MAYOR OF LONDON’S ENERGY EFFICIENCY FUND (MEEF)

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AMBER INFRASTRUCTURE GROUP
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EUROPEAN UNION

Appendix C: Mayor of London's Energy Efficiency Fund Presentation
CONTENTS

1. MEEF OVERVIEW

2. MEEF PIPELINE

3. RELEVANT CASE STUDIES
MEEF OVERVIEW
A new investment fund established by the GLA and managed by Amber

A £500m Fund comprised of ERDF funding, commercial debt funding and equity

A focus on Energy Efficiency, Decentralised Energy and Small Scale Renewables

A flexible and competitive funding source offering debt, mezzanine debt and equity

A long dated Fund to allow for more lengthy payback periods (up to 20 years)

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supported by European Regional Development Fund
MEEF INVESTMENT SECTORS AND ELIGIBLE EXPENDITURE

A minimum of **70%** of investments must be to the **public** sector.

- Local Authorities
- Education (Higher & Further)
- Registered Providers
- Health
- Not for Profits

Up to **30%** of investments can be in the **private** sector.

- SMEs
- ESCOs

MEEF can fund up to **100%** of the capital cost of a **£1m+** project but could also part fund large scale regeneration projects which have low carbon credentials.

- Energy Efficiency
- Decentralised Energy
- Small scale Renewables
- Battery Storage
- Electric Vehicle Charging Infrastructure
- Regeneration Projects

MEEF has available to it up to **£2m** of **technical support funding** that can be made available to support a project’s business case, accelerating the due diligence process.
MEEF TARGETS AND PROGRESS

By May 2023 MEEF aims to:

- Provide 17MW of additional renewable energy capacity
- Decrease Greenhouse Gases by 37,000 tonnes / year
- Mobilise up to £500m of funding

Progress to date:

- Two deals signed
- A number of innovative projects on the pipeline
- Energy reduction target already met to 2023

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2. Based on GLA’s guidelines
LEVERAGE

Debt (At least 90% of Fund) -> AMBER INFRASTRUCTURE GROUP

Equity (up to 10% of Fund) -> GREATER LONDON AUTHORITY

AMBER INFRASTRUCTURE GROUP

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supported by European Regional Development Fund

KFW, Siemens, Investec, Salix, EESL
abundance, Repowering London, Triodos Bank, HSBC, Ingenious
MEEF PIPELINE
# LIVE MEEF PIPELINE

