

WEBINAR

June 10th, 2020

A Green Covid-19 Recovery and Resilience Plan for Europe



Agenda

12h00 | Introduction – Pete Harrison, European Climate Foundation

12h10 | A green recovery package – presentation of the project: Peter Sweatman, Climate Strategy & Project Board

12h20 | Methodology and expected results, Alexis Gazzo, EY

12h30 | How can you help us? Erica Hope, ECF for a presentation of survey questionnaire and projects database

12h40 | Q&A sessions and discussion with the participants

Webinar : Functioning and rules

- ▶ Thank you for your participation !
- ▶ Given the number of participants, we will save questions to the end; if you have comments please write them in the chat
- ▶ When it comes to Q&A at the end, please write “hand” in the Chat and the moderator will come to you to ask your question
- ▶ Please use Chat rather than the Q&A section of Zoom
- ▶ As it may not be possible to cover all questions live, we will follow up after if needed
- ▶ We wish you a good webinar !



Speakers



Peter Sweatman

CEO of CS and ECF Project Board Member



Alexis Gazzo

Partner, EY

Sustainable Performance & Transformation



Erica Hope

Director, ECF

Climate Planning & Laws

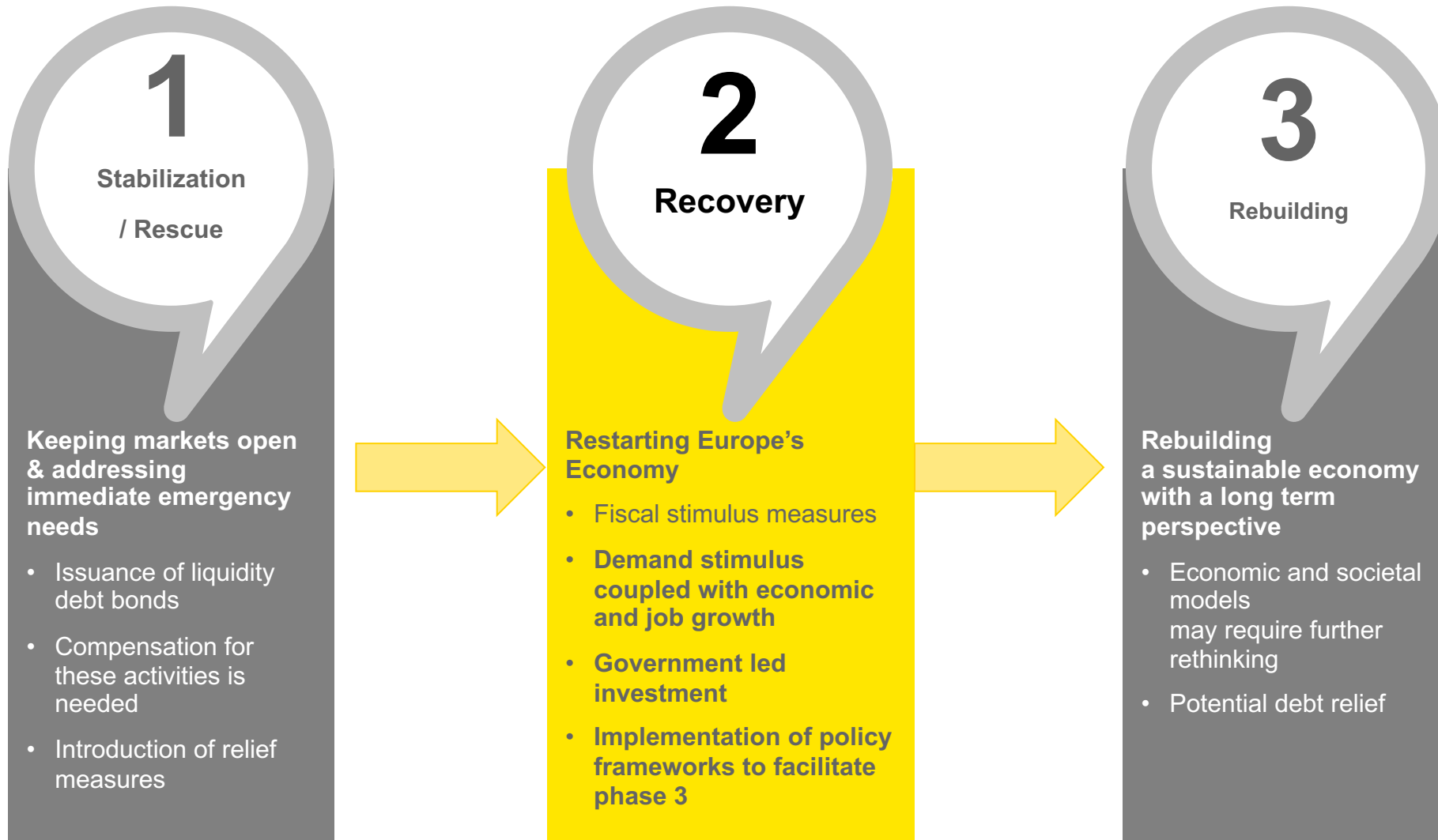


What is the green recovery package project ?

