

2009 Star of Energy Efficiency Awards: Category: “I-Star” Award for Energy Efficiency Stefania Racolta, Manager, Energy Efficiency and Climate Change Department, EBRD

There is an old Chinese saying: “When I hear, I forget. When I see, I remember. When I do, I understand.” Learning by doing is Stefania Racolta’s mantra. Bulgaria, Romania and Slovakia - countries typical of many central and eastern European and former Soviet economies where endemic energy wastage remains a legacy of the communist past – consume up to 3.5 times as much energy per capita compared with the EU average. Sustainability touches two issues – one is to get people to understand it, and the second is to help them convert into changed behavior. Taking individual responsibility for the environmental impacts of daily existence is the key for sustainable development. As a native Romanian, working on sustainable energy credit lines in Bulgaria and Slovakia, Stefania Racolta has done just that.

In 2003, UNDP/GEF set up an Energy Efficiency Financing Team in Romania, comprised of experts in energy efficiency policy, engineering, banking, finance, communications and administration. The Energy Efficiency Financing Team stimulates energy efficiency investment, applying the principal that a small investment by UNDP/GEF can leverage a much larger investment by a third party. The overall objectives were (1) to persuade companies and municipalities to invest in energy efficiency, hence lowering GHG emissions, and (2) to build local capacity for this type of GHG-friendly investment to continue in the future. Ms. Racolta was selected as the Head of Banking Relations, one of six key positions in the program. By September 2006, 72 companies and local authorities had received UNDP/GEF financed technical assistance. The main economic benefits for companies and municipalities who participated in the project were lower electricity and fuel bills. The project yielded a number of social benefits such as warmer public buildings (typically schools); better-lit, safer streets; more efficient water utilities; better community heating; and job creation. The main environmental benefit of 36 “success stories” as assessed by a team of independent evaluators - was that they represented CO₂ savings of 126,250 tonnes per year.

In 2007, Ms. Racolta became the Manager, Energy Efficiency and Climate Change Department at the European Bank for Reconstruction and Development (EBRD) where she initiated the Slovakia Sustainable Energy Finance Facility (SLOVSEFF) and took over leadership of the Bulgarian Energy Efficiency and Renewable Energy Credit Line (BEERECL). These credit lines support investments in EE and small RE projects that mitigate against closure of the Bohunice and Kozloduy Nuclear Power Plants by either reducing the energy demand or by replacing the lost capacity with green energy supply. Under her leadership, the success of the BEERECL (www.beerecl.com) credit line has become the “model” for the over €0.5 billion invested by EBRD in similar credit lines in the Western Balkans, Romania, Kazakhstan, Georgia, Slovakia, and Ukraine. In less than 2 years, the SLOVSEFF (www.slovseff.eu) has disbursed most of the €60 million portfolio. The €100 million BEERECL facility has developed 67 sustainable energy projects: 25 EE projects, 14 wind farms, 8 biomass, 9 mini-hydropower, 3 geothermal, and 8 solar thermal/electric. BEERECL loans of €82 million have been disbursed and incentive grants of €14 million have been given to project developers. Her success in financing these projects resulted in her gaining from BEERECL investors an additional €55 million for an extension of the credit line through June 2011. In January 2008, she established the European Union Energy Efficiency Finance Facility in Bulgaria (www.bulgaria-eueeff.com) and secured €0 million of funding for this 2-year project. In the initial 15-months of the credit line, Ms. Racolta’s leadership has resulted in 13 energy efficiency projects worth €10.7 million, €9.75 million in EUEEFF loans, and €1.46 million in incentive payments. These BEERECL and EUEEFF projects have annually reduced Bulgaria’s CO₂ emissions by over 606,000 MTCO_{2eq} and replaced 900,000 MWh of electrical capacity from the Kozloduy Nuclear Power Plant with green energy sources, enough to cover the electricity consumption of about 285,000 homes in Bulgaria.

Ms. Racolta’s dedication and leadership have been widely recognized. James Hyslop, EBRD Director for Bulgaria, said: “The EBRD will continue to foster investments in EE and RE in Bulgaria and is committed to pledge more funding for such initiatives in the future.” Jacquelin Ligot, EBRD Director for Energy Efficiency and Climate Change, said “... there is a tremendous potential for improvement in energy efficiency in Bulgaria. This new funding provides the incentives to do just that.” Galina Tosheva, Deputy Minister of Economy and Energy, said that Bulgaria “... is proud to be the pioneer of such an investment mechanism, ... investing in energy efficiency and renewable energy projects this way can become best practice.” Tasko Ermenkov, Executive Director of the Energy Efficiency Agency, explained that the BEERECL “... will help to significantly reduce emissions contributing to environmental protection and will lead to more efficient usage of energy in industry.” Terry McCallion, EBRD Senior Banker and EBRD leader for the Slovakia project, said: “the success of this model lies in its ability to reach a broad target market through loans from local banks ...thereby maximizing the impact of donor funds in promoting sustainable energy investments in the Slovak economy”.