



EUROPEAN ALLIANCE TO
SAVE ENERGY
Creating an Energy-Efficient Europe

EU-ASE response to the Consultation on the Review of Directive 2012/27/EU on Energy Efficiency

Part I – General questions

1. Article 1: Subject matter and scope and Article 3: Energy efficiency target

Article 1 provides the general framework for the promotion of energy efficiency within the Union in order to ensure the achievement of the EU 20% energy efficiency headline target by 2020. In addition and more specifically, **Article 3** requires that each Member State sets an indicative national energy efficiency target based on either primary or final energy consumption, primary or final energy savings or energy intensity. In setting the targets, Member States should take into account a number of provisions set out in Article 3(1).

As regards the EU energy efficiency target for 2030, the European Council agreed in October 2014 on an indicative target at the EU level of at least 27% (compared to projections) to be reviewed by 2020 having in mind an EU level of 30%. Therefore, the existing policy framework should be updated to reflect the new EU energy efficiency target for 2030 and to align it with the overall 2030 Climate and Energy framework.

1.1. What is the key contribution of the EED to the achievement of the 2020 energy efficiency target?

Although the ambition of the EED has been watered down compared to the position expressed by the European Parliament during the co-decision process, the EED has set minimum requirements for national programmes and measures, tried to streamline resources (art. 20), change business models (art. 7), identify market barriers (art. 19), incentivise long-term planning

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(art. 5) and consider life cycle costs (art. 6). It provides the overall direction for all energy efficiency legislation both at EU and national level.

Countries going beyond minimum requirements are the ones fulfilling the energy efficiency target.

The EED gave the opportunity to energy efficiency businesses and stakeholders to systematically organize both at EU and national level, thus providing a support to policy-makers in the definition of energy efficiency policies.

1.2. How has the EED worked together with the Effort Sharing Decision, other energy efficiency legislation (on buildings, products and transport) and ETS? Could you describe positive synergies or overlaps?

Energy efficiency should be the real pillar of the EU decarbonization strategy. The reduction of energy consumption/shift to carbon free consumption is the first and biggest cost-effective measure to reduce non-ETS GHG emissions. A higher ambition for the overall EU energy efficiency target can only provide a positive and significant contribution to realising the EU GHG target for the non-ETS sectors.

Art. 24 which requests that the Commission monitors the impact of the EED on Directive 2003/87/EC is the correct instrument to ensure the consistency between the EU's energy efficiency and climate policies, to avoid double regulation and have negative impacts on ETS allowance price.

The EE framework will be consistent only if it looks more closely to the overall system efficiency and avoid single-minded measures. There is currently fragmentation and overlap between EED and Energy Related Products Directive, Construction Products Regulation, EPBD and RES Directive.

1.3. How has the EED worked together with existing national legislation? Could you describe any positive synergies or overlaps?

Opt-outs have given too much flexibility to MS to adapt to national circumstances and/or political choices.

If well implemented, the EED would drive the creation and/or consolidate robust national EE legislations (e.g. the development of EEOs).

The EED has been a valuable instrument in driving EE at national level either as a vehicle to get the issue on the table or driving the development of national plans (e.g. Germany - NAPE plan). Having an EU level commitment helps keeping a level of ambition on EE nationally or provides a cushion in the case of policy U-turns (e.g. when national policies are affected by changes in domestic political climate).

Conflicts with national rules are often due to the general framework in place and not to the EED specifically (e.g. issues about tax incentives potentially being put into question by EED rules are linked to the state aid framework for EE).

1.4. What are the main lessons learned from the implementation of the EED?

The transposition is taking too much time and infringement procedures are pending towards too many MS. Some of them lack of competent civil servants to transpose the EED which is a very complex law, with too many opt-outs and references to intricate annexes. A better legislation means a simpler legislation. Measures tend to be either less effective or difficult to assess when they leave too many options opened and/or do not put some degree of obligation. To add complexity, several political leaders lack of political sensibility, understanding and support to EE. A stronger technical support from the Commission or through the Concerted Actions is welcomed.

