



Community of Practice

The Excel-Based analysis tool

Questions and Answer

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1. Management Questions

[Q: where can we find this Excel with the model? Is this presentation recorded?](#)

The downloadable version of the excel file for you to access is available on your [FMP](#) account in the section with documents. Once filled and completed you have the chance to upload it on the monitoring page.

[Q: Please, tell us if those tools will be implemented for the monitoring of our investment plans this year?](#)

This tools (both the excel based analysis tool and the investors' deck) are NOT mandatory for the beneficiaries of the first 4 calls.

However, both the tools will help us monitor your ICs, while providing a more accurate financial perspective on your projects. Moreover, with them you will be able to have a more confident approach to meet the different investors that you consider appropriate for the financing of your projects.

[Q: This financial tool is available to all the excel versions, even older ones?](#)

It should be but please try and keep us updated. The tool was developed with MS Office 2019 onwards.

2. Technical Questions

2.1 Received in the Q&A window during the event

Q: Can the excel also be used for projects with longer project duration than 10 years (eg. retrofit projects financed by Energy Service Companies, in which energy savings from a period >10y eg. 15y or 20y are considered)

A: Yes, it can. The model currently supports durations of up to 30 years (project start year - project end year). However, if someone needs a longer duration, we could adapt the model.

Q: The excel-tool seems to be developed for single projects (eg. heat network) with clear stages (development, construction). But what about projects with investment portfolios (eg. multiple building projects, each of them with their timing) [we are talking about more than 100 buildings, eg. a service targeting condominium building in a city (to give an idea: our city has 1.400)]

A: The excel tool is a flexible model able to grasp the common features of projects in terms of stages of development, investments, revenues and cost generation.

As long as single projects present these features, Users can split complex projects into more sub-projects each of them with its own figures (timing, costs, revenues, funding sources etc.)

The model doesn't have limits on the size or number of projects.

If you have a project covering different blocks of building and you can distribute the common assumptions (timing, costs, revenues, funding sources, etc.) to each block you can use the same model but with different assumptions each one for the specific block of buildings.

Q: We have struggled with the different timelines of the measures incl. RoI and other economic parameters, thus the aggregation at the level of total sums was not objective (e.g. PVs vs. heating system vs. energy savings); because we have chosen self-sufficiency as a goal at the level of the buildings which consists of various measures. If we do not need to use a unified timeline or templates it is all right but if we need to demonstrate some final numbers made from quite different sectors, it is a problem. Any advice?

A: The purpose of the model is to standardize the output also in terms of different sectors either in terms of financial or ESG KPIs

If you have a project covering different sectors and you can distribute the common assumptions (timing, costs, revenues, funding sources etc.) to each sector using the same model but with different assumptions each one for the specific sector.

2.2 Received in the chat window during the event

[Q: How can we manage when we have different project sectors?](#)

[A:](#) The excel tool is a flexible model able to manage the common features of different projects sectors in terms of stages of development, investments, revenues and cost generation.

As long as a single project sector presents these features, Users can split complex projects into more sub-projects (one for each project sector) reporting their own figures (timing, costs, revenues, funding sources etc..) for each of them.

[Q: Is this more suitable if you are a company, because public investment projects are a little different, for example stakeholders are not relevant](#)

[A:](#) We have considered all types of funding, private (Equity and Debt) and Public (Grants and Public contributions). Each country, municipality and project has its own peculiarities, and the model is designed to cover them all.

In the case that your project is funded with a percentage of equity, makes sense to consider the stakeholder's returns.

If you have not got equity, you can consider 0% as the equity assumption and then consider 0% in the dividend assumption.

[If we are a municipality, where do we fill in our own funding, under equity or public funding?](#)

[A:](#) The funding is independent of the figure in which you are represented, you only need to know what the origin of your funds is.

For example:

On one hand, if you ask for a loan to finance your project, your funding is debt (private), if a private company finances your project, your funding is equity (private).

On the other hand, if your project is funded with grants or public contributions, your funding is public.

[Q: Are the ESG indicators cumulative for the project lifetime or these numbers are the expected annual values?](#)

[A:](#) The values are referred to project lifetime due to the calculations taking into account the total investment amount in euros of the project.

There is an exception in Renewable energy production infrastructure where the total solar hours are taken into account instead of the total investment.

[Q: Most of our investments are not revenue generating, but rather cost-saving, how should we reflect this into the model? Inserting OPEX with positive numbers or simply considering savings as project revenues?](#)

A: If your investments never generate revenues, it means that are 100% subsidised.

