Consultation Response

Brussels, 10 August 2009

Subject: Evaluation and Revision of the Action Plan for Energy Efficiency
[COM (2006) 545]

Eurima Response to the European Commission Consultation

1. General questions

In the context of this evaluation and the preparation of the envisaged new Energy Efficiency Action Plan, the Commission is open to re-evaluate its present legislation and policy portfolio.

1.1. The Action Plan for Energy Efficiency of 2006 identified 6 key areas and proposed 10 priority actions (out of a total of 85 actions and measures). Which of the actions and measures of the 2006 EEAP should be continued / redefined / discontinued, and why? (Max. 4000 characters) (optional)

Many of the priority actions from the 2006 EEAP have been carried out. Many others haven’t. Priority actions 5, 6, 7, 8 and 9 will need attention in the new EEAP. Additional details are given in the answers to specific questions.

Europe’s buildings account for 40% of EU final energy use. An ambitious, multi-faceted and comprehensive EU strategy on energy efficiency in buildings should form the core of the new EEAP. Co-ordinated measures taken in buildings are a highly cost-effective way to reach climate and energy security targets and contribute to large economic savings and job creation. Therefore, the building sector should be the first priority of the revised EEAP.

While the first priority in the 2006 EEAP was appliances and equipment, this sector is now on track. The focal point of the new EEAP should shift to buildings.

Out of the six key areas identified in the 2006 EEAP, Eurima would like to draw special attention to the items below, focussing on the building sector:

- **Dynamic national energy performance requirements for buildings, the building envelope components and technical building systems** should be redefined in the recast EPBD. This will promote the energy performance of buildings, and provide Member States, in Articles 3-8 and annex I of the EPBD recast, with tools to calculate and apply the most economically and environmentally beneficial levels of investment in energy efficiency.

- **Financing**: In order to roll out a much-needed EU-wide building-renovation programme, financing should be the subject of an urgent package of EU initiatives, outside the EPBD, some already outlined in the 2006 EEAP and in the ESD. Technical assistance, guidance, and institutional capacity need to be increased to ensure the best use of Structural Funds, State Aid, multi-lateral development bank funding (MDB), private and ESCO, EPC and TPF financing.

- **Energy behaviour**: One of the priorities of the new EEAP should be actions for the provision of information, quality education and training for the building chain, regional and local authorities, and general public).
As for the 10 priority actions proposed by the EC, Eurima would like to highlight some that need to be complemented by new actions (as proposed by Eurima in the next sections):

**Action 2: Building performance requirements and very low energy buildings to be in the EPBD recast**

- Mandatory and ambitious targets for new and existing buildings to achieve very low and zero carbon dioxide emissions and energy consumption
  - by end 2014 (Very Low Energy Buildings) and 2018 (Zero Energy Buildings) for all new build
  - through national plans with targets for existing buildings, to be delivered with the NEEAPs of 2011 & 2014.
- Increased attention to the building envelope to ensure that the energy demand for heating and cooling is minimized before addressing energy supply.
- Consistent minimum energy performance requirements based at least on cost-optimal levels to encourage Member States to achieve private and societal optima in energy efficiency investment and performance.

**Action 6 & 8: Spurring energy efficiency in the new Member States & Raising energy efficiency awareness**

- These priority actions should be part of an ambitious strategy at EU and Member State level to provide improved certification (in the EPBD recast), linked to Member State financial & fiscal incentives. Organisational support and training/education curricula guidelines, and requirements where possible (e.g. vocational).

**Action 7: A coherent use of taxation**

Eurima believes that it is important to allow Member States to apply permanently lowest possible VAT rates for energy saving products and services.

**Action 9: Energy efficiency in built-up areas**

Eurima calls for further action to promote energy efficiency in buildings in built up areas through, in addition to the Covenant of Mayors, Smart Cities, and the IEE programme,, more EU-programme co-financing to leverage private and local government funds.

### 1.2. Which new challenges have emerged since 2006 and should be addressed in the new Action Plan for Energy Efficiency? (Max. 4000 characters) (optional)

- **Economic crisis:** Since the adoption of the original EEAP, a global crisis has started to seriously affect European and worldwide economies. It is crucial for Europe to use “shovel-ready” projects in the construction sector to kick-start our economies, whilst decreasing our energy bills and protecting our energy independency. Activities related to buildings are a considerable part of the EU economy, about 9% of EU GDP and 7-8% of EU employment.

