



What is the Investor Confidence Project?

The Investor Confidence Project (ICP) is working globally to make energy efficiency a more investable asset class. By standardising the project development process and documentation through the ICP Protocols, transaction costs are reduced, variability of outcome is reduced and financial institutions can build teams and aggregate projects, ultimately enabling access to the secondary capital markets. In the USA, the ICP has already developed a suite of six Commercial and Multifamily Energy Performance Protocols. The Investor Confidence Project Europe (ICP Europe) is now developing a suite of European Energy Performance Protocols that will cover Tertiary (non-domestic) buildings and Apartment blocks. This fact sheet clarifies what the ICP is and what it is not.

“The ICP won’t solve all of the issues around energy efficiency and energy efficiency financing but we believe it is a critical part of the puzzle. Without it we will not unlock the level of capital necessary to drive this market forward. Both the Energy Efficiency Finance Institutions Group and the IEA agree.”

- Dr. S. Fawkes, ICP Europe

The Investor Confidence Project is:

- ✓ An initiative to standardise the development process and documentation of energy efficiency projects. Energy efficiency projects may include stand-alone, technology specific projects aimed purely at improving energy efficiency, or larger whole building retrofits carried out either to reduce energy demand or for general refurbishment and updating purposes. Standardising the development and documentation of energy efficiency projects will lead to the reduction of transaction costs and enable the aggregation of projects.
- ✓ An open-source project involving investors and lenders, energy efficiency project developers, building owners and government officials of all types from North America and Europe. The project provides no-cost tools and assistance to any building energy retrofit market participant.
- ✓ A means of developing and deploying a best practices approach to building energy renovation, which covers the whole process of developing and implementing energy efficiency projects through its open-source Energy Performance Protocols (Protocols), including:
 - Baselineing
 - Core Requirements
 - Rate Analysis, Demand, Load Profile and Interval Data
 - Savings Calculation
 - Design, Construction and Verification
 - Operations, Maintenance and Monitoring
 - Measurement and Verification (M&V)

The ICP Protocols can be used to improve the consistency and performance of any building energy efficiency retrofit project, programme or policy, and can be carried out without limiting the technical creativity of energy efficiency project engineers or prescribing technologies.

It is NOT:

- ✗ Developing new technical standards. The ICP system relies upon existing, best-practice standards currently used in the European building retrofit marketplace. It is about standardising a process of best practice.
- ✗ Importing US technical standards to Europe. The ICP Protocols assembles existing European standards and practices into a consistent and transparent process.
- ✗ Standardising Energy Performance Contracts (EPC). There are other initiatives attempting this and ICP is indifferent to contract forms. ICP is about improving the performance of energy efficiency projects, irrespective of contract type or the source of funds, internal or external. The ICP Protocols, however, will be helpful to ESCOs and clients developing EPCs.
- ✗ Specifying or requiring a specific level of energy savings. Although ICP would always advocate the deepest retrofit possible it is recognised that different circumstances such as building type, specific constraints, or economic considerations will always drive the level of savings. The ICP is about supporting the delivery of reliable, standardised projects, whatever the final level of saving.



“(Europe needs the) launch of an EU-wide initiative to develop a common set of procedures and standards for energy efficiency and buildings refurbishment underwriting for both debt and equity investments.”

- Energy Efficiency Financial Institutions Group (a European Commission and United Nations Environment Programme Finance Initiative convened working group).

What are the Goals of the Investor Confidence Project Europe?

To reduce transaction costs and increase deal flow and to establish energy efficiency as a unique asset class that will enable capital markets to invest in building renovations.

ICP Europe’s primary tool in this effort is its suite of European Energy Performance Protocols (Protocols) that assemble existing European standards and best practices into a standardised and transparent process. These can be used by any participant in an energy efficiency building retrofit marketplace to improve the investment quality of the project. These Protocols use existing European wide standards. In individual member countries different standards may be used within certain sub-sections of the Protocols to reflect national best practices. The ICP process ensures project teams using the Protocols deliver consistent documentation and that the projects meet equivalent and comparable standards so that they can be assessed, compared and aggregated across geographies.

The objective is to build a European and global building energy efficiency asset class. The Protocols seek to form the basic infrastructure for the movement to a European version of that asset class. Having a common process and similar standards across Europe will enable greater project aggregation and enable the securitisation necessary to achieve the lowest cost of capital. Having a similar process in both North America and Europe will facilitate international investors and lenders to build in-house capacity around standardised processes and increase financing opportunities for projects.



The Investor Confidence Project Europe depends on the involvement of investors and lenders, the energy efficiency industry and property owners for its success.

Learn more at:

europe.eepformance.org

Become an Ally at:

europe.eepformance.org/join-icp-europe

Join our Technical Forum at:

europe.eepformance.org/technical-forum

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