

# London Energy Efficiency Fund

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# Overview

LONDON  
ENERGY  
EFFICIENCY  
FUND



- Investment Strategy
- Design & Implementation
- Lessons Learnt 2007 - 13
- Delivery through 2014 - 20



# Investment Strategy

## Challenge

- Investors not investing in areas such as retrofit or decentralised energy
- Projects too small, risky and lack sufficient precedents to attract finance
- Solutions and investment cannot be addressed by the public sector alone

## Target

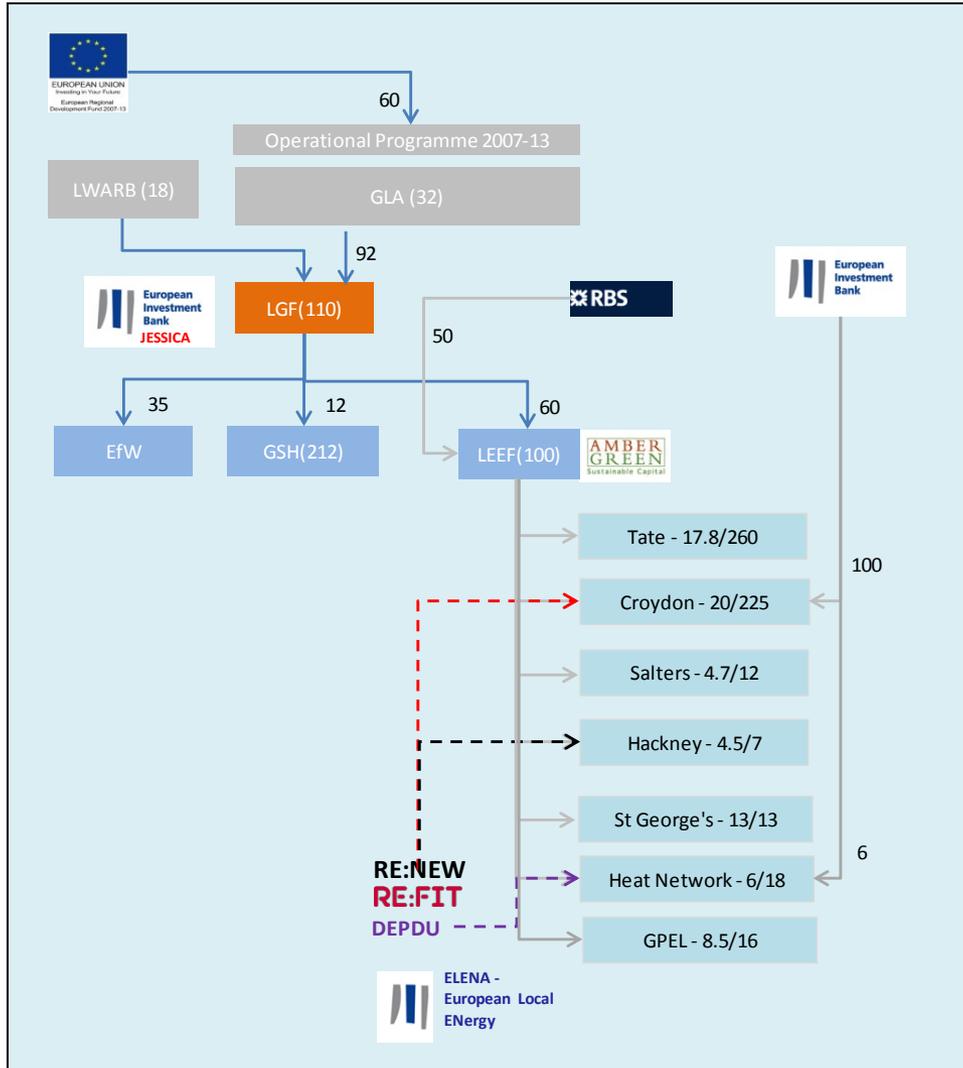
- Public, Private and Voluntary sector property owners
- Projects that can raise some but not all of the financing required
- Projects that demonstrate clear outputs that will benefit London ie
  - 20% Energy savings
  - £5,000 / tCO<sub>2</sub>e (annual)
  - Employment

## Offer

- Investment £1 -£20 million; debt, mezzanine or equity
- Competitive and sympathetic terms on a 'No Aid' basis utilising Reference Rate Methodology
- Complementarity with other forms of funding
- Hands on expertise



# Design and Implementation



## Impacts (Forecast at December 2015)

- £82 LGF : £573 million GDV
- Leverage: 6 times
- Creating
  - 1,600 jobs (incl. construction)
- Saving
  - 35,000 tCO2e / year
  - 20 million kwh





# Lessons Learnt

The need for:

- Flexibility
- Technical Assistance
- Clear Guidance (from Commission)



and, above all...

- Patience





# Delivery Through 2020

**Building Pipeline**

- Empirical Data
- Business Case Development
- Senior Management Engagement & Buy-in

**Project Development**

- Standardisation
- Risk Management
- Procurement & Contracting

**Capital Investment**

- Financial Instruments
- Concessionary Lending & Grant
- Bank Finance & Securitisation

**SAVE CARBON** 

 **ELENA - European Local Energy Assistance**



**DEPDU**

**RE:NEW**  
**RE:FIT**





**Thank you**

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