To reach the objective of carbon-neutrality, transversal ambitions, sectoral policies and financing components will need to be adapted to countries and sectors by Governments at EU and MS level



Emerging from the COVID Crisis will go through three financial phases...



European leaders consider that the Green Deal's ambitions should be at the core of recovery plans

"As we now plan to slowly go back to work and to invest billions of euros to restart our economy, we should avoid falling back in old, polluting habits"

Ursula Von Der Leyen
April 20th, 2020



"We will need to build a strategy where we find the long time, the ability to plan, the carbon sobriety, the prevention, the resilience that alone can allow us to deal with future crises. "

Emmanuel Macron,
April 13th, 2020



"The future is with a green, resilient and digital economy that makes sure that there are sustainable jobs, economic growth and that we are able to react to other challenges when they come."

Frans Timmermans,
May 28th, 2020



"European Green Deal must be central to a resilient recovery after Covid-19"

Joint Declaration of 13 European Environment Ministers on 11 April 2020



Pascal Canfin ✓ @pcanfin · 14 avr.

We are launching today at my initiative the European alliance for a green recovery with 180 ministers, MEPs, CEOs, NGOs & Trade Unions. We will come out of this historic crisis stronger : bit.ly/3b1A5Bn
[#greenrecovery](#) [#Covid-19](#) [bloomberg.com/news/articles/...](https://www.bloomberg.com/news/articles/)

*"A new **Recovery and Resilience Facility** with a budget of €560 billion – distributed in grants and loans. This will support Member States to implement investments and reforms that are essential for a sustainable recovery. Member States will design their own tailored national recovery plans, based on the investment and reform priorities identified as part of the European Semester, in line with National Climate and Energy Plans, Just Transition Plans and Partnership Agreements and Operational Programmes under EU funds".*

"Europe's moment: Repair and Prepare for the Next Generation"

COM(2020) 456 final Communication on 27 May 2020

Yet the economic crisis caused by COVID-19 can threaten the European Green Deal's ambition...

Potential short-term effects

- Historically low oil prices and falling electricity prices might impact the shift to sustainable energy models
- Potential impact on the cost of capital for capex-intensive projects
- Increased investor vigilance for fund raising and difficulties to raise finance for innovative projects

A temptation to reduce the pace of transitions to preserve certain sectors of activity

37 MEPs asked on 30 March *"to postpone new legislation in the framework of initiatives such as the European Green Deal"*.

- Some countries are already backtracking on some of their climate commitments
- Automotive industry calls for relaxation of regulations on CO2 emissions from vehicles



Coronavirus crisis cash threatens EU green plans

'You don't want to come out of this crisis only to stumble into the next crisis,' says a West European diplomat.

By KALINA OROSCHAKOFF | 3/19/20, 2:40 PM CET | Updated 3/23/20, 3:01 PM CET



Could Coronavirus Beat Green Deal In Slowing Climate Change?



Dave Keating Contributor @

Energy

Covid-19 relief for fossil fuel industries risks green recovery plans

Over \$500bn is going to high-carbon industries undermining goals of Cop26 climate talks



