banks flooded w/ money
- Not core business
- Risk
- Complicated
- Time consuming
- In rare cases: bad E/D relation (DE)
 - More problems w/ balances in PL (in problem cases gov. guarantee fund)
- Lack of trust in service provider (create trust – no corruption)
- Why LFEEE? Societal considerations
- Problem with age of company owner! No credibility beyond 60!



Cooperatives a valid structures for an LFEES?

- LFEES -> COOPs should depend on regulatory framework in the country
 - COOPs (DE, NO, partially FR)
 - Ltd (Eastern Europe)
- Historically bad connotation -> new branding
- "cooperative law" is outdated (in Bulgaria)
 - quorum decisions
- example: all members sign prognosis kwh
- trusted funds w/ multiple cooperatives
- trading real values (blockchain)
- cooperative to outsource operation to Ltd.
- Members of cooperatives take personal risk for company
- Need a revision of cooperative law!
 - Align to EU cooperative law (see CEC directive)
- Need revision of connected legislations (e.g. energy feedin)

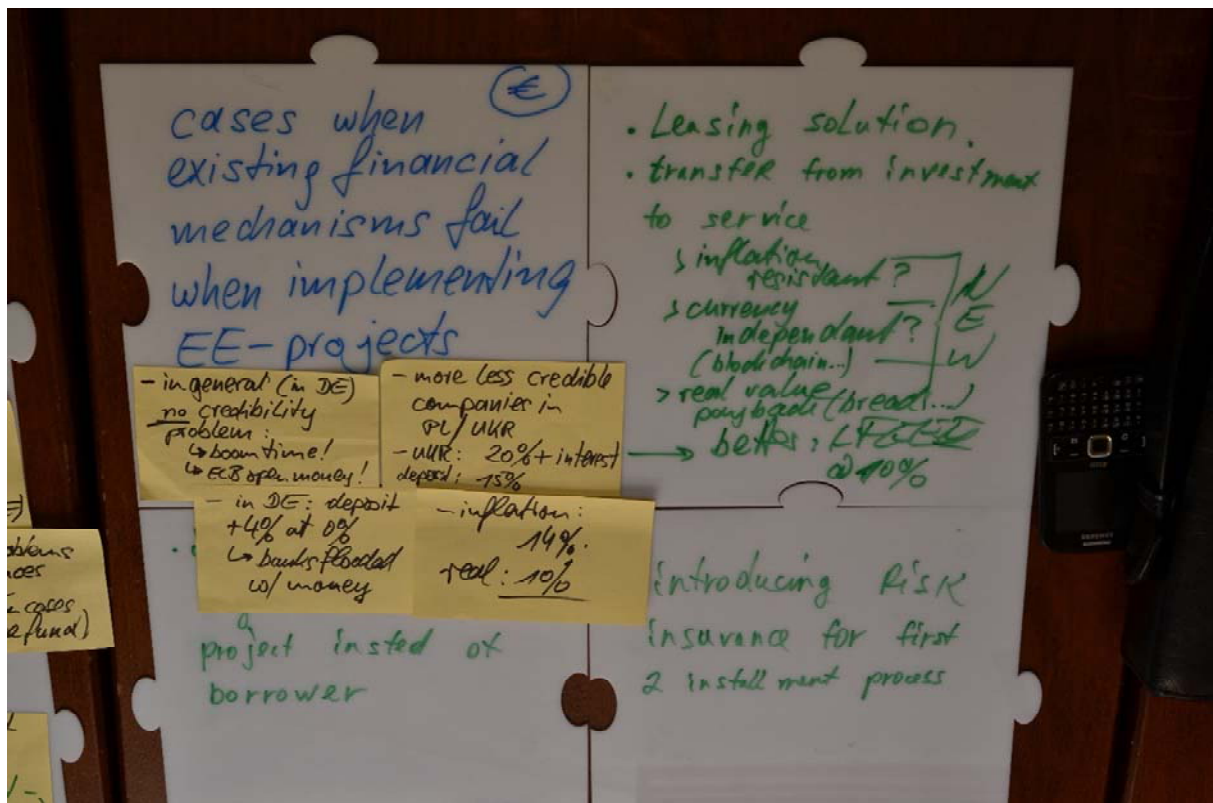


What regulatory barriers need to be overcome and how?