- **Climate crisis:** As the clock ticks toward the Copenhagen climate negotiations in December, Europe is expected to lead the world with actions and show that large scale CO₂ reductions are possible. The lion’s share of EU final energy consumption and CO₂ emissions come from buildings. The building sector is indeed critical for Europe in order to achieve the ambitious target of reducing CO₂ emissions by 60% to 80% in 2050 compared to the 1990 level. Actually a well acknowledged target for buildings is to reduce its emissions by at least 80% compared to those of 1990. A failure to act in this sector will thus lead without doubt to a failure to achieve EU goals in the fight against climate change.

- **Energy security crisis:** The recent Ukrainian-Russia conflict on gas again has demonstrated the importance for Europe to guarantee its energy independency. Europe needs to get serious about tackling the energy use of its buildings. A true energy security policy starts in our homes. The EEAP should ensure that energy efficiency in buildings becomes the corner-stone of Europe’s effort to ensure that the energy needs of Europe are met continuously.
2. Specific questions

Please provide an answer to each of the following questions and, if possible, justify it by quantifying the environmental, social and economic impacts.

2.1. The existing Energy Performance of Buildings Directive (2002/91/EC) and its recast, as well as other relevant legal acts, go a long way for introducing ambitious but realizable energy performance requirements for buildings and increase consumers’ awareness. However, much more can be done. (compulsory)

How do you assess the need for moving towards a requirement that all new buildings have low or zero energy consumption and carbon emissions after certain date? (Max. 4000 characters) (optional)

The first –and essential- step in realising a long-term high level of ambition in the area of EU buildings is to ensure that the EPBD recast contains a strong commitment for reaching low and zero energy buildings, following these basic principles:

1. Drawing up national strategies and roadmaps with clear and ambitious targets for new buildings, ensuring that all new build comply with a “very low energy” standard by 2014 and “zero energy” standard by end 2018, by following the principles of the Trias Energetica;
2. Introducing cost-optimal minimum energy performance requirements based on life-cycle cost criteria- for building elements such as the building envelope components when renovations/replacements are taking place;
3. Drawing up national strategies that give public buildings a leading role in achieving VLEB performance levels;
4. Ensuring that any definition of ‘very low energy and carbon emission building’ is in line with the Trias Energetica principles.

These principles should be clearly stated in the EPBD recast. The future EEAP should go beyond these requirements and complement them with an EU-wide coordinated support action.

Current national requirements for new residential buildings are indeed far from cost effective levels. The Ecofys VII report (Ecofys VII, U-values for better energy performance of buildings (2007)), commissioned by Eurima in 2007, showed that out of 100 cities across Europe, almost all of them have current insulation standards which are below the cost-optimum and climate neutral standards.

Unless they are strengthened significantly, these requirements will not allow Europe to achieve its medium and long-term climate goals.
In addition, new studies on LCC show that it is cost-effective to move rapidly toward low-energy building requirements for all new build. Energy efficiency in buildings, and in particular insulation, are indeed highly cost-effective measures, as demonstrated in the recent study by the European Commission’s Joint Research Centre (Environmental Improvement Potentials of Residential Buildings (IMPRO-Building)* by Françoise Nemry and Andreas Uihlein, JRC Scientific and Technical Reports, September 2008): 80% of the green house gas reduction potential in buildings in Southern Europe and 95% of the potential in Central Europe can be reached at negative CO2 abatement costs.

How do you assess the need for introducing EU level measures concerning training of architects, builders and installers? (Max. 4000 characters) (optional)

• Together with access to financing and the lack of institutional support, the often outdated technical training in the building chain for the most energy-efficient solutions is one of the main barriers to achieving an effective implementation of the EPBD. It also prevents reaching the targets set out in the EU Energy Efficiency Action Plan.