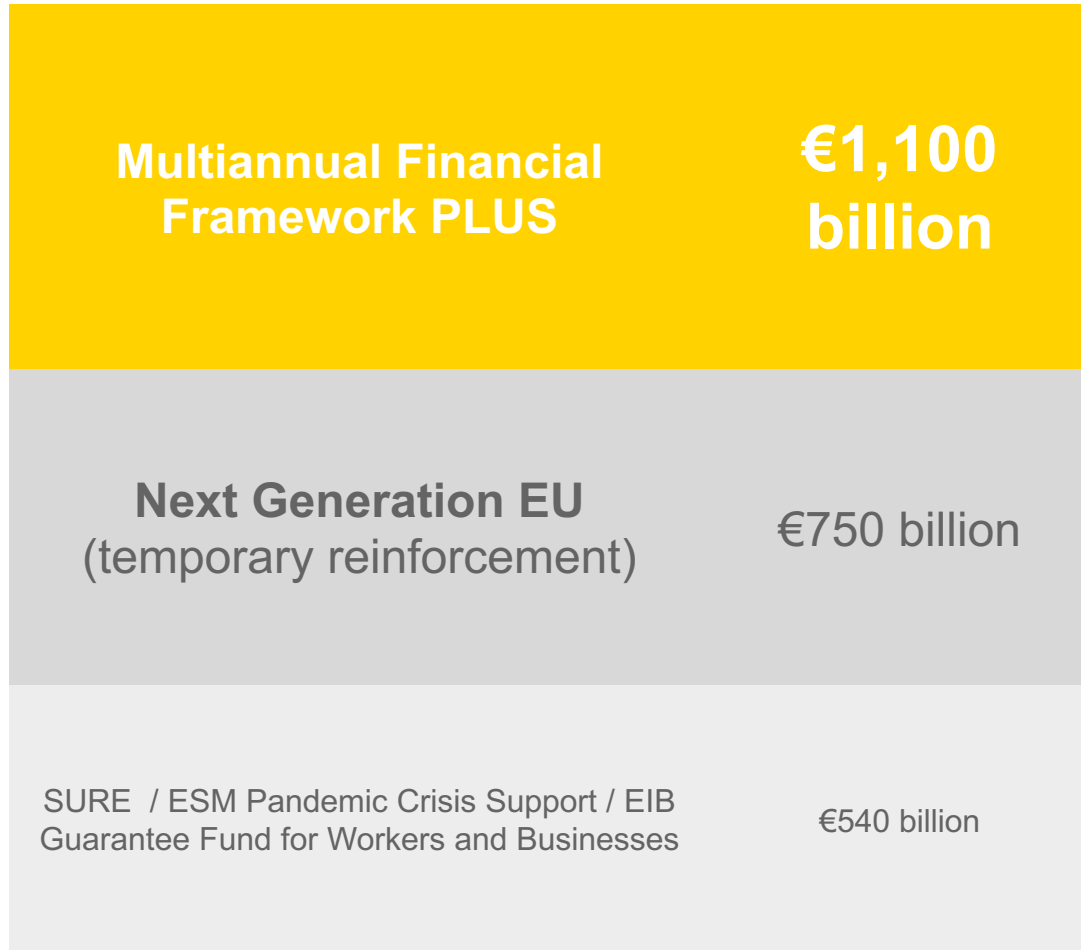
26 ways to launch a clean energy future out of the pandemic recovery

June 9, 2020, 9:00 AM



Open letter to EU leaders from investors on a sustainable recovery from COVID-19

More than a trillion euros of Green deal and recovery plan money, with a need to identify tangible opportunities to invest in

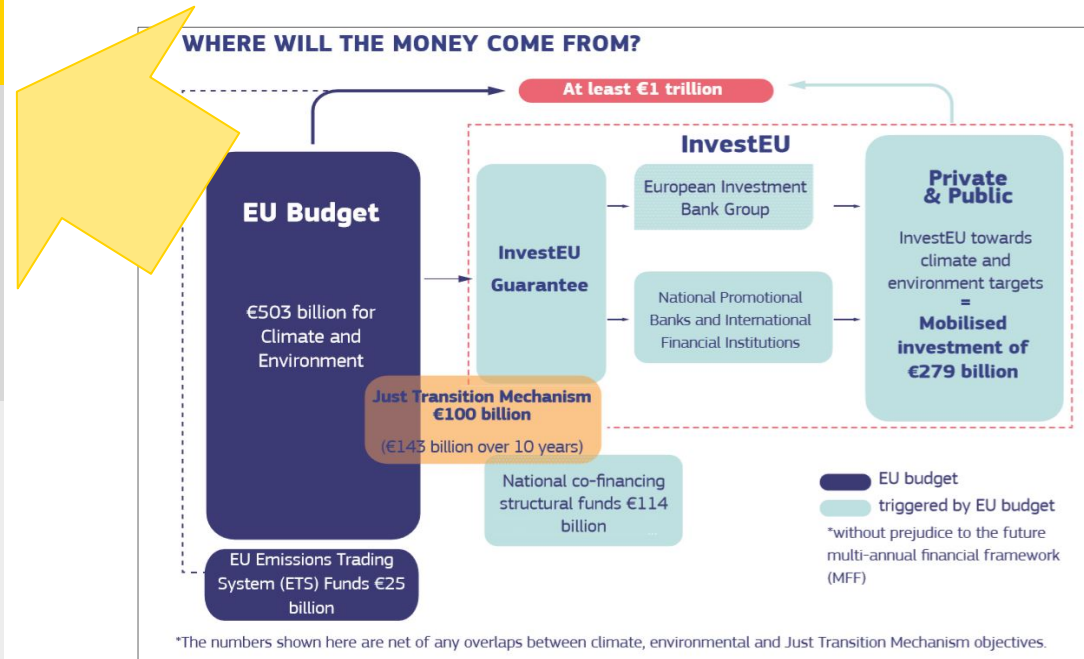


March - May 2020

Source: European Commission



MS-level Stimulus: e.g. Germany's €130 billion euro recovery budget putting the focus on climate-friendly industries and technologies.

