**Location of planned investments** | Greece, Region of South Aegean
---|---
**Final Beneficiary** | Region of South Aegean
**Sector(s) of investment** | Energy efficiency in public lighting and public buildings
**Total Project Development Services (PDS) cost** | EUR 868 770
**ELENA co-financing** | EUR 780 851

### Project Development Services financed by ELENA
- Coordination of the investment programme
- Feasibility and technical studies
- Procurement preparation
- Legal advisory
- Financial advisory and investment planning
- Dissemination and capacity building

### PDS Timeframe
July 2019 to June 2022

### Investment programme description
The Investment Programme consists of 2 schemes addressing energy efficiency measures in the regional and municipal street lighting network and implementation of Energy Efficiency Retrofits in Public Buildings, owned by the Region of South Aegean.

The investments related to street lighting are planned to be implemented through PPP schemes where private capital is used to co-fund public infrastructure projects. It is also possible to blend these funding with some European Structural and Investment Funds under the so-called National Strategic Reference Framework (NSRF 2014-2020), in order to finance works related to pole replacement and electric system upgrade, if necessary.

Regarding the investments in buildings, six hospitals were identified (Kos, Kalymnos, Leros, Rhodes, Syros and Naxos) and financing is expected to be ensured by NSRF 2014-2020 (regional funds) and by private investors, based on the energy performance contract.

### Investment amount to be mobilized
EUR 38m

### Description of the approach to implement the Investment Programme
The Energy efficiency in street lighting project will be implemented through the PPP approach. A Special Purpose Entity (SPE) will be established by the winning bidder, which will be responsible for financing, installing and maintaining the new efficient street lighting network based on LED technology.
This SPE can include several partners, including large constructors and lighting equipment manufacturers, operators (utility companies or international street lighting operators), financial institutions, and some government entities. Two proposals will be submitted to the PPP Unit – one for the Regional street lighting network and one for the Municipal street lighting network. The Region will be responsible for the submission of the two proposals and the execution of the two tenders. A detailed, reasonable and “bankable” risk allocation shall be put in place, for the proposals to be attractive to private investors.

Fourteen PPP contracts are expected to be signed, one with the Region and one with each participating Municipality-Island. The PPP will be remunerated based on energy efficiency savings of the networks and according to the payment mechanisms of each PPP Contract, which is expected to rely on the energy savings generated by the project.

The Energy efficiency in public buildings project will be implemented by the Region of South Aegean. The Region in cooperation with the General Hospitals, which are under its jurisdiction, will be responsible for the preparation of the necessary studies and the implementation of the projects as well as the maintenance and operation of the energy efficiency technologies. The Region will be the umbrella entity responsible for funding part of the project with funds from its Regional Operational Programme NSRF 2014-2020 and the rest by ESCOs. All buildings are expected to benefit from both financing sources. Regional Structural funds will be used to finance envelope related investments (building insulation and windows replacement) which are expected to have higher payback period. ESCOs will finance investments with shorter payback periods (lighting, heat recovery systems, efficient HVAC systems, etc.).

<table>
<thead>
<tr>
<th>Expected results of investments planned</th>
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<tbody>
<tr>
<td>• Energy Efficiency – Annual total energy saved 18.9 GWh.</td>
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<tr>
<td>• Renewable Energy – Annual total 0.00 GWh, from RE electricity generation.</td>
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<tr>
<td>• CO₂ reductions – Annual total reductions of 18 732 CO₂ eq t.</td>
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<td>• Jobs retained or created - in 249 equivalent FTE.</td>
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<th>Leverage factor (Minimum 20)</th>
<th>49</th>
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<table>
<thead>
<tr>
<th>Status</th>
<th>Contract signed on 04/06/2019</th>
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