



EUROPEAN ALLIANCE TO
SAVE ENERGY
Creating an Energy-Efficient Europe

EU-ASE Position Paper REVISION OF THE ENERGY EFFICIENCY DIRECTIVE (EED)

The 2012 Energy Efficiency Directive (EED) (2012/27/EU) is the EU's flagship legislation to achieve the 2020 energy efficiency target and prepare the ground for energy efficiency improvements beyond 2020. It sets a framework for EU and national energy efficiency policies and measures. Article 7 is the cornerstone article of the Directive and obliges Member States to deliver new end-use energy savings every year equivalent to 1.5% of average annual sales to final customers. Member States can achieve that by putting in place various measures, allowing flexibility for national differences. Energy Efficiency Obligation schemes are encouraged amongst other possible "alternative measures" including energy efficiency funds, energy taxes, financing schemes, fiscal incentives, and training or education programmes.

A review of the EED is foreseen to start later this year, focusing on:

- 2030 Energy Efficiency target
- Article 7 (the mandatory end-use energy savings target)
- Article 9-11 (Metering and billing)

EU-ASE welcomes the forthcoming review of the EED, and calls upon the Commission to consider the following:

- The current 27% target for 2030 represents a slow down for energy efficiency improvements from the current level of 1.5% per year to 0.7% per year from 2020 to 2030. This would lead to a slowdown of renovation of buildings; reduced investment in research and innovation; risks increasing unemployment, while at the same time reducing economic competitiveness. We shall at least ensure the current linear increase of 1,5% a year to be maintained until 2030 and head to a 40% energy efficiency improvement in order to contribute sufficiently to our COP21 commitment in line with the position reached by the European Parliament recently.
- A more ambitious energy efficiency target will also assist EU Member States as they develop wider energy infrastructure investment plans to meet 2030 targets – since it will help them decide on the appropriate volume of supply side infrastructure investment to meet future energy demand, which is declining both for electricity and gas. For this reason, we call on energy efficiency to be classified as infrastructure in the recitals to the revised EED – mirroring the text in the EP EED report. It will also enable tenant and home-owners to benefit from co-benefits as well as the EU to capture the multiple benefits of energy efficiency, such as improving local air quality, stabilizing or even reducing energy costs, reducing energy poverty and increasing competitiveness, and boosting the local job creation.
- Deploy energy efficiency for EU citizens: The outcome of the UK referendum on EU-membership, and the previous referenda in the Netherlands and Denmark make clear that the EU needs a new, citizen-centered purpose and a new narrative. Energy efficiency can and should be part of

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that. It is visible, deployed quickly, creates jobs, improves security and can help alleviate energy poverty.

- Extend the Article 7 requirement to deliver 1.5% annual end-use savings unto 2050, while introducing a clear target review schedule (with the aim of increasing the annual target by 2020) and reporting and evaluation requirements. Energy used in the transport and ETS sectors should be included in the baseline to calculate the target, particularly when energy efficiency measures in these sectors are used to achieve the target. Ramping up savings and counting savings from before 2014 should not be allowed under a revised EED. Measures have already been introduced and do not require a phasing in, and savings from before 2014 have been included in schemes to 2020. The objective of Article 7 is to trigger new cost-effective energy efficiency investments, 'statistical tricks' do not deliver that. The current maximum 25% of exemptions should only allow energy savings measures at production, transmission & distribution levels.
- Provide better guidance on eligible and non-eligible measures, additionality and materiality.
 - The purpose of Article 7 of the EED is to primarily achieve end-use energy savings by lowering the sales of final energy/energy supplies to final consumers. This shall be based on the principle of Efficiency¹ First.
 - Only allow national measures to count towards the target that go above the EU standards, such as Ecodesign and Energy Labelling for example.
 - Only allow national measures that deliver real savings, preferably measured through metered savings, at least for a portion of the measure.
- Article 9-11: Require energy companies to empower consumers to adopt a more energy-efficient behavior, for instance through accompanying smart meters with smart billing and feedback programmes as well as real time information on energy consumption and benchmarking information.
Smart meter rollout will likely be far from complete by 2020, Member States need to step up the rollout and apply measures supporting customers with required energy / cost information.

In the case that it is decided to also open up other parts of the EED for review, EU-ASE calls upon the Commission to:

- Article 4: Require Member States (in Article 4) to strengthen the renovation roadmap for both residential and non-residential buildings, by setting national targets for the energy performance of buildings, ensuring that the sector is adequately prioritised. It also implies setting energy renovation rates and depths in accordance with an agreed end goal. In this way, specific national characteristics are respected, while ensuring convergence at the same time.
- Article 5: Extend the scope of Article 5 (requiring governments to renovate 3% of central government buildings annually) to all public buildings and eliminate the current threshold of 250m².
- Article 6: Provide incentives to start a transition from lowest-cost to life-cycle cost/total cost of ownership based purchasing methods and apply these at all levels of government.
- Article 8: Require MS to implement incentive and support schemes for the implementation of recommendations from energy audits / energy management certifications and similar measures, and require SMEs to implement recommendations from energy audits that have a payback time of less than three years.

¹ The principle of "Efficiency First" means that energy efficiency should be considered on a par with other options, from renewables to grid reinforcements.