



Consultation on the Review of Directive 2012/27/EU on Energy Efficiency



Introduction

This consultation is launched to collect views and suggestions from different stakeholders and citizens in view of the review of Directive 2012/27/EU on energy efficiency (Energy Efficiency Directive or EED), foreseen for the second half of 2016.

This review plays a prominent role as the Commission called on Member States to treat energy efficiency as an energy source in its own right in its Energy Union Strategy of 25 February 2015.¹

The European Council of October 2014 agreed on an EU objective of saving at least 27% of energy by 2030 compared to projections and requested the Commission to review the target by 2020 “*having in mind an EU level of 30%*”. The existing policy framework should therefore be updated to reflect the new EU energy efficiency target for 2030 and to align it with the overall 2030 Framework for Climate and Energy.

Energy efficiency policies have been put in place by the EU for some time now and they have delivered tangible results. The Energy Efficiency Directive, Energy Performance of Buildings Directive², Energy Labelling Directive³ and EcoDesign Directive⁴ are the key building blocks of the current energy efficiency framework. Many climate policies, such as the CO₂ performance standards for passenger cars and light commercial vehicles, also make a major contribution to improving energy efficiency. Thanks to these instruments, significant progress has been achieved by Member States in terms of energy savings over the past (five) years, contributing to the overall 2020 energy and climate policy objectives.

Public funding has played an important role by supporting the implementation of energy efficiency policies at national and regional level. There has been an increase in financing over the last years due to greater importance of these policies in the context of the overall EU decarbonisation agenda. The European Structural and Investments Funds (ESIF) and the European Fund for Strategic Investments (EFSI) are key to unlocking the needed private investments for energy efficiency. On the other hand, the effectiveness and impact of energy efficiency investment funding strongly depends (*inter alia*) on the implementation of the energy efficiency legislation, including the Energy Efficiency Directive.

Many measures taken by Member States today will, in fact, continue contributing to the energy efficiency targets and to the broader energy and climate policy framework beyond 2020. Since the Energy Efficiency

¹ COM(2015) 80 final

² Directive(2010) 31

³ Directive(2010) 30

⁴ Directive(2009) 125

Action Plan⁵ was adopted in 2011, the situation has greatly improved: primary energy consumption has continued to fall across the Union, with steady economic growth, and many Member States have successfully strengthened their national energy efficiency programmes.⁶

In line with the requirement of the EED (Article 3(2)), an assessment was carried out by the Commission in 2014 to review progress towards the EU 20% energy efficiency target for 2020, the findings of which were presented in the Energy Efficiency Communication, adopted on 23 July 2014.⁷ An updated analysis of how Member States are achieving the 20% 2020 target on energy efficiency will be published as part of the State of the Energy Union package in November 2015.

Given the recent implementation date of the EED, this consultation focuses on examining the following elements of Directive:

- **Article 1 (subject matter and scope) and Article 3 (energy efficiency target):** As required by the European Council of October 2014, which agreed the EU objective of saving at least 27% of energy by 2030 compared to projections and requested the Commission to review the target by 2020 *“having in mind [a level of savings of] 30%”*.
- **Article 6 (purchasing by public bodies of energy efficient buildings, goods and services):** As required by the reporting obligation under Article 24(8) to review the effectiveness of implementation of Article 6.
- **Article 7 (energy efficiency obligation schemes):** As required by the reporting obligation under Article 24(9) on the implementation of Article 7 and the need to address the obligation period that will expire after 2020.
- **Articles 9 – 11 (metering, billing information and cost of access to metering and billing information):** Consumer related aspects touched upon in these Articles are also addressed in the Internal Market Design/Delivering a New Deal for Energy Consumers initiative launched in parallel.
- **Article 20 (energy efficiency national fund, financing and technical support):** The European Fund for Strategic Investments (Junker Plan) raises the importance to address the market gaps for energy efficiency investments.
- **Article 24 (reporting and monitoring and review of implementation):** Given the new governance system to be introduced under the Energy Union in view of 2030 framework, currently being prepared in parallel to this exercise.