<table>
<thead>
<tr>
<th>Project</th>
<th>Sector</th>
<th>Status</th>
<th>Capital Instrument</th>
<th>MEEF Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>NHS Trust</td>
<td>Health</td>
<td>Invitation To Tender Issued</td>
<td>Debt</td>
<td>£20m</td>
</tr>
<tr>
<td>London Borough</td>
<td>Local Authority</td>
<td>Eligible Expenditure Complete</td>
<td>Debt</td>
<td>£10m</td>
</tr>
<tr>
<td>London Borough</td>
<td>Local Authority</td>
<td>Eligible Expenditure Review</td>
<td>Debt</td>
<td>£4m</td>
</tr>
<tr>
<td>London Borough</td>
<td>Local Authority</td>
<td>Eligible Expenditure Review</td>
<td>Debt</td>
<td>£30m</td>
</tr>
<tr>
<td>University</td>
<td>Higher Education</td>
<td>Eligible Expenditure Review</td>
<td>Debt</td>
<td>£2m</td>
</tr>
<tr>
<td>Biomethane Fuels</td>
<td>SME</td>
<td>Heads of Terms Issued</td>
<td>Debt</td>
<td>£5m</td>
</tr>
<tr>
<td>HVAC Solution</td>
<td>SME</td>
<td>Additional Funder IM Issued</td>
<td>Debt</td>
<td>£10m</td>
</tr>
<tr>
<td>Solar Rooftop</td>
<td>SME</td>
<td>Support Letter Issued</td>
<td>Debt</td>
<td>£10m</td>
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<tr>
<td>Data Centre Solution</td>
<td>SME</td>
<td>Support Letter Issued</td>
<td>Debt</td>
<td>£2m</td>
</tr>
<tr>
<td>EV Charging Infrastructure</td>
<td>SME</td>
<td>Project Outline Underway</td>
<td>Debt</td>
<td>£10m</td>
</tr>
<tr>
<td>Cultural Institution</td>
<td>Cultural Institution</td>
<td>Project Outline Underway</td>
<td>Debt</td>
<td>£1.5m</td>
</tr>
<tr>
<td>Registered Provider</td>
<td>Registered Provider</td>
<td>Project Outline Underway</td>
<td>Debt</td>
<td>£20m</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>£125m</strong></td>
</tr>
</tbody>
</table>
CASE STUDIES
<table>
<thead>
<tr>
<th>MEEF: BUILDING ON LEEF’S SUCCESS</th>
</tr>
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<tbody>
<tr>
<td>Backed 11 major carbon saving projects</td>
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<tr>
<td>Committed £89m of capital</td>
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<tr>
<td>Reduced CO2 emissions by 39,000 tonnes</td>
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<td>Equivalent to taking 35,500 cars off the road</td>
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<tr>
<td>Supported 2000 construction and operation jobs</td>
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<tr>
<td>Saved 34,000,000 kWh of energy; the equivalent of 2000 homes</td>
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<tr>
<td>Mobilised £420m of external finance through our capital</td>
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<tr>
<td>Invested throughout the capital (80 buildings across 9 London Boroughs)</td>
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<tr>
<td>LEEF’s Projects:</td>
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<tr>
<td>Tate Foundation – Retrofit</td>
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<tr>
<td>Salters Livery Company – Refurb</td>
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<tr>
<td>London Borough of Hackney – Heat System</td>
</tr>
<tr>
<td>St George’s NHS Trust – EPC Contract</td>
</tr>
<tr>
<td>London Borough of Croydon – Retrofit</td>
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<tr>
<td>London Borough of Enfield – District Heating</td>
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<tr>
<td>Greenwich Peninsula ESCO Ltd – District Heating</td>
</tr>
<tr>
<td>Confidential Data Centre – Energy Efficiency</td>
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<tr>
<td>University of Roehampton – Energy Efficiency</td>
</tr>
<tr>
<td>London Borough of Croydon – Retrofit</td>
</tr>
<tr>
<td>Epsom Hospital – EPC Contract</td>
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£21.6m – Epsom & St Helier University Hospitals NHS Trust

- Two tranches of an Energy Performance Contract across St Helier & Epsom sites
- Special Investor Consent received to invest at Epsom site in North Surrey
- The EPC contractor, BREATHE, selected through the GLA’s RE:FIT programme
- Part of wider regeneration of the hospital’s three sites
- The funds have helped to support the regeneration of a hospital that was on the brink of closure

Project / Financial Highlights

- Tranche I matched recycled LEEF funds with MEEF to provide a competitive finance option for a fully funded EPC
- Tranche II ERDF matched by Additional Funder. Triodos selected following competition
- The combined estimated savings from Tranche I and II will save the NHS trust over £1m per annum and will reduce the NHS estates cumulative carbon emissions

Technical Highlights

- Forecast Energy savings of 26% per annum (7.6GWh) for Tranche I and a 21% saving per annum for Tranche II
- Forecast first year CO2 savings:
  • Tranche I 5313 tonnes
  • Tranche II 986 tonnes
GREENWICH PENINSULA ESCO LIMITED

£19.8m – Greenwich Peninsula ESCO
- Financial Close in 2015
- Practical Completion in 2018
- 6-Year Loan
- 2 tranches of funding split between the Energy Centre and the Network
- Complicated borrowing structure to meet the needs of the Freeholder (GLA), Developer (Knight Dragon) and the ESCO

Project / Financial Highlights
- 50% match funding sourced from the Developer
- 15,720 residential units and 3.5m sqft of commercial space to be served by the CHP and heat network
- Largest public sector land development in the UK at time of construction
- Regeneration of the 190 acres site will take 20 years
- Total projects costs amount to over £10bn