The option for alternative measures not leading to proper energy savings needs to be removed and the Commission needs to specifically require MS to report on progress against a baseline. The EED does not create any incentives to promote systematic data measurement and collection that would greatly help deployment of EE solutions.

1.5. Which factors should the Commission have in mind in reviewing the EU energy efficiency target for 2030?

It is important to increase the ambition aligning to the successful COP21 global agreement. An EU 40% EE target, as requested by the Parliament, would tap the real cost-effective potential. The Commission's calculations currently use a very high discount rate of 17.5%. This needs to be changed to ensure that the EU reaps the full potential of all EE multiple collective benefits. A comprehensive cost-benefit analysis needs to be developed in the EED IA. Essential also to update the old PRIMES modelling and remove sunset clauses (i.e. for art. 7).

End-use EE, decentralized RES and smart electrical distribution grids are 3 no regret options which need to be deployed together giving the energy user an active role managing its energy demand, supply and storage to fully optimize the related costs and environmental impacts.

The revision should ensure a holistic approach –including financial incentive systems – and integrate different policies currently overlapping.

1.6. What should the role of the EU be in view of achieving the new EU energy efficiency target for 2030?

The revised EED and EPBD, eco-design and energy labelling directives and the H&C strategy should all contribute to the achievement of the 2030 target. EE must have a central role in the energy transition. More market competition, less administrative obstacles and innovative financial services will also back the achievement of an ambitious 40% EU energy savings target. As during the Energy Union tour, the Commission should monitor the implementation of all dimensions of the Energy Union in each Member State and launch a constructive dialogue with policy-makers and, if necessary, businesses and stakeholders, to support a correct and timely implementation. If progress is not sufficient, the Commission need to launch infringement procedures and/or propose additional measures in time.

The revised EED will lead to mature EE markets only if existing measures are properly enforced and harmonized and help end-users better understand and be in control of their own energy consumption.

1.7. What is the best way of expressing the new EU energy efficiency target for 2030:

- Expressed as energy intensity
- Expressed in an absolute amount of final energy savings
- Expressed in both primary and final energy consumption in 2030**
- Expressed only in primary energy consumption in 2030
- Expressed only in final energy consumption in 2030
- Other (please specify)

The target should also monitor as well carbon footprint to encourage use of onsite/nearby renewable energy and enable demand side flexibility.

1.8. For the purposes of the target, should energy consumption be:

- Expressed as energy, regardless of its source (as now)**
- Expressed as avoided non-renewable energy
- Expressed as avoided fuel-use (but including biomass)
- Other (please specify)

2. Article 6: Purchasing by public bodies of energy efficient buildings, goods and services

One of the objectives of the EED is to improve and strengthen energy efficiency through public procurement. **Article 6** of the Directive states that Member States shall ensure that central governments purchase only products, services and buildings with a high energy-efficiency performance. The central governments of the Member States should “lead by example” so that local and regional procurement bodies also strengthen energy efficiency in their public procurement procedures.

The Commission is carrying out an assessment of Article 6 of the EED and the preliminary findings show a rather limited experience in the Member States so far in implementing the requirements of Article 6. One of the main barriers to implementing the requirements is the lack of clarity and guidance across the existing EU rules on public procurement. On the other hand, experiences in some Member States indeed demonstrate that the measures required by the EED on public procurement have helped to educate and involve procurement bodies in the use



of energy efficiency criteria, spreading the exemplary role of central governments also at regional and local levels.

2.1. In your view, are the existing EU energy efficiency requirements for public procurement sufficient to achieve the needed impact of energy savings?

No. There is no coherent and ambitious set of rules in place at EU level. Certain rules are included in the EED and others in the new Public Procurement Directive (PPD) (2014/24/EU). EE investment is limited because of current rules about public procurement in several Member States. Separate purchasing and operating budgets are two common barriers which should be better addressed as they limit the development of energy performance contract for instance. Energy is seen as cost only without carbon footprint impact. There is a wrong environmental parameter steering such activities.