• Placing specific obligations on Member States to provide the necessary support mechanisms and training and education programmes for the building chain would be a big step in the right direction. Mutual recognition between Member States of these qualification, accreditation and certification schemes should be an objective of both the EPBD recast and the EEAP, building *inter alia* on Article 8 of the ESD. Although some provision for EU-level support is already foreseen in the Energy Efficiency Action Plan, Eurima emphasizes that, in the context of the revision of the EEAP, any policy initiative has to include institutional and organisational support measures to ensure adequate training of architects, builders and installers. The European Union could promote four categories of measures:

1) Oblige member States to ensure high quality training to make sure that the implementation of the EPBD is best handled nationally.
2) Spreading best practices (e.g. vocational training centres, public private partnerships) (see section 2.6)
3) Mobilising EU funds to stimulate training across the European Union (see section 2.6)
4) Mutual recognition of training programmes across the European Union (see section 2.6) as well as harmonised accreditation of inspectors and assessors

What other measures at EU level need to be undertaken? (Max. 4000 characters) (optional)

• EU funds must be mobilised so as to pave the way for a wide scale energy refurbishment of buildings, especially multi-family housing. Technical assistance needs to be provided systematically to ensure full access to these funds.

• Upfront money is vital: Although energy efficiency improvements pay back many times over, ensuring that money is available for the upfront investment is essential. EEAP should promote financial schemes which are tailor-made to the buildings types (see section 2.4). Shared savings schemes such as third-party financing (TPF) and energy performance contracting (EPC) used by ESCOs need to be encouraged throughout the EU. Full implementation of Article 9 of the ESD should be ensured as a means of removing barriers to the use of these instruments. The ESD should also be used to the maximum extent possible to develop ESCOs (Energy Service Companies) and also to increase the use of obligations placed by Member States on their energy utilities, including distribution companies, to provide their customers with energy efficiency measures.
2.2. Sustainable transport and energy consumption of cars is currently addressed in the Greening transport package (COM(2008)433), the Regulation on Emission performance standards for new passenger cars (COM(2007)0856), the proposed Directive on labelling of tyres (COM(2008)0779), the proposal on greening car taxation (COM(2005)261) and the 'Green Cars' initiative. The Commission is also working on a proposal on light commercial vehicles and a revision of CO2/cars labelling. Do you consider that additional measures at EU level need to be undertaken? (compulsory)

☐ Yes  ☐ No  ☐ No opinion

2.3. The Eco-Design (2005/32/EC) and Energy Labelling (92/75/EEC) framework Directives are significant steps as regard to product policy. A number of implementing measures have been already or are soon to be adopted and the ongoing amendments of the two Directives provide for their more ambitious and wider application. Do you consider that additional measures can be taken forward in order to increase the impact of these instruments? (compulsory)

☐ Yes  ☐ No  ☐ No opinion

Eurima believes that it is important to set up minimum energy performance requirements at component level, in order to ensure that the largest energy savings are secured both in new built and in renovation. It favours the set-up of such energy performance requirements through the Energy Performance of Buildings Directive rather than through the Eco-Design Directive in order to reduce the burden on manufacturers.

Article 8 of the EPBD recast should make a clear distinction between products and technical building systems. Minimum performance requirements for traded products such as boilers should be set by the Eco-Design Directive (based on Article 95 of the Treaty), while such requirements for heating, cooling, ventilation systems, etc. should be set by the Member States as set out in Article 8 of the EPBD recast (based on Article 175 of the Treaty).

We believe that the EPBD is a better vehicle for looking at building structures than the Eco-design directive, and the process for mandating such requirements under the EPBD is likely to be much faster. It would then be up to the Member States to decide what minimum energy performance level to set these requirements at.

In the new Eco-design framework Directive on Energy-related products (ErP), consideration may be given to set Eco-design requirements at EU level for construction products. Once again, the distinction between systems and products will be in the focus.