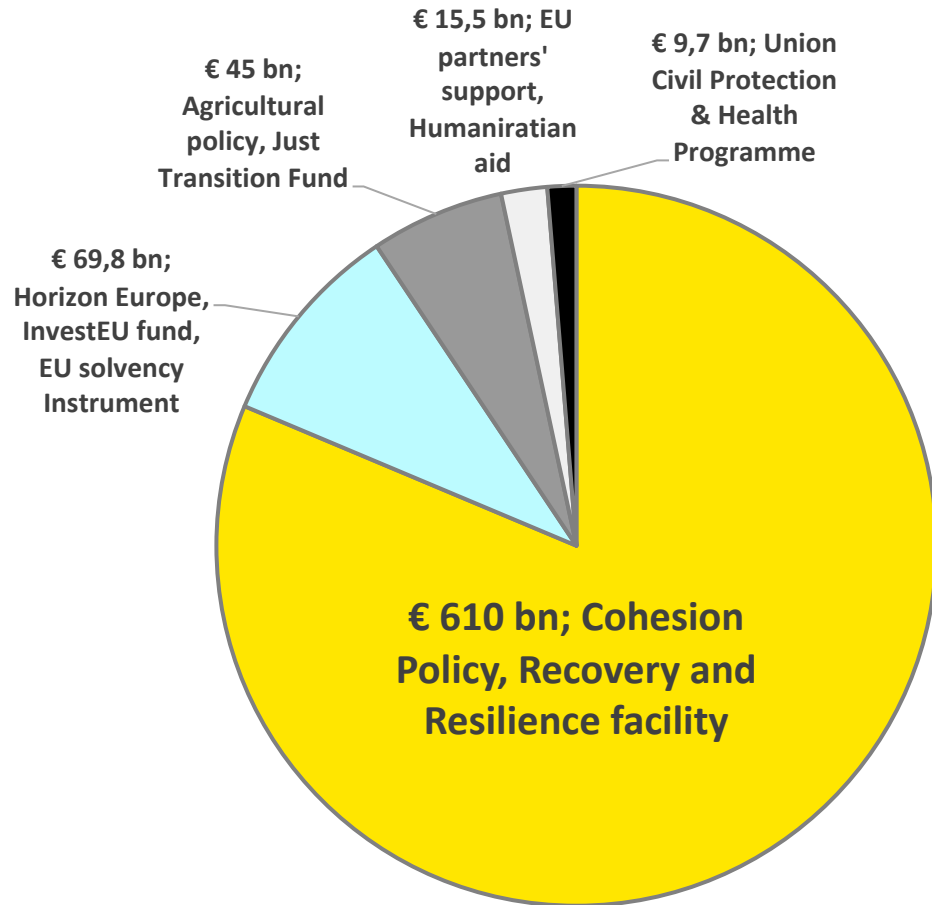


January 2020

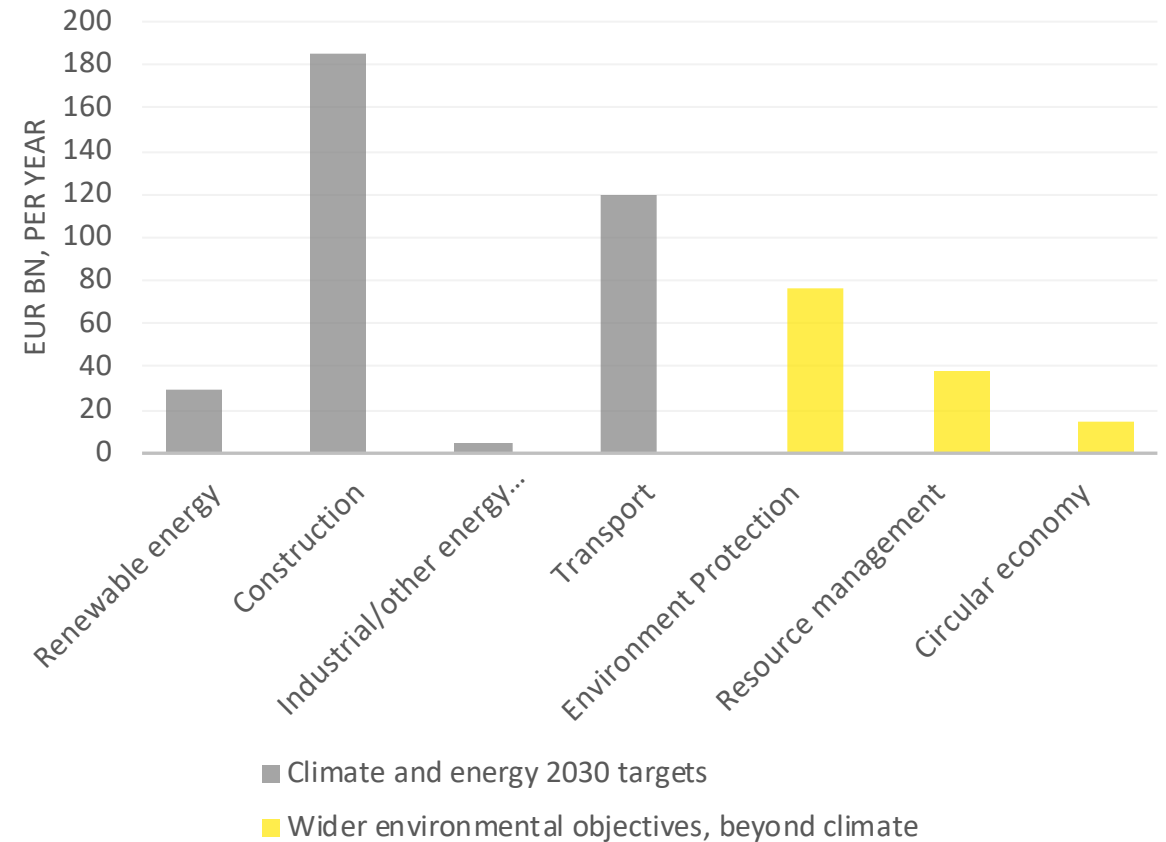
The core of the EU Stimulus money will finance Recovery and Resilience actions in the most impacted Member States

EU Stimulus composition

Where the €750bn will be invested



Sectorial breakdown of green transformation investment gaps



The project's objective is to support the elaboration of green recovery and resilience plans, by providing a list of shovel-ready investment opportunities

A selection of projects in Europe

1. Where and in which sectors are the “green and just” projects?
2. How can Member States prioritise their search to accelerate the recovery?

The structure of an investment plan

1. How to structure ambitious investment plans for the five key sectors of the green economy?
2. How to make these plans “fit for context” in all 27 European countries?



Objective : a long list of 1,000 opportunities with priorities and articulation of their strategic value for EU and selected National decision makers

Our methodology

EY unique capabilities

EY is monitoring government response to the COVID-19 crisis

UK

- ▶ Utility companies to meet with Government to discuss COVID-19 action plan

US

- ▶ New Castle Board of Public Works & Safety suspends late fees on utility bills
- ▶ Texas Pedernales Electric Cooperative has extended its suspension of service disconnections for 60 days
- ▶ North Carolina Governor signs executive order to prohibit utility disconnections
- ▶ Pennsylvania Public Utility Commission signed an emergency order suspending all door-to-door, in-person and public event sales activities, & prohibiting utility connection terminations
- ▶ Washington Governor announces relief for state businesses, workers & residents, who may struggle financially to pay utility bills
- ▶ Virginia State Corporation Commission issued an order directing utilities to suspend service disconnections for 60 days
- ▶ Wisconsin regulators ordered utilities to maintain residential service
- ▶ New Orleans Utilities office is working with utilities providers to ensure efficient & uninterrupted service delivery
- ▶ California Public Utility Commission enacts utility consumer protection provision in response to the COVID-19 outbreak

Germany

- ▶ German Government extends government-supported wind & solar parks deadline to cope with COVID-19 delays
- ▶ New law on provisions for non payment of bills for private consumers 1 April to 30 June 2020