2.2. How could public procurement procedures be improved in the future with regard to high energy efficiency performance?

The requirements should be extended to all public authorities to cover all public contracts. Clear and ambitious energy performance levels should be set (including for new and existing buildings). Adapt accounting rules for public procurement leading to declassifying energy efficiency improvements into expenses. Strong incentives should be established to push EPC practices across Europe.

2.3. Do you think that there is sufficient guidance in your country to characterise "energy efficient products, services and buildings"?

No. Not always clear at national level. Energy efficient buildings should achieve nearly zero energy performance levels. This should apply to new buildings and renovated buildings. In addition, local products are addressed without an agreed footprint; consumers get confused.

2.4. Have you seen information campaigns or other public initiatives in your or in another EU country that explain public procurement of energy efficient products, services and buildings?

No

3. Article 7: Energy efficiency obligation schemes

Article 7 together with Annex V requires that Member States set up an energy efficiency obligation scheme to ensure that obligated parties (energy distributors and/or retail energy sales companies that are designated by each Member State) achieve a given amount of energy savings (1.5% annually) from annual energy sales to final customers over the period 2014 to

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2020. As an alternative to setting up an energy efficiency obligation scheme, Member States may opt to take other policy measures to achieve energy savings among final customers to reach the same amount of savings.

The Commission is required to assess the implementation of this Article and submit a report by 30 June 2016 to the European Parliament and the Council, and, if appropriate, to supplement the report with a legislative proposal for amendments.

In line with the EED, Member States had to notify the measures and methodologies on implementation of Article 7 by 5 December 2013. Further information from Member States was received in the notified National Energy Efficiency Action Plans (due by April 2014).

According to the latest available information from the notifications received from Member States¹, 16 Member States notified an energy efficiency obligation scheme by putting an obligation on utilities to reach the required cumulative energy savings by 2020 under Article 7. Four Member States out of these (Bulgaria, Denmark, Luxembourg and Poland) will use it as the only instrument to achieve the required energy savings. 12 Member States (Austria, Croatia, Estonia, France, Ireland, Italy, Latvia, Lithuania, Malta, Slovenia, Spain and United Kingdom) will use the obligation scheme in combination with alternative measures. On the other hand, 12 Member States (Belgium, Cyprus, Czech Republic, Germany, Greece, Finland, Hungary, Netherlands, Portugal, Romania, Slovakia and Sweden) have opted to only use the alternative measures to reach the required savings instead of putting obligations on utilities.

3.1. Are you aware of any energy efficiency measures that have been carried out or are planned in your country, by the utilities or third parties in response to an energy efficiency obligation scheme?

Yes. Ireland, Denmark and Italy have included behavioural energy efficiency (BEE) programmes in their national portfolio of energy efficiency measures eligible to fulfil the national energy efficiency obligation. At the moment, the lack of clear guidance in EU legislation has led Member States to overlook the potential of BEE which remains untapped.

When it comes to targeting buildings FR and IT have set up white certificate schemes which have been running successfully. In the case of Italy with a few exceptions, the scheme incentives were shorter lifetime measures, which encouraged smaller scale projects rather than comprehensive retrofits.

UK: savings in the residential sector is being achieved; households benefit from subsidised or free insulation and obliged retailers delivered savings in the area of lighting, appliances, insulation and fuel switching.

¹ <http://ec.europa.eu/energy/en/topics/energy-efficiency-directive/obligation-schemes-and-alternative-measures>



3.2. In your view, is Article 7 (energy efficiency obligation scheme or alternative measures) an effective instrument to achieve final energy savings?

Yes

If yes, please explain your answer:

EEOs have the potential to be an effective tool to deliver energy savings, can have a transformative effect on EE market and change the business models of utilities. This binding measure allows MSs to design schemes within their national context.

Although MSs can opt-out, EEOs ensure that the appropriate parties - which already have a relationship with consumers - are obligated to deliver savings.