Technical Highlights
- The Project is expected to save over 20,000 tonnes of carbon per annum once fully built out
- LEEF’s first private sector district heating scheme
- LEEF loan provides the flexibility for a multi phase build out
- Created 4000 construction jobs
- Heat Network has been designed to link with other local networks and potential heat sources
£4.6m – London Borough of Hackney (LBH)
- Financial Close in 2014
- Practical Completion in 2017
- 11-Year Loan
- LEEF addressed the capital requirement to install communal heating systems for ten high-rise blocks owned and managed by Hackney Homes; the LBH social housing management provider
- Procured via the GLA’s RENEW framework

Project / Financial Highlights
- Match funding sourced from the Council and additional ECO grant from npower (total project cost: £8m)
- Provision of energy to 1,500 social housing tenants (over 600 properties); average energy bill reduced by 56% (£980)
- Addresses fuel poverty by replacing electrically heated systems with a more efficient gas alternative
- Part of a broader Borough-wide social housing regeneration

Technical Highlights
- Estimated 40% CO2 savings due to fuel switch
- Project managed by Cenergist and constructed by Lakehouse
- Created 100 construction jobs
- The Heat Networks have been designed to link with other local networks and potential heat sources
- LBH benefits from lower maintenance costs and O&M contract with ESCO
ROEHAMPTON UNIVERSITY

£3.0m – Roehampton University

- Financial Close in 2018
- Practical Completion in 2019
- 10-Year Loan
- The refurbishment includes specialist teaching areas with film, television and sound studios, a 90+ seat cinema, photographic studios, cutting/editing suites and a flexible creative project space for a new digital media course
- The scheme includes accommodation for university-wide student facing support facilities

Project / Financial Highlights

- The project involves the remodeling and extension of two adjacent buildings to provide consolidation and improvement of facilities, principally, for the Department of Media Culture and Languages
- The project has been designed with the nature of the building in mind, being a performing arts studio as well as being delivered in an energy efficient way
- Supports Roehampton University with meeting its carbon commitments

Technical Highlights

- Forecast Energy savings of 38% per annum (0.8GWh)
- Forecast annual CO2 savings: 300 tonnes
- Energy Conservation Measures include: Lighting, Ventilation, Glazing, Heating and Cooling, Domestic Hot Water and a Building Management System
£5.0m – London Borough of Croydon (LBC)

- Financial Close in 2018
- Practical Completion expected in 2019
- 10-Year Loan
- Fairfield Halls is an arts, entertainment and conference centre located in Croydon, London. It opened in 1962 and contains a theatre and gallery, and the large concert hall that has been regularly used for BBC television, radio and orchestral recordings
- Croydon on-lent funds to a 100% owned SPV called Brick by Brick

Project / Financial Highlights

- The Project feeds into a broader, Borough-wide regeneration, including the refurbishment of Fairfield Hall Theatre and development of 240 residential apartments
- Croydon will secure a number of positive outcomes including significant financial, energy and CO2 savings, reduced maintenance and a more comfortable internal environment for building occupants

Technical Highlights

- Aiming to achieve a BREEAM 'excellent' building certification
- Forecast annual energy savings of 29% (5.4GWh)
- Forecast annual CO2 reduction: 1472 tonnes
- Addresses fuel-poverty and affordable warmth
- ECMs include: Boiler and chiller upgrades, CHP, building management system, lighting, insulation, replacement glazing and heat recovery
MEEF APPLICATION PROCESS

STAGE 1: Project Screening
- Project Outline
- Eligibility Criteria
- Inception Meeting

STAGE 2: Application
- Application Form
- M&V Plan
- Investment Terms
- Loan Agreement

STAGE 3: Decision to Invest
- Due Diligence
- Investment Committee Approval
- Financial Drawdown

STAGE 4: Post Investment
- Reporting on Energy Savings
- Repayments

6 WEEKS – 3 MONTHS
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