Spain & Italy

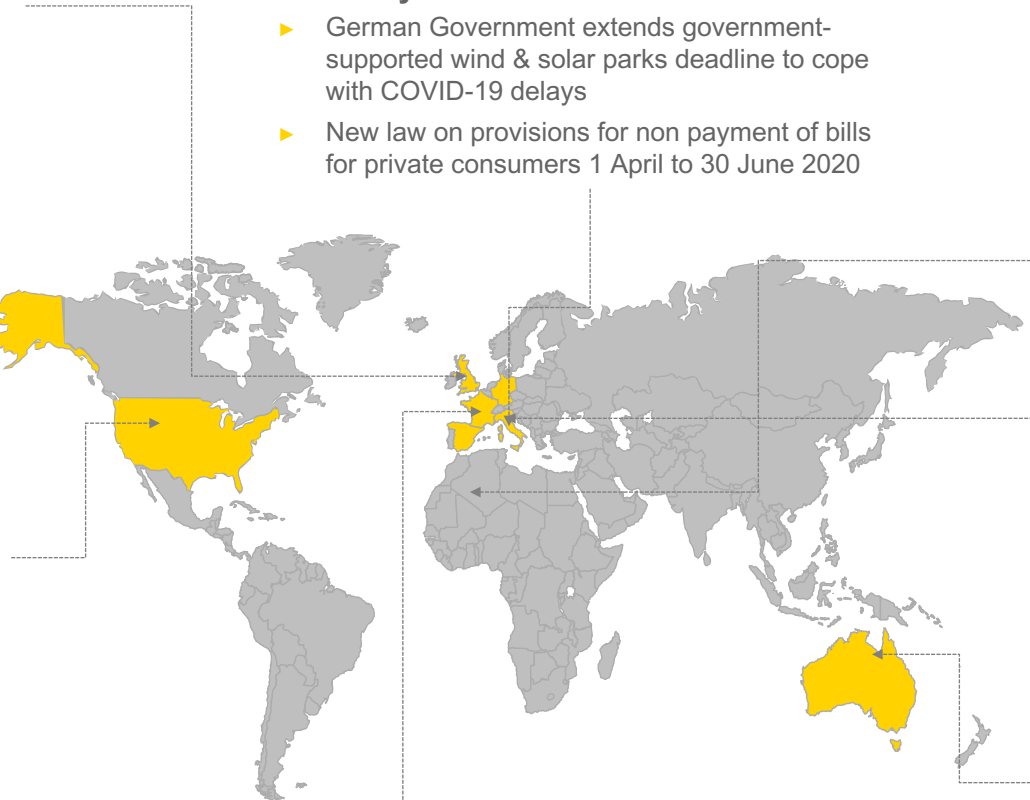
- ▶ Spanish govt has updated regulation including new definition of the 'vulnerable consumer', new eligibility conditions for the reduced electricity rate and a new way of financing the measure.
- ▶ Government allows retailers to delay payment of TPAs to distributors to provide some liquidity to retailers
- ▶ Government allows retailers to delay VAT & Energy taxes (25% together) for the bills unpaid until the recovery of the money
- ▶ Freelances and SMEs can delay their bills during 'alarm status'
- ▶ Companies and consumer can renegotiate power contracted without any cost, reducing the fix costs of the bills

Australia

- ▶ Western Australia Government has announced relief package to offers support households that are unable to pay utility bills due to COVID economic crisis
- ▶ Australian Capital Territory Government have launched initiatives for economic survival during the COVID-19 crisis including additional rebate on consumer electricity bills & freezing of utilities network facilities tax paid by utility providers
- ▶ Australian Competition & Consumer Commission grants interim authorisation to the Australian Energy Market Operator to ensure uninterrupted energy supply & integrity of wholesale energy markets

France

- ▶ The president of France, has suspended rent payments and utility bills, including gas, water, and electricity amid the coronavirus outbreak



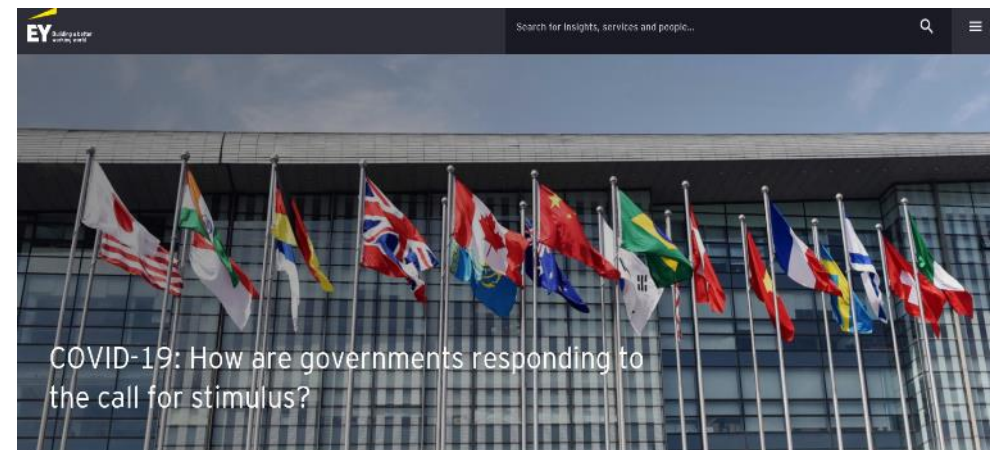
EY has developed a number of tools and resource to support its clients navigate their response to COVID-19

The **Government Economic Interventions Dashboard** is a tool designed by the Government and Real Estate Knowledge Team to provide a deep dive into the economic stimulus packages of the world's top economies. The tool provides a quick snapshot of the health and GDS related impact of COVID, followed by a map based summary per country of stimulus packages, and summary of official country closures.