The questions of this consultation on the above articles are formulated so as to respect the requirements of the recently adopted Better Regulation Package⁸ and to ensure that the results of this consultation are fed into two parallel processes: first, to assess whether relevant measures are efficient, effective, and coherent with the broader EU legislative framework, and second, to identify the most appropriate policy options to be considered for reviewing specific aspects of the EED as part of the impact assessment.

Against this background, questions of a general nature for the general public are included in Part I. A set of questions of a technical nature for a more expert public is included in Part II. Respondents are invited to reply within the two parts to all the questions they consider relevant.

Table of Contents

⁵ COM(2011) 109 final

⁶ SWD(2014) 0255 final

⁷ COM(2014) 520 final

⁸ Better Regulation Package (2015)

Section

Information about the respondent

Part I – General questions

1. Articles 1 and 3
2. Article 6
3. Article 7
4. Articles 9 – 11
5. Article 20
6. Article 24

Part II – Technical questions

7. Article 6
8. Article 7

Information about the respondent

***Are you answering on behalf of an organisation or institution?**

- Yes, I am answering on behalf of an organisation or institution
- No, I am answering as an individual

***If you are answering as an individual, please enter your full name.**

[Free choice: max. 100 characters]

***If you are answering on behalf of an organisation or institution, please enter the full name of your organisation or institution:**

Confederation of Industry of the Czech Republic

***If you are answering on behalf of an organisation or institution, please enter your full name and position title:**

Václav Trejbal, Energy Industry Manager

***Please enter your email address:**

vtrejbal@spcr.cz

***If you are answering on behalf of an organisation or institution, please specify which category best describes your organisation or institution from the list below.**

- Central public authority
- Local public authority
- Private company
- Utility
- International organisation
- Workers organisation/association/trade union
- Non-governmental organisation (NGO)
- Industry/business association
- Other interest group organisation/association
- Consultancy
- University
- Think Tank/research institute
- Political party/organization
- Other (please specify)

***Does your organisation or institution primarily deal with energy issues?**

- Yes
- No

***Please indicate your principal country or countries of residence or activity:**

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| <input type="radio"/> Austria | <input type="radio"/> Belgium | <input type="radio"/> Bulgaria |
| <input type="radio"/> Croatia | <input type="radio"/> Cyprus | <input checked="" type="radio"/> Czech Republic |

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| <input type="radio"/> Slovenia | <input type="radio"/> Spain | <input type="radio"/> Sweden |
| <input type="radio"/> United Kingdom | <input type="radio"/> Other (please specify) | |

***How would you prefer your contribution to be published on the Commission website, if at all?**

- Under the name indicated (I consent to publication of all information in my contribution and I declare that none of it is under copyright restrictions that prevent publication)
- Anonymously (I consent to publication of all information in my contribution and I declare that none of it is under copyright restrictions that prevent publication)
- Not at all – keep it confidential (my contribution will not be published, but it will be used internally within the Commission)

Part I – General questions

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

Flexibility of counting-in of the target fulfillment

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 savings realized thanks to the EED generate also emission savings as their by-product. This causes an artificial (not driven by market forces) weakening of the demand side of the EU ETS without any adjustment of the supply side. The oversupply of allowances on the EU ETS market increases as a consequence. Finally, the trading system is not able to fulfill its main role of being an incentive for a long term decarbonization.

The overlap between EED and the EU ETS should be therefore neutralized by adjusting the volume of allowances entering the market for these artificial savings. According to the assumptions of analytics,⁹ the Market Stability Reserve itself will not be able to restore a scarcity on the carbon market.

Simply said, EED doesn't function smoothly with other framework regulations of the energy climate package, increases cost efficiency within its implementation in sector goals (vis-à-vis the LCA energy intensity evaluation) and increases artificial pressure on marginal costs.

