

## Innovating financial investment in energy efficiency

*A total of 40 per cent of energy consumption in the EU takes place within existing buildings<sup>1</sup>, thus retrofitting with energy efficiency measures could result in sizable impacts in the fight against climate change. The financial benefits of more efficient buildings are clear, but how can we attract further investment to these projects?*

The H2020 project SENSEI designs and tests innovative transaction models to enable energy efficiency upgrades within buildings. The key to these models is a concept named 'Pay-for-performance (P4P)', which verifies future cost savings to support financial planning.

The verification of cost savings is a novel feature separating the new P4P schemes from traditional Energy Service Company (ESCO) models. The SENSEI project explores how to reward energy efficiency in buildings as an energy resource and grid service to help the market take advantage of this approach. This can be applied to reduce building energy consumption, thereby supporting the power grid's stability in light of increasing energy demands and the prevailing energy crisis.

To guide professionals towards a better understanding of this innovative concept, SENSEI has developed an eLearning platform with tailored information for four stakeholder groups. Through the P4P model, *building owners* will benefit from better and more comfortable buildings, improved indoor climate and a lower environmental footprint. *Energy providers* are offered cost-effective options to ensure stability and adequacy of the energy system whilst pursuing decarbonisation. For *ESCOs*, P4P programmes offer an opportunity to increase revenue streams of energy efficiency projects. Lastly, *policymakers* can benefit from recommendations on how to adapt the legislative framework in order to support increased investments in energy efficiency.

Yet the benefits for both the environment and society are not to be forgotten as P4P can result in reduced energy consumption, thereby lowering emissions and improving quality of life.

Those interested in knowing more about Pay for Performance schemes and SENSEI models may find more information on the [SENSEI knowledge platform](#).

For those belonging to one of the four stakeholder groups, you will find relevant information in each of the named section. The platform is also available for others interested in learning more about P4P schemes and related energy efficiency work.

### For more information, contact

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<sup>1</sup> [https://ec.europa.eu/info/news/focus-energy-efficiency-buildings-2020-lut-17\\_en](https://ec.europa.eu/info/news/focus-energy-efficiency-buildings-2020-lut-17_en)