<https://eygb.sharepoint.com/sites/GRE-Coronavirus/SitePages/Government-Economic-Interventions-Dashboard.aspx>

EY Tax: **COVID-19 Stimulus Tracker**. EY-produced document covering government policy and stimulus responses to COVID-19. Global coverage, with jurisdictions added as information becomes available.



The regularly updated EY global tax policy tracker helps you monitor rapidly emerging government policy and stimulus responses to COVID-19.

https://www.ey.com/en_gl/tax/how-covid-19-is-causing-governments-to-adopt-economic-stimulus--

We are building a list of opportunities across all EU countries and five sectors in order to fuel the discussion on investments needed in Europe

Objective: a long list of 1,000 opportunities with priorities and articulation of their strategic value for EU and selected National decision makers.

What are the targeted sectors and sub-sectors?



Energy



Transport



Buildings



Industry



Land Use

What kind of opportunities should be targeted?

Typology : both infrastructure projects and technology-focused projects

Size : minimal investment size of projects should be in the 5-10m€ range

Risk and Technology maturity : estimated financial close in 2020, 2021 and 2022.

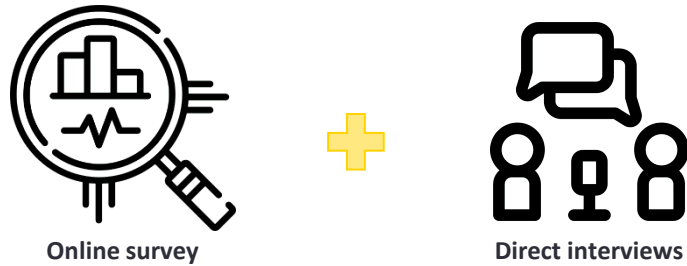
Type of project developers/proponents : Startups, SMEs, large corporations, NGOs and Government entities will be covered

Project on a pre-financing stage will be analysed based on the main hurdles encountered or foreseen by the project/technology developer and the key environmental and social benefits.

The goal is to identify the current need for a project and the potential impact of its integration to the green recovery plan.

We will collect information on projects an online survey and on the basis of interviews with Governments, project developers, investors, corporates and other key stakeholders

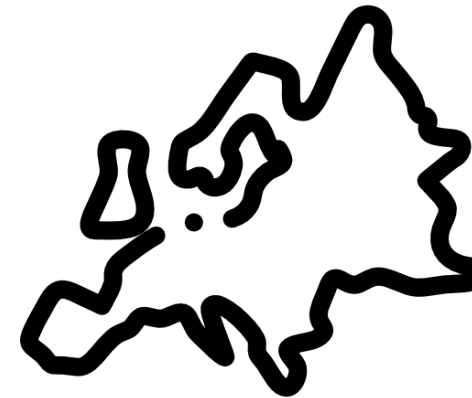
1 Scoping for a long list of 1,000 projects



Opportunity #	Country	Geographical Clus	Domain	Subdomain	Technology / part type	Capacity (MW)	Opportunity Title
47460	Spain		Energy	Renewable energy generation (electricity or heat)	Renewables bioenergy (biogas, waste to energy, wood)	NA	Panderna Biomass Power Plant Phase 1 and 2 (239MW)
42363	Portugal		Energy	Renewable energy generation (electricity or heat)	Renewables solar (PV, CSP, heat)	NA	Altoparmel, Casal do Paul and Encarnado Solar PV Plants (46.59MW)
50736	Spain		Energy	Renewable energy generation (electricity or heat)	Renewables onshore wind	NA	Eols WindPortafels Phase 2 (127MW)

Screenshot of a preliminary long list of projects

2 Prioritization on the 5 sectors and the 27 EU countries



-  Energy *
-  Transport
-  Buildings
-  Industry
-  Land Use

Example of prioritization matrix

Example of a detailed top priority project sheet

Création	2028
Contact	Paul Guinard (Président), Vincent Mariette (DG)
Technologie	Hydroennes MegaWattBlue (660 à 800 kW)
Niveau de maturité	Verbes: mesure de puissance électrique sur site (Possibilité) et PFS (Démonstrateur prévu (P400))

Why do we need your help on this important project?



Next steps

- **May 2020**
Commission proposal for the Revised Multiannual Financial Framework 2014-2020 and 2021-2027 and Own Resources Decision, and sectoral legislation
- **by July 2020**
European Council: Political agreement on Multiannual Financial Framework 2014-2020 and 2021-2027 and Own Resources Decision
- **by summer 2020**
European Parliament's consultation on Own Resources Decision
- **early autumn 2020**
Adoption of the revised Multiannual Financial Framework 2014-2020 and corresponding sectoral legislation
- **October 2020**
European Council
- **December 2020**
Adoption of the revised Multiannual Financial Framework 2021-2027 (European Parliament's consent); Adoption of the Own Resources Decision (Ratification by all Member States in line with their constitutional requirements)
- **January 2021**
Multiannual Financial Framework 2021-2027 implementation starts

How can you help us?