- Barriers preventing participation of specific stakeholders (e.g. municipalities)
- Barriers preventing setting dedicated local funds, incl. LFEEE to be able to offer auction schemes
- LFEEE could be not eligible beneficiary of EU funding (state aid!)
(not all for capital investment, only for operational)

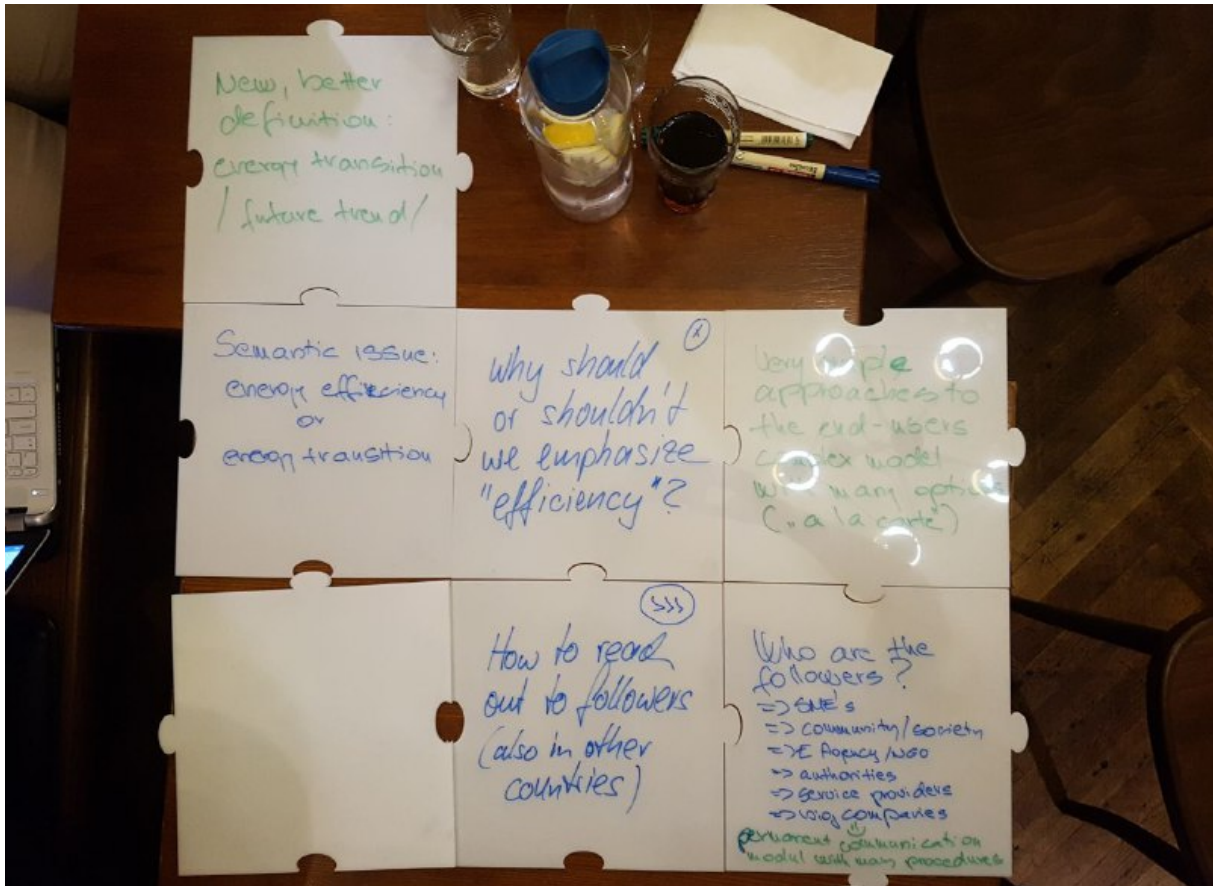
LFEEE to structurally protect investors from financial damage

- LFEEE may lease the leasable parts of the projects (PV, boilers)
- Investors need to be legal part of LFEEE
- Using "capital investment group" (holding structure) to lower taxes and possible financial damage for big investors



Cases when existing financial mechanisms fail when implementing EE projects

- Leasing solution
- Transfer from investment to service
 - Inflation resistant?
 - Currency independent? (blockchain)
 - Real value payback (bread,...)
 - Better: LFEED 10%
- Introducing risk insurance for first 2 installment process
- In general (in DE) no credibility
 - Problem:
 - Boom time
 - ECB open money
- In DE: deposit +4% at 0%
 - Banks flooded w/ money
- More or less credible companies in PL/UKR
- UKR: 20%+ interest, deposit: 15%
- Inflation: 14%, real: 1%



Why should or shouldn't we emphasize "efficiency"?

- Semantic issue: Energy efficiency or energy transition
 - New, better definition: energy transition / future trend
- How to reach out to followers (also in other countries)
- Who are the followers?
 - SMEs
 - Community / society
 - Energy agencies / NGOs
 - Authorities
 - Service providers
 - Big companies
 - ➔ Permanent communication model with many procedures
- Very simple approaches to the end-users, complex model with many options ("à la carte")