



Best Practice	FINANCIAL SUPPORT FOR ENERGY MANAGEMENT	ENMA-07
Application	Energy management	
SME sector	All	
SME Sub-sector	All	
Technical description	<p>When investing in energy-using equipment, it is essential to evaluate a full life-cycle cost approach: investment costs, energy use and maintenance costs during its life cycle and recycling/waste. It shows that for most energy-using equipment, costs in the use phase have the largest share of the total costs over the technical lifetime. Due to savings generated in the use phase through optimisation measures, extra costs at purchase can be amortised very quickly.</p>	
Recommendation for optimisation	<p>Below is a non-exhaustive list of possible financial support programs (these characteristics evolve rapidly and are not all cumulative).</p> <ul style="list-style-type: none"> • Bank loan: the bank loan is the most common solution used by small or medium-sized businesses. Banks can guarantee medium or long-term loans. Usually, the bank loan does not fully cover the investment, which will be covered by the self-financing. • Leasing is used to finance the same types of assets as a traditional loan. However, the company will be the owner of the property only at the end of the lease period. • Long-term rental: the long-term lease corresponds to a traditional rental contract without the purchase option. The contract is stipulated between the supplier of the equipment and the company, often through a credit institution. • Third party financing is becoming more and more common in industry. This can be, for example, third-party financing based on energy performance contracts. • Eco-energy loans: the loans are intended to finance certain energy efficiency measures and can be combined with ESCs. They are intended for micro-enterprises (VSEs or SMEs) over the age of three, wishing to improve their energy efficiency • Energy Saving Certificates (ESC): in some countries of the European Union, the Energy Saving Certificates mechanism requires energy resellers to help the developers of some projects to invest in energy saving. 	



Schemes and diagrams	<p>Global cost of an equipment over its lifetime</p>
Economics	The amount of the eco-energy loan is between 10,000 and 100,000 EUR, with a preferential rate increased by the state. The duration is 5 years, including 1 year of deferred capital.
Energy savings	Several factors affect investment costs, and a case-by-case assessment is necessary.
Economic savings	To be assessed on a case-by-case basis.
Average Payback Time	To be assessed on a case-by-case basis.
Emissions	The measure does not involve any emission.
Environmental benefits	The environmental benefits are enhanced by the purchase of green energy.
Main NEBs (Multiple benefits)	<input checked="" type="checkbox"/> Environmental benefits <input type="checkbox"/> Increased productivity <input type="checkbox"/> Work environment/ Health/Safety <input type="checkbox"/> Increased competitiveness <input type="checkbox"/> Maintenance
Replicability	High
Related measures	<ul style="list-style-type: none"> • ENMA-01: Human resources • ENMA-02: Follow-up of energy consumption: indicators, energy monitoring • ENMA-03: Implementation of an energy management system according to ISO 50001 standard



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| | <ul style="list-style-type: none">• ENMA-04: Contribution of an independent expert for energy management• ENMA-05: Energy purchase: energy market, offers, invoices, green energy• ENMA-06: Regulatory obligations |
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