An online survey has been set-up in order to facilitate the collection of information

You can propose projects by responding to the survey we are launching

- 1) User-friendly survey tool
- 2) Possibility to provide information on several projects

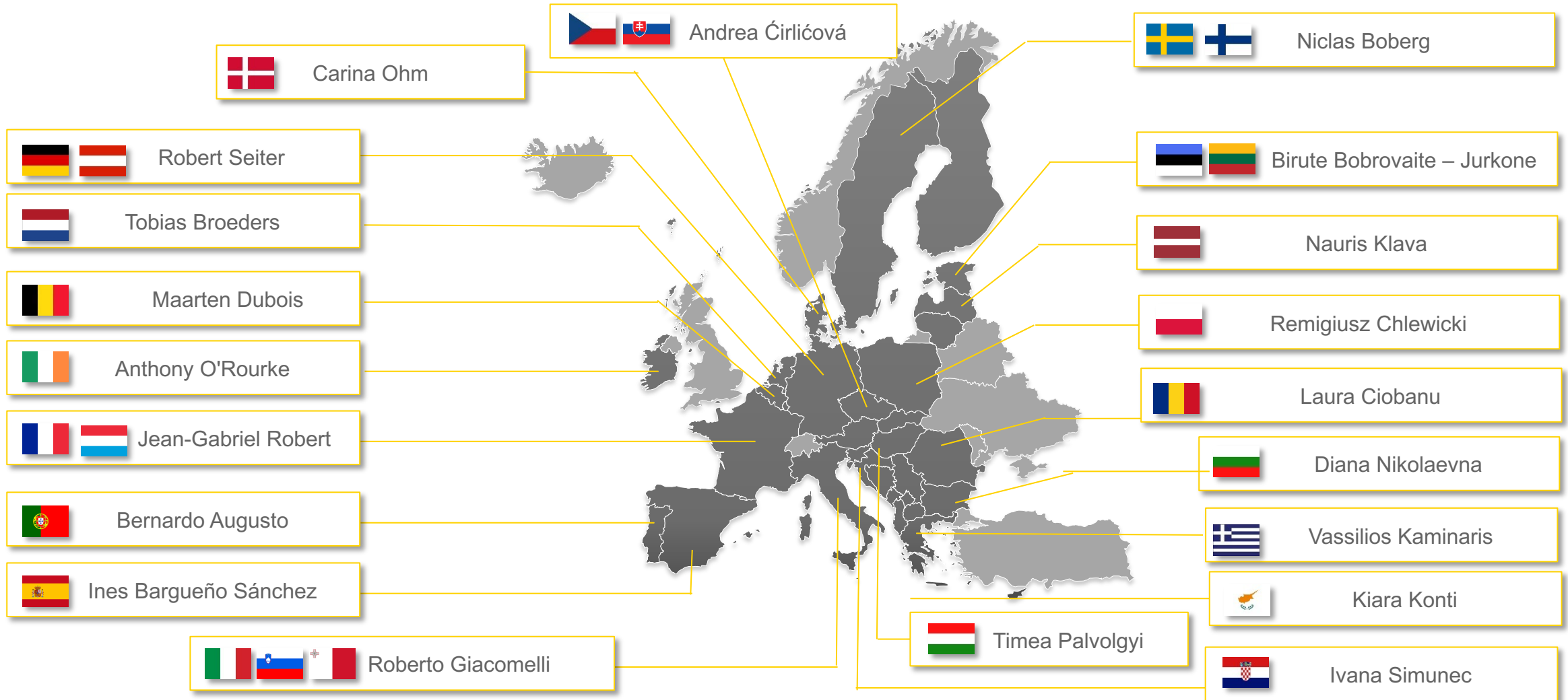
[Link to the survey](https://eyfrance.eu.qualtrics.com/jfe/form/SV_b2b7VSitZE3J09L)

https://eyfrance.eu.qualtrics.com/jfe/form/SV_b2b7VSitZE3J09L



Screenshot from the survey's landing page

To elaborate this long list of green opportunities, EY has launched a pan-European survey with its network of specialists



We need you!

1

Fill in the online survey and disseminate it to potential respondents

2

Contact national EY or ECF teams if you have any questions or comments

3

Participate in the outreach of the project to the decision makers in Europe



Q&A session



Contacts



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