Well-designed EEOs also create robust EE marketplaces that encourage both innovation and the most cost-effective measures: obligated parties are indeed free to choose the cheapest methods to meet their targets.

EEOs also offer regulators the advantage of measuring and verifying savings accurately and effectively.

This provision needs to be much more prescriptive to deliver measures with direct impact on energy savings. Alternative measures shall be limited and be only eligible if proven direct impact on EE improvement so to avoid double counting and lack of effectiveness.

3.3. What are, in your view, the main challenges or barriers to implementing Article 7 effectively and efficiently in your country? Please select up to 5 options from the list.

- To select or introduce the right set of measures for achieving 1.5% energy savings (annually)
- **Too great flexibility to use wide range of measures: energy efficiency obligation scheme and alternative measures**
- **Strong opposition from energy suppliers and distributors to set up an energy efficiency obligation scheme**
- **Lack of effective enforcement**
- Lack of sufficient knowledge and skills of involved parties
- Lack of awareness (by the end-users) of the energy efficiency obligation schemes or alternative measures
- Developing the calculation methodology in line with the requirements of Annex V
- Ensuring sound and independent monitoring and verification of energy savings
- Avoiding double counting
- High administrative burden

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- **Ensuring consistent application of the requirements with other energy efficiency legislation (e.g. building codes)**
- Limited timeframe (2014-2020) that makes it hard to attract investment for long term measures
- **Other (please specify)**

The current article needs to be strengthened to ensure that Member States design schemes that have a balance of demand drivers and enablers (e.g. cheap and long-term finance), appropriate for the building stock.

In this sense, EEOs can deliver “easy-to-implement” measures (e.g. cavity wall insulation, efficient motors) and lower gas and energy demand very effectively, however when it comes to deeper measures when the cost of saved Kwh goes above the price of fuel (e.g. solid wall insulation), then alternative measures, supported by financial incentives (e.g. Kfw) can be also appropriate and effective .

In addition, in some countries (e.g. CZ) the obligation has forced the obligated parties (suppliers) to work collaboratively with the EE industry and government to design alternative measures to deliver the targets.

3.4. Do you believe that the current 1.5% level of energy savings per year from final energy sales is adequate?

- Strongly agree
- **Agree**
- Disagree
- Strongly disagree
- No opinion

The current 1,5% savings per year is adequate up to 2020 but need to be increased in light of the 2030 perspective.

3.5. Should energy efficiency obligation schemes have specific rules about energy savings amongst vulnerable consumers?

Fuel poverty is a reality in several Member States. Nearly 11% of EU citizens were unable to adequately heat their homes in 2012. The Commission should collect more data to assess whether and how best to address vulnerable consumers via the EED and how it would be more effective to dedicate exclusively to vulnerable consumers a quota of the savings made through the national EEOs or ensure the eligibility of measures/technologies accessible to vulnerable customers at national level.

In addition, the definition of vulnerable consumers varies between Member States.

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4. Articles 9-11: Metering, billing information and cost of access to metering and billing information

Articles 9-11 deal with consumer empowerment, by asking Member States to put in place requirements about metering, access to billing information and cost of access to metering and billing information, allowing consumers to make decisions about their energy consumption. These issues are also currently being looked at within the Electricity Market Design/Delivering a New Deal for Energy Consumers initiative. It may be relevant to consider certain aspects of these Articles in the EED review. The same is true for the subject of "demand response" (as set out in paragraph 8 of Article 15, but on this topic explicit questions were already included in the Market Design consultative communication published in July 2015).

4.1. Overall adequacy: Do you think the EED provisions on metering and billing (Articles 9-11) are sufficient to guarantee all consumers easily accessible, sufficiently frequent, detailed and understandable information on their own consumption of energy (electricity, gas, heating, cooling, hot water)?

No, too weak requirements and lack of provisions on what a customer should see as relevant data. Smart meters roll out is far from being completed by 2020: lack of a satisfactory enforcement method.