On Energy labelling, a CE mark for insulation is already in operation and work is being done to develop environmental product declarations under CEN/TC 350.
2.4. Lack of access to appropriate financing is an important bottleneck for making a real step forward in our ambitions on energy saving. Innovative financing instruments are now being developed by institutions such as EIB, EBRD, national promotional banks and private banks in particular in association with the Covenant of Majors initiative. Demonstration projects of the application of energy efficient technologies in a competitive manner, e.g. ‘smart cities’, could also be considered. Do you think other financing measures at EU level are needed? (compulsory)

☐ Yes  ☐ No  ☐ No opinion

What best mechanisms and ways forward where the EU value added can be substantial would you recommend? (Max. 4000 characters) (optional)

Financing is one of the main barriers to improved energy efficiency; without financing, the full implementation of mandatory energy performance requirements, could fail. Europe should not only provide adequate financial support, but it should also ensure that mechanisms are put in place to facilitate investments in the building sector.

What is needed is a very broad and co-ordinated programme or partnership between the Commission and the Member States, an “EU Marshall Plan” for buildings that would give the necessary impetus and co-financing for a massive energy refurbishment of private and public buildings. Financial support needs to be complemented with fiscal incentives, technical know-how, education and training (see section 2.5). This should also include the new SET plan for low-energy technologies and Smart Cities, to allow a holistic city-planning approach, covering both energy demand and energy supply, in that order, and addressing transport issues.

In this perspective, it is important that local stakeholders like City Councils (Covenant of Mayors), Regional authorities, and local banks (etc.) have access to available EU and multi-lateral development bank funds. These are some of the proposed activities:

- **Upfront financing**: The European Commission should include in the EEAP a specific call on Member States to develop financing for highly cost-effective energy efficiency improvements. This obligation was proposed in the 2006 EEAP. To ensure its viability, it should be closely linked with improved energy performance certifications, based on so-called investment grade audits. The Commission should require the Member States to include such up front financing measures in their NEEAPs under the ESD. These plans should also include specific flanking measures to support the uptake of energy certificates and impose preferential funding and loan schemes in tenant-landlord relationships.

- **Structural funds**: These allow the EU to ensure that adequate upfront financing is available for the housing sector. A review of the funds required to renovate multi-family houses in the new EU Member States revealed that 10% was needed rather than 3%. The recent increase to 4% may therefore prove inadequate, when full use of this share is finally achieved. The Commission should therefore review the allocation and provide adequate resources for the next programming period. In addition, the EU should ensure that the current funding opportunities are properly spent by:
  1. Managing authorities of Structural Funds and specific energy programmes to develop and promote best practice demonstration projects aimed at the various stakeholders at national level, including in public sector buildings.
  2. European Commission and the national authorities to agree ambitious, environmentally-favourable plans and applying an “energy efficiency” test for every project funded by Structural Funds. This test should aim to block funding of projects that do not respect highest energy standard requirements.
• **European Investment Bank**: The European Investment Bank has increased its global investment value in 2009 and 2010 to reach around EUR 72bn. Eurima calls on the EIB to implement most of the additional lending in energy efficiency measures in buildings, where there is a proven track record for energy savings and CO2 mitigation. The increased use of ESCOs as a means of approving projects and offering co-financing to increase the leverage effect of EIB funds should also be encouraged.

• **Marguerite Fund**: In December 2008, the European Council created a new equity fund called the European Fund for Energy, Climate Change and Infrastructure ("Marguerite Fund"). In our view, the "Marguerite Fund" should focus on the energy refurbishment of buildings to facilitate investments in the building sector.

2.5. Well targeted fiscal incentives could be a driver for energy efficiency investments and innovation. The EU has already taken measures to make it easy for Member States to allow for more advantageous VAT rates for some labour-intensive services, such as renovation and repairing of private dwellings. Do you consider that additional measures at EU level need to be undertaken to shape consumer choices? (compulsory)

- [ ] Yes
- [ ] No
- [ ] No opinion

In your view what these measures should be? (Max. 4000 characters) (optional)

Fiscal incentives have the ability to correct market-failures in a cost-effective way. The buildings sector is particularly affected by market-failures. They include those that:

• **Provide disincentives to households from making investments in energy-efficiency.** In several EU countries over 50% of buildings are rented. In these cases neither the tenants (as they do not own the houses) nor the landlords (as they do not pay the energy bills) have incentives to invest in such measures as insulation. In such cases financial incentives should strongly encourage landlords and tenants to make the right investments. Such measures could include tax-breaks on the refurbishment of houses or revolving