This is exemplified by disregard for efficient use of energy and resources via indirect support of biomass in the definition of product groups under Ecodesign and Energy Labelling Directives where a special correction factor is added to the calculation of energy efficiency of biomass boilers in order to artificially "increase" their energy efficiency by 45%.

⁹ E.g. Sandbag, Slaying the dragon – Vanquish the surplus and rescue the ETS, October 2014

Therefore EED should be better aligned with objectives of EPBD, ETS, IED and RES directives.

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

EED has been transposed into Czech legislation with no major interferences. Most synergies as well as overlaps can be found in national and EU subsidy programs. Those were originally focused on lowering emissions, namely solid particulate matters, but now, since the programs also support/monitor energy efficiency improvements, there is an inconsistency or confusion between primary goals and/or secondary/side-effect gains of such measures vis-à-vis EU state aid guidance.

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

First of all it should be noted that EED was not fully implemented yet in most member states. The main lesson is that situation in members states is substantially different. EED should therefore in accordance with subsidiarity principle establish broad framework with common harmonized key definitions and leave a high degree of flexibility for countries in the deployment of national policies to tap the energy efficiency potentials in the most cost-effective way. EED seems to be too prescriptive in some areas.

This can be further evidenced by the fact that state expenditures across the EU are currently not designed for effective spending in terms choosing the best cost-benefit solutions while weighting costs, energy efficiency increase and positive impact on the environment. At the moment, most financial resources for energy efficiency increase are channelled through EU and national funds targeted on the environment, many with a primary or only objective of lowering emissions of particulate matter.

Hence, the overall lesson is the timely introduction of political measures, ideally combined with adequate financial sources allocation (i.e. timely preparation of state budget for several years ahead and the same with the multiannual financial framework where the bad experience with the MFF2014-2020 delay should be corrected by more flexibility and should not be repeated in the future).

In practical terms, Article 7 of the EED has brought overlapping measures to ETS sector via obligation schemes and voluntary long-term agreements, which is not cost-optimum way forward. "The one key fits all", 1,5 % binding annual savings of final energy, has not taken into account the differences in starting levels and potentials in Member States nor sectors.

Implementation of article 8 has brought inflexibilities to some well-functioning auditing schemes. For instance the schedule of the first round of mandatory energy audits for large companies was totally unrealistic. Mandatory audits within a very short timeframe caused a market disturbance on the auditing service market and raised actor's cost and lowered the quality of audits. Also there is a lack of EU-wide determination of the "large company", which brings different interpretations depending on the Member States. Therefore the Commission should consider to take also Article 8 under revision.

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

Indicative EU energy efficiency target of 25 % was cost-optimum to achieve GHG reduction target of 40 % according to Commissions' impact assessment 2014. The European Council decided to take the target of 27 % to improve energy security in October 2014. There is no need to revise this decision, because the situation has not been changed.

EC should bear in mind the main objectives of the EE target it stated in its Communication in July 2014 (reduced energy dependency, more affordable energy for consumers and business and a well-functioning internal market).

Consequently, the preferred way for incentivizing energy savings should be the use of EU-wide market instruments, notably the EU ETS. If it is not sufficient to bring the necessary emission

savings and there is a need for further support through direct subsidies, EC should make sure that these non-market tools and related emission savings do not undermine the EU ETS. EC could mitigate this risk by adjusting the emission cap for these non-market emission savings.

The energy security and affordability objectives imply that the energy savings effort should be focused on the final energy consumption. This would bring benefits for final consumers (greater affordability of energy for businesses and households) while reducing mainly the consumption of gas and oil.

Furthermore, the Commission should be aware that there is no low hanging fruit left anymore. In addition, the savings cannot be projected as linear. Also, after 2020, even more measures will be excluded from being accounted against savings achieved under Article 7 of the Directive because they will fall under minimal requirements of other EU legislation. According to current rules, such savings cannot be accounted against Article 7. As a result, for instance, all major renovations of buildings, i.e. renovation of more than 25% of the surface or 25% of technical building systems will be excluded.

