

The Time for Energy Efficiency is Now: Reaching European Climate and Energy Security Goals While Strengthening Competitiveness

Solas Capital Champions Energy Efficiency as EU Mobilises €17.5 Billion Initiative

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Buildings consume 40% of Europe's energy, making energy efficiency the key to reduce CO2 emissions while delivering immediate cost savings. As Europe faces mounting energy security challenges while preserving climate commitments, innovative financing is unlocking this vast potential, particularly for the small and medium-sized enterprises (SMEs) that form the backbone of European competitiveness.

EU Launches Unprecedented €17.5 Billion Initiative

At Energy Efficiency for SMEs Day in Brussels on 11 September 2025, the European Investment Bank (EIB) and European Commission (EC) announced a €17.5 billion financing initiative targeting over 350,000 European companies. The initiative, announced by EU Commissioner for Energy & Housing **Dan Jørgensen** and EIB Group President **Nadia Calviño** with Solar Impulse Foundation support, aims to mobilise over €65 billion in total investment by 2027.

"SMEs are at the heart of Europe's economy and way of life. But they invest in energy efficiency at only half the rate of larger companies," stated Commissioner Jørgensen.

Sebastian Carneiro, CEO and Co-founder of Solas Capital, participated as an expert panellist on 'Empowering SMEs: Energy Efficiency for Growth.' "We bridge the energy efficiency funding gap through proven project financing solutions," said Carneiro. "This initiative validates what we've demonstrated for years, that specialised institutional capital can systematically unlock efficiency potential that traditional banks have overlooked."

Energy-as-a-Service Removes Capital Barriers

Solas Capital has established itself as the specialist in Europe for Energy-as-a-Service project finance, providing capital to energy service providers and project developers that deliver efficiency solutions across the continent's building stock. This approach enables businesses to implement comprehensive efficiency upgrades through operational budgets rather than capital expenditure, making efficiency accessible to companies that would otherwise lack resources for such investments.

"Energy efficiency through innovative financing models like Efficiency-as-a-Service removes the barriers that prevent businesses from implementing profitable solutions," said **Dr Bertrand Piccard**, Chairman of the Solar Impulse Foundation. "Efficiency allows to have a better outcome with a smaller consumption of resources. It is therefore the best way to increase profit and competitiveness. Solas Capital has demonstrated exceptional expertise in this critical area, proving that efficiency investments deliver both environmental impact and strong returns."

Proven track record delivers measurable impact

The success of the €220 million Solas Sustainable Energy Fund (SSEF) demonstrates the effectiveness of dedicated energy efficiency project financing:

- **3,700 energy efficiency projects** across 8 EU countries
- **€395 million in energy cost savings** for businesses and consumers
- **Over 1 million tonnes of CO2 emissions avoided annually**

"These aren't projections, they're delivered results," emphasised Carneiro. "Every project we finance creates immediate benefits: reduced energy bills, enhanced competitiveness, and measurable climate impact. For SMEs especially, this translates into freed-up capital for growth and innovation."

Compelling Infrastructure Investment Opportunity

Energy efficiency project financing offers institutional investors an attractive combination of climate impact and financial performance, particularly appealing to insurance groups and pension funds seeking long-term, stable investments:

- **Measurable climate impact** through verified CO2 reductions and energy savings
- **Predictable cashflows** from long-term service contracts typically spanning 8-15 years
- **Portfolio diversification** through exposure to essential infrastructure assets without electricity price risk
- **Regulatory tailwinds** from EU directives such as the Energy Performance of Buildings Directive (EPBD) creating sustained demand, with a €149 billion annual funding gap to address

"Our approach provides institutional investors with defensive infrastructure assets that deliver stable returns whilst achieving meaningful climate goals," said Carneiro. "Energy efficiency represents essential infrastructure that strengthens European competitiveness."

Building on Success

Based on SSEF's successful investment strategy and the rapidly growing market demand highlighted by the EU's €17.5 billion initiative, Solas Capital is preparing to launch a successor fund in 2026. This expansion will enable the firm to channel additional institutional capital

toward energy efficiency projects, further accelerating Europe's transition to climate neutrality whilst delivering attractive risk-adjusted returns for investors.

"The time for energy efficiency is now," concluded Carneiro. "With unprecedented regulatory support, proven business models, and growing institutional recognition of efficiency as essential infrastructure, we're positioned to accelerate Europe's transition to a more competitive, secure, and sustainable energy future."

About Solas Capital AG

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At Solas Capital we provide specialised financing solutions for demand-side energy projects, bridging the gap between institutional investors and high-impact energy efficiency projects. Unlike traditional renewable energy investments focusing on supply, we specialise in reducing energy demand at scale—an often-overlooked but equally important pillar to reach Net-Zero.

We focus on the building sector—responsible for 40% of Europe's energy consumption—and industrial efficiency, providing capital to project developers to offer zero upfront cost solutions. Our team of experts structures funding solutions for distributed energy transition projects across Europe, delivering cost savings while reducing fossil fuel dependence. We firmly believe that the best energy is the energy we don't use.

Solas Capital is the investment advisor to the Solas Sustainable Energy Fund ICAV, which is supported by the Munich Re Group, the European Investment Bank, and the LIFE Programme of the European Commission.

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