Giving consumers information on their actual consumption only once a year (or quarterly) – art. 10 with Annex VII par.1.1 - is simply not enough to empower consumers or make informed decisions to invest in measures to reduce their energy demand. Where there are no smart meters, energy providers should launch mechanisms to promote easy self-reading.

Detailed data is useless if not combined with meaningful, understandable insights and lead to consumer engagement/empowerment. One of the biggest challenges and opportunities to increase EE in buildings is to motivate/educate consumers to change behaviour. Requirements specified in Annex VII par. 1.2 shall be always fulfilled, not only "where appropriate". The EU should require smart billing and energy feedback programmes to accompany smart meters.

4.2. Do you think it appropriate that the requirement to provide individual metering and frequent billing (Articles 9(1), 9(3) and 10(1)) is subject to it being technically feasible and/or cost effective?

Individual metering and frequent billing are two essential requirements to empower consumers. However, it is important that consumers receive clear information about all costs passed on to them due to the implementation of individual meters. Utilities often recover costs on electricity bills, putting at risk policies to reduce fuel poverty and vulnerable consumers. The deployment of metering systems often gives more valuable information to utilities than to consumers, thus providing positive justifications for such investments.

Any measure related to metering systems should take place within the framework of a multi-faceted approach to energy efficiency. This is also a financial issue that needs to be further tackled at EU level.

4.3. Should such conditions of being technically feasible and/or cost effective be harmonised across the EU?

This should be dealt within voluntary standardization first.

4.4. How would these conditions of being technically feasible and/or cost effective affect the potential for energy savings and consumer empowerment?

[Yes/No/No opinion; [please explain your answer:]

4.5. Smart meters: Do you think that A) the EED requirements regarding smart metering systems for electricity and natural gas and consumption feedback and B) the common minimum functionalities, for example to provide readings directly to the customer or to update readings frequently, recommended by the Commission² together provide a sufficient level of harmonisation at EU level?

No, EED shall encourage final customers to get access to information about consumption as well as benchmarking and guidelines to significantly improve energy consumption. For example, meter data could be supplemented by basic additional information on the residence (such as type and age, number of bedrooms).

A harmonised definition of feedback programmes should be provided and those programmes should always be measured and controlled through randomized control trials to verify that the energy efficiency goals are achieved.

4.6. What obstacles have national authorities/actors faced in introducing on a large scale individual meters that accurately reflect the final customer's actual energy consumption? Do you have any good experiences to share on how to overcome these obstacles?

Data owned by energy user who can give access to them, level playing field of energy service suppliers needed by encouraging transfer of data to third party as long as energy users is giving its consent.

² C(2012)1342



5. Article 20: Energy efficiency national fund, financing and technical support

The analysis of the July 2014 Energy Efficiency Communication and the recent EEFIG Report³ showed that the energy efficiency investment market is still relatively small scale compared to its potential or the volumes needed to meet the EU's 2030 objectives. The European Structural and Investments Funds address the market gaps related to investment projects including those in energy efficiency, and the European Fund for Strategic Investments provides EU guarantee for investment projects – including those for energy efficiency. The European Energy Efficiency Fund carries relevant lessons.

Moreover, significant funding for energy efficiency comes from national public sources and the private sector. The effectiveness and impact of energy efficiency investments funding strongly depends (*inter alia*) on the implementation of the energy efficiency legislation, including the EED.

5.1. What should be the most appropriate financing mechanisms to significantly increase energy efficiency investments in view of the 2030 target?

Public finance should address specific market failures, securing high public value outcomes for energy efficiency investments and scale up technical assistance.