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

The EU should take care of coherency of different directives in the framework of Energy Union and support MS in implementing these directives in an efficient way. The EU should organise sufficient EU-wide financing schemes and offer opportunities to MS's and sectors to benchmarking and to share the best practices. The resources need to be focused on those sectors which have the greatest potential to improve energy efficiency.

EU should focus on setting consistent framework and providing for sound monitoring and enforcement tools. Concrete measures should be left to members states where not conflicting with single market (e.g. energy efficiency standards for home appliances have to be fully harmonized). However, it should not set any targets at Member States level (e.g. Art 7) without taking into account national circumstances.

It should also improve its monitoring mechanisms (incoherence of the calorific values within EE monitoring of Eurostat and IEA).

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

- Expressed in both primary and final energy consumption in 2030
- Energy intensity

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

- Expressed as energy, regardless of its source (as now)

To achieve the EU's GHG emissions reduction target and energy efficiency target, the use of energy needs be more efficient, regardless its source.

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

Yes, public procurement rules enable to choose the most suitable and energy efficient appliance from technical and financial standpoint. Further tightening of energy efficiency requirements wouldn't be sensible.

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

By no means as there is currently no firmly set high energy efficiency performance standard/benchmark.

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

Yes on the national level within the transposition of the relevant EU legislation into the national one.

However from the holistic perspective there is currently neither on the EU level nor anywhere else an universal valid standardization of energy efficiency with the necessary features of the LCA, including total carbon/energy footprint and other such complex parameters that take into account negative side effects such as the re-bounce effect.

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?

Yes. Useful from the practical point of view but very insufficient from the other complex perspectives such as ROI, IRR etc.

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?

No, as the Czech Republic opted for the alternative scheme, i.e. applied policy measures instead energy efficiency obligation schemes.

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

No. It imposes the same nominal obligation to achieve additional savings (savings which would not be otherwise realized) on all Member states regardless of their previous energy savings achievements or economic and regulatory structure. For example, higher costs of energy in some countries can incentivize spontaneous energy savings whereas in other states lower energy costs are not sufficient to trigger such savings. Also, some member states can achieve some energy savings as a by-product of some regulation which is not implemented in other MS, etc...

Consequently, the principle of additionality should be questioned as the important issue is whether the necessary savings are achieved and not how they are achieved.

Given the above, it is not cost-efficient or flexible solution to have the same binding 1,5 % for every MS. The cumulative calculation of savings incentivized rightly those who already had schemes on-going, but makes it impossible for others to achieve the target.

As the whole the article 7 is too much focused on obligation scheme and gives no proper support to those MS using alternative measures. Obligation schemes can't be seen as the only way of delivering energy efficiency savings. For instance long-term voluntary energy efficiency agreements have been successful in many MS, and they don't need any directive's provisions to carry on.

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.

Lack of sufficient knowledge and skills of involved parties

Developing the calculation methodology in line with the requirements of Annex V

Ensuring sound and independent monitoring and verification of energy savings

High administrative burden

Unsufficient LCA Approach/ Limited timeframe (2014-2020) that makes it hard to attract investment for long term measures

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

- Disagree

A uniform level of energy savings does not take into account previous achievements or economic and regulatory structure among Member states.

There are various starting levels and economical and technologically feasible potentials in Member States and sectors. The annual target of 1,5 % energy savings from final energy sales does not acknowledge these differences or domestic contexts. The whole approach of using binding target for energy savings needs to be revised post-2020. Instead of this “one size fits all” approach, it would be more cost-efficient to give flexibility to Member State and to rely on national indicative targets as adequate tools to achieve the common EU-target 2030.