If before the project you had an annual cost of 100 and after the project, the cost is reduced to 70 it means you have 30 saving per annum.

However, if your project is valued at 300 (CAPEX + implicit interests) and is repayable in 10 years, you will continue to be annually subsidized for 100 for 10 years and that subsidy will cover 70 of the reduced residual costs and for 30 the repayment of project capex costs to the project supplier. Once your project is repaid in full the 30 savings will be yours.

In this case yes, it is like using the savings as revenues but in fact, the “revenues” are the subsidies you will continue to receive until full repayment of the CAPEX project (i.e. up to the year 10).

This assuming your public authority subsidies you annually to cover project refund obligations.

If, on the contrary, your public authority pays upfront the full capex project (i.e. the present value of the 10y installments of 30 for a total repayment of 300) its annual subsidy will be 70 and will cover the reduced costs only.

Q: Can we use this tool for an ESCO project? ENPC model, because there you have to prepare 2 different financial sustainability analysis?

A: The model can be used for any project able to generate revenues through which ensure the payment of project costs and funding sources.

If on top of revenues with ENPC projects, you can benefit also from cost savings it ultimately increases your cash flow generation capacity through which your project (and the eventually related funding sources and/or other items) can be repaid.

2.3 Received by e-mail

Q: Which long-term energy prices should preferably be used for calculations (for the economic and financial analysis)?

- With the unstable energy market, they wonder if EUCF can give guidance on which data source to use for the long term gas and electricity prices.
- Using a different long-term gas price substantially changes the outcome of the economic and financial parameters.

A: It is not necessary to fill in the long-term energy prices; this point is already included in the model for the ESG metrics calculation (but it is not visible).

The model considers it for the ESG metrics only, not for financial KPIs.

The energy price source is as follows:

Data extracted on 27/02/2023 12:10:10 from [ESTAT]

Dataset: **Electricity prices for household consumers - bi-annual data (from 2007 onwards) [NRG_PC_204\$DEFAULTVIEW]**

Last updated: 20/12/2022 23:00

Time frequency	Half-yearly, semesterly
Products	Electrical energy
Consumption	Band DC : 2 500 kWh < Consumption < 5 000 kWh
Unit of measure	Kilowatt-hour
Taxes	Excluding taxes and levies
Currency	Euro

This source provides updated figures on a semiannual basis.

Below is an extract of energy prices per country limited to the first 11 lines:

GEO (Labels)	TIME: 2017-S2	2018-S1	2018-S2	2019-S1	2019-S2	2020-S1	2020-S2	2021-S1	2021-S2	2022-S1
European Union - 27 countries (from 2007 onwards)	0.1270	0.1286	0.1327	0.1282	0.1283	0.1270	0.1282	0.1341	0.1507	0.1932
Euro area (EA11-1999, EA12-2001, EA13-2007)	0.1320	0.1346	0.1390	0.1335	0.1337	0.1331	0.1356	0.1404	0.1577	0.2036
Belgium	0.1790	0.1872	0.1976	0.1948	0.1954	0.1872	0.1798	0.1767	0.2015	0.2739
Bulgaria	0.0819	0.0816	0.0838	0.0831	0.0798	0.0831	0.0818	0.0853	0.0909	0.0911
Czechia	0.1218	0.1286	0.1299	0.1238	0.1255	0.1321	0.1283	0.1284	0.1498	0.2313
Denmark	0.0922	0.1011	0.1116	0.1084	0.1042	0.0951	0.0908	0.1040	0.1485	0.2371
Germany	0.1383	0.1379	0.1378	0.1473	0.1321	0.1430	0.1451	0.1582	0.1596	0.1899
Estonia	0.0950	0.0969	0.1048	0.0982	0.1027	0.0882	0.0953	0.0980	0.1493	0.1580
Ireland	0.1865	0.1846	0.2006	0.2027	0.2130	0.2043	0.2179	0.2069	0.2420	0.2691
Greece	0.1090	0.1132	0.1125	0.1141	0.1189	0.1285	0.1278	0.1305	0.1588	0.3118
Spain	0.1712	0.1873	0.1947	0.1326	0.1287	0.1178	0.1260	0.1358	0.1878	0.2579

The model used the most recent price (2022 first semester) which for Spain reports 0.2579 €/KWh.

To smooth spikes due to contingent situations (i.e. Ukraine war, market shocks, etc...) we may introduce different methodologies, TBD like

- Static Average of last 3 years / 5 years etc.
- Dynamic moving average (MA) of the last 3 / 5 / 7 observations where, for any MA observation period, the most recent value enters in the calculation and the oldest one exits.