Structural issues related to energy efficiency investments were identified by the Energy Efficiency Investment group:

- *streamlining, blending and optimizing the use of European Structural and Investment Funds, Horizon 2020 and EU ETS revenues for energy efficiency investments through ensuring their better linkage to National Building Renovation Strategies together with National Energy Efficiency Funds and energy market reforms;*
- *increase the use of targeted fiscal instruments to motivate both building owners and companies to prioritize energy efficiency during their natural replacement cycle;*
- *review of public and private accounting treatment of Energy Performance Contracts;*
- *encourage post- ante assessment of energy efficiency improvement for every public investment related to energy efficiency.*

5.2. Should there be specific provisions aimed at facilitating investment in specific areas of energy efficiency?

Yes

If yes, specify your answer from the below list:

- **Building renovation**

³ EEFIG - Energy Efficiency Financial Institutions Group Report: Energy Efficiency – First fuel for the EU economy, 2015, www.eefig.eu



- Efficient appliances and equipment in households
- **District heating and cooling network development**
- **Energy use by industries**
- **SMEs**
- **Companies**
- City and community infrastructures in relation to transport, waste heat recovery, waste-to-energy
- **Other (please specify)**

Applying renewables and directly use (adding flexibility) the generated energy OR sell it to the network

5.3. Do you agree that one way to increase the impact of energy efficiency investments could be through making the energy performance/savings monitoring mandatory under Article 20 whenever public funds/subsidies are used for EE investments? Such monitoring could be done, for example, via on-line platforms, by users in the regular intervals.

- Strongly agree
- **Agree**
- Disagree
- Strongly disagree
- No opinion

6. Article 24: Reporting and monitoring and review of implementation

The Energy Union Strategy foresees an integrated governance framework for EU energy and climate policies to ensure that agreed climate and energy targets are reached and to enable Member States to better coordinate their policies at a regional level.

6.1. Do you think that the existing reporting and monitoring system under the EED is a useful tool to track developments with regard to energy efficiency in Member States?

Yes



6.2. Do you think that the reporting of national indicators (for example, value added/ energy consumption, disposable income, GDP etc. for year (n-2)⁴ under Annex XIV (1)(a)) of the EED should be simplified?

[Yes /No/No opinion; please explain your answer:]

6.3. Do you think additional indicators (in addition to those referred to in Annex XIV (1)(a) – (e)) are needed to improve monitoring to assess Member States' progress towards their energy efficiency targets?

Yes, yearly energy efficiency investments (public and private sector) in M€ possibly split by sectors. Inclusion of indicators about system efficiency as well (looking at demand reduction and integration of renewable energy sources as a way to improve decarbonisation).

Part II – Technical questions (on Articles 6 and 7)

7. Article 6: Purchasing by public bodies of energy efficient buildings, goods and services

7.1. Do you believe that measures on public procurement of energy efficient products, services and buildings should become mandatory also for public bodies at regional and local levels?

Yes, to cover all public contracts and become much more prescriptive when fixing criteria for public procurement rules, such as:

- *life cycle cost and the total costs of ownership shall be systematically used;*
- *adaptation of accounting rules for public procurements leading to declassifying energy efficiency investment into expenses;*
- *constant references to best in class regulatory and business practices;*
- *strong incentives in pushing Energy Performance Contracting practices across Europe.*

7.2. In your view, what are the main barriers that preventing the use of energy efficiency requirements in the existing public procurement procedures (please select from the list and explain your reply:

- **There is a lack of awareness about the use of energy efficiency requirements in public procurement**
- **There is insufficient expertise and/or knowledge on the use of energy efficiency requirements in public procurement**

⁴ In the year before last [year X(1) – 2], where "X" is the current year.



- Thresholds are too high which is why energy efficiency requirements do not apply to many contracts
- **Incompatibility of energy efficiency requirements with other procurement criteria (sustainable requirements, low price, safety requirements, technical requirements)**
- Higher energy efficiency criteria in public procurements may imply higher prices
- Lack of clarity of the energy efficiency requirements for public procurement
- Energy efficiency requirements for public procurement are not very clear and difficult to check

7.3. In your view, should all EU public procurement rules relating to sustainability (including in particular energy efficiency in buildings, the use of renewable energy sources, etc.) be gathered into a single EU guidance framework?