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

No. Measures to support vulnerable customers should be dealt with through state benefits or other state policies including the EU SAG.

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)?

Yes. However EED should clarify this distinction between customers and end-users with a view to establishing clear roles and responsibilities in billing and metering.

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?

Yes, benefits brought by energy efficiency should be twofold: decreased use of natural resources and financial savings. The costs of meters are passed on to final customers so the two benefits have to be in balance, at least – if customers were to pay more for metering without getting a payoff at the consumption side, the positive energy efficiency effect would be lost.

In addition, requirements on individual metering should be conditional on technical feasibility, i.e. the above-mentioned financial saving parameter.

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

No in practical terms, given the current failure of the EU to achieve/meet the EU single Energy Market requirements. Hence economic feasibility is subject to national / local tariffs, prices and purchasing power. Technical feasibility is determined by building stock and their technical equipment.

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

These conditions are needed as the implementation of metering and billing information systems could be too costly. They would be difficult to justify on economic terms and would not benefit the promotion of energy savings.

But in principle and with disrespect to today’s enormous marginal cost pressure harmonization might potentially help to use more energy savings potential and involve consumers more in the energy savings issues. It might prevent the EU Energy Market to be further distorted by additional subsidies/loopholes via energy savings and consumer empowerment. On the other hand, it would

be politically difficult to start abolishing over 750 types of subsidies on the energy markets across the EU.

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 Commission together provide a sufficient level of harmonisation at EU level?

Yes, given the conditionality at the end of the answer to 4.4.

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?

Lack of sufficient knowledge and skills of end-users needs and/or disputes between the relevant regulatory bodies over the responsibility/cost effectiveness.

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

In principle, market based instruments are the most cost-effective tools. Therefore, as much as possible energy savings should be driven by the increasing price of the EUA. This would have two positive effects: First, increasing energy price would make investments into energy efficiency more interesting. Moreover, these savings would be focused on the fossil fuels which would at the same time improve the energy security of the EU. Second, at least half of the EUA auctioning receipts are earmarked for projects related to the climate policies including energy efficiency. Higher EUA price would consequently increase the volume of available funds from this source.

EC should therefore primarily focus on stable and robust design of the EU ETS.

Specify/eliminate the state conditions' incentives for EPC contract providers/ potential (indebtedness), EPC automatically calculated in by concrete specification in Annex of the Article 7.

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

No. Member states and/or energy distributor/sales companies should have the flexibility to identify areas where investments into energy efficiency savings would be the most efficient.

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.

Agree

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?

Disagree. Energy use is very much influenced by missing some of the complex key parameters (climatic conditions, LCA features) and/or some methodology inconsistency/flawed firm calculation models (i.e. calorific values).

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) under Annex XIV (1)(a)) of the EED should be simplified?

Yes. Many of the required indicators are already collected by Eurostat and via simplification of some artificial statistical and reporting models (see the answer to 6.1.) might make the monitoring system more effective and coherent.

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. For example intensity per products 2digit NACE or Actual heating degree days in particular year compared to long-term average.

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

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

No, public procurement at regional and local level should allow public bodies to assess offers on grounds of energy efficiency but also on grounds of environmental impact, technical feasibility, price and ROI/IRR.

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:

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

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?

Conditions are very different in member states and also in individual procurement situations. Such a guidance framework would have to be extremely complex which in turn would tremendously increase administrative burden of public tendering procedures with very doubtful benefits for energy efficiency improvement.

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

No, not in the sense of energy intensity.

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 problem because it may make such investments uneconomical. Public authorities are bound to invest public money efficiently and this fact impedes that. Yet, public authorities should have an exemplary role in promoting energy efficiency. I.e. EPC contracts and their calculation into the state/public debts.

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, measures under Article 7 are regarded as an investment – customers invest partially their private financial resources. They are therefore interested in energy efficiency measures that last.

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			x		
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				x	

Other					
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Evidence from most advanced countries in efficiency obligation schemes like Denmark shows that in case that the scheme pushes energy suppliers to deliver even energy savings which are not cost-efficient the total bill for energy consumers can even increase. This is even more exacerbated by the fact that a significant share of costs in energy distribution systems (electricity, district heating, gas) is typically fixed and does not decrease proportionally with decreased energy consumption leading to higher energy prices as demand decreases. Mandatory energy savings delivered by energy supplies can also damage market for innovative energy services and new financing models provided by independent companies without access to funds from energy customers under obligation scheme.

A well designed alternative measure may less disturb the market than an overregulated obligation scheme.

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?

No.

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.

The whole Annex V should be revisited and significantly streamlined in order to reduce administrative burden.

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?

No, article 7 obligations based on the binding annual target of final energy should not continue after 2020. The energy efficiency efforts of the EU should concentrate on those sectors, which have the biggest potential, like buildings, as it was stated in European Council Conclusions 2014. Instead of this Member States should continue to set their indicative national energy efficiency targets after 2020.

First, the target for 2030 is non-binding, second, the primary goal should be higher air quality and climate protection (reduction of greenhouse gas emissions is EU's only long-term target), third, a number of energy efficiency legislation will enter into force in the coming years, such as new energy labelling and eco-design requirements, energy performance of buildings, etc. which will contribute to energy efficiency.

Article 7 imposes the same nominal obligation to achieve additional savings (savings which would not be otherwise realized) on all Member states regardless of their previous energy savings achievements or economic and regulatory structure. For example, higher costs of energy in some countries can incentivize spontaneous energy savings whereas in other states lower energy costs are not sufficient to trigger such savings. Also, some member states can achieve some energy savings as a by-product of some regulation which is not implemented in other MS, etc...

Consequently, the principle of additionality should be questioned as the important issue is whether the necessary savings are achieved and not how they are achieved.

Hence, the present flexibility and the use of "alternative measures" shall be applied also after 2020.

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

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?

Agree

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 ¹⁰ for taxation measures in real terms		x			
Indicative list of eligible energy saving measures			x		
Monitoring and verification procedures			x		
Reporting		x			
Other					x

¹⁰ Price demand elasticity is a measure used in economics to show the responsiveness, or elasticity, of the quantity demanded of a good or service.

Especially price demand elasticities should be harmonized which would create more certainty for member states and incentive to actually use CO2 components of energy taxes as a political measure under article 7 of EED.

At the same time, there currently are great disparities among member states in terms of weather conditions, building stock, income level and many more. Also, there should be room for innovation.

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

Member states should be given as much of flexibility in implementing energy efficiency measures as possible.

The EU should provide good practice examples and facilitate exchange of experience.

The EU should monitor progress of all member states.

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

Focus on energy intensity and holistic approach including LCA and material (export/import) efficiency.

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?

In general, allowing the international cooperation can increase the efficiency and decrease the costs of achieving the required level of energy savings. However, given the current reality situation of the EU Energy Market tradeable energy efficiency achievements are really questionable. Namely double counting of savings would need to be carefully excluded.

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?

No.

Firstly, replacing the current generation portfolio with the renewable energy provided by energy suppliers/distributors does not have any effect on the final energy consumption. Consequently, it would not improve the energy affordability which is one of the main objectives of the energy efficiency target.

Secondly, there are other support schemes (mainly RES auctions) which are preferred in order to achieve the RES target.

There should not be obligations in terms of RES placed on suppliers and distributors. The EED should retain its primary focus on efficiency while the promotion of RES is done through other instruments.

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

- Agree

In principle, market based solutions should be the most efficient tools how to achieve a defined target.

However: The article 7 is not yet implemented in all countries and different instruments are used across Member States. Some countries are using obligation schemes while some rely on Alternative Measures or a mix. Last but not least, EU wide scheme would need to build on EU wide eligible savings which would not be compatible with subsidiarity principle.