Yes, there is no coherent and ambitious set of rules in place at EU level. Certain rules are included in the EED and others in the new Public Procurement Directive (PPD) (2014/24/EU). Public authorities at all levels should lead by example purchasing energy efficient products and services. The Commission shall also encourage public authorities to move towards circular service models (instead of waiting till the end of technical lifecycle).

7.4. Do you think that there is sufficient guidance/framework to know what is meant by "energy efficient products, services and buildings"?

[Yes /No/No opinion; please explain your answer:]

7.5. While energy efficient products will be cheaper to operate, their initial cost might be higher and a longer period of time will be needed to "pay back" this higher cost. Is this a problem and if so, how can public authorities overcome it?

Yes, this is a critical issue as today the investment budget is separated from operating costs. All externalities of energy use shall be considered and monetized when making benefit; an obligation to give a value to CO2 would improve the current situation.

8. Article 7: Energy efficiency obligation schemes

8.1. Emerging evidence suggests that most of the measures introduced under Article 7 have long lifetimes (20-30 years) and will continue have an impact beyond 2020. Do you share this view?

[Yes/No/No opinion; please explain your answer:]

8.2. What is your view on the potential benefits (listed) of energy efficiency obligation schemes?

	Strongly agree	Agree	Disagree	Strongly disagree	No opinion
Lower energy bills for consumers		X			
Better awareness of energy efficiency potential by consumers		X			
Better relationship between energy suppliers, distributors and customers		X			
Lower energy generation (and transmission) costs for the utilities					
Improved business and administrative environment for up-coming innovative energy services	X				
Aggregation of small-scale investments (pooling/bundling)		X			
Development of new financing models – e.g. energy performance contracting		X			
Stimulation of energy efficient renovation of buildings		X			
Increased competitiveness in the energy markets					



Other					
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[Please explain your answer:]

8.3. Are you aware of any developments in the energy services markets that have benefited particular actors (e.g. service providers, suppliers, distributors, etc.) in Member States having an obligation to define the obligated parties under the energy efficiency obligation scheme?

[Yes/No/No opinion; please explain your answer:]

8.4. If you think that some requirements of Annex V need more precise guidance please list those requirements and specify briefly what further information you think would be useful.

More guidance is needed on how to measure and verify results achieved through behavioural energy efficiency (BEE). These results can be scientifically measured. High level of measurement rigor is achieved through careful experimental design and specifically by implementing randomised control trials (RCT). RCT is a specific type of scientific experiment and is the gold standard for clinical trials. In such trials, RCTs are often used to test the efficacy or effectiveness of various types of medical interventions within a patient population. RCTs have also been recognized as the gold standards to evaluate BEE.

There is a need to clarify that savings from the implementation of EU harmonised standards (i.e. Ecodesign, EPBD) must not be counted towards fulfilling the requirements of art. 7.

The issue with additionality Annex V and what is included in the base line as counting towards an EE measure creates confusion i.e. a VAT as a fiscal measure being included as an EE measure.

8.5. As you might know, the current framework of Article 7 is set until 2020, linked to the energy efficiency target for 2020, which will expire at the end of 2020. In your view, should the Article 7 obligations continue beyond 2020 in view of the new energy efficiency target for 2030?

Yes, essential to delete the so called "sunset clause". It would be a waste of the efforts to date for the establishment of EEOs, also for public authorities.

In addition, the extension should take into account that if the current 1,5% savings per year is adequate up to 2020 , it needs to be increased in a 2030 perspective.

If yes, what factors should be considered for the future Article 7 (please select up to 5 options from the list, and explain your reply if possible):

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- **The amount of savings to be achieved should be set at a more ambitious level for post 2020 (exceeding the existing 1.5%)**
- The energy efficiency obligations scheme should be kept as the only possible instrument to achieve the required savings
- **The possibility to choose between the energy efficiency obligations scheme and/or alternative measures should be retained**
- **The possibility to exclude sales in transport from the baseline should be removed**
- The possibility to exclude sales in transport from the baseline should be kept but restricted to the fixed amount to ensure the level playing field
- The exemptions under paragraph 2 – applying a lower calculation rate (for the first years), and excluding sales in ETS industries, as well as allowing savings from measures targeting energy generation and supply – should be removed altogether
- **The exemptions under paragraph 2 should be retained but the level and number of exemptions should be reviewed**
- The possibility for 'banking and borrowing' energy savings from different years should be removed (paragraph 7(c))
- **The possibility for 'banking and borrowing' energy savings should be kept with a possibility to count savings towards the next obligation period (paragraph 7(c))**
- Other (please specify)

8.6. Do you think that the scope of eligible measures allowed under Article 7 should be clarified?

Yes

If yes, please explain your answer further:

- The scope of eligible measures should only be end-use energy savings (as it is at the moment)
- **The scope of eligible measures should be expanded**
- Other (Please specify)

Some Member States are using this flexibility clause to include measures that have no real impact on the reduction of energy consumption. In this sense, the scope of eligible measures should be clarified at European level.

Any further extension of the scope should be restricted only to those cross-sectorial measures which have a direct impact on demand reduction.

If the scope should be expanded, please specify which of the following possibilities would be appropriate:

- Measures to switch fossil fuel heating and cooling fully or partially to renewable energy (e.g. through individual appliances, district heating and cooling, centralised distributed units supplying larger building complexes or groups of buildings)
- Measures to increase efficiency of district network infrastructure and generation, including through thermal storage facilities
- Measures to make energy generation from small scale generation more efficient, below the ETS threshold
- **Switch to self-consumption, auto-generation and energy positive buildings**
- **Participation in demand response, including from providing storage capacities**
- **Primary energy savings from the utilisation and recovery of waste heat (e.g. in district networks)**
- **Savings from energy management systems**
- **Energy savings from better organisation of activities**
- Other (please specify)

8.7. Would there be benefits in greater harmonisation of some of the requirements of Article 7 to allow more consistent implementation across Member States?

Provision of Article 7/Annex V	Strongly agree	Agree	Disagree	Strongly disagree	No opinion
Calculation methods		X			
Materiality		X			
Additionality		X			
Lifetimes		X			



Price demand elasticities ⁵ for taxation measures in real terms		X			
Indicative list of eligible energy saving measures		X			
Monitoring and verification procedures	X				
Reporting		X			
Other					

8.8. What role should the EU play in assisting the Member States in the implementation of Article 7?

[Free choice: max. 1000 characters]

8.9. Please state which best practice examples could be promoted across the EU and how?

[Free choice: max. 1000 characters]

8.10. Would it be appropriate and useful to design a system where some types of energy savings achieved in one Member State would count towards obligations carried out either by governments or by economic operators in another country, just as the option to cooperate on greenhouse gas emissions reductions already exists?

[Free choice: max. 1000 characters]

8.11. Would it be appropriate and useful to design a system where energy efficiency obligations would also include elements aiming at gradually increasing the minimum share of renewable energy applicable to energy suppliers and distributors?

EEOs schemes on suppliers and distributors must be focused on improving end-use efficiency and creating energy savings as a first step. Measures to increase the share of renewable energy are complimentary and additional and should be addressed accordingly.

⁵ Price demand elasticity is a measure used in economics to show the responsiveness, or elasticity, of the quantity demanded of a good or service.



8.12. Could the option of establishing an EU wide 'white certificate' trading scheme be considered for post 2020?

- Strongly agree
- Agree
- Disagree
- Strongly disagree
- No opinion**



About the European Alliance to Save Energy (EU-ASE)

EU-ASE was established in December 2010 by some of Europe's leading multinational companies. The Alliance creates a platform from which our companies (1E, Danfoss, Ingersoll Rand, Kingspan, Knauf Insulation, Opower, Philips, Schneider Electric, Siemens and Veolia) can join with politicians and thought leaders to ensure the voice of energy efficiency is heard from across the business and political community.

EU-ASE members have operations across the 28 Member States of the European Union, employ over 210.000 people in Europe and have an aggregated annual turnover of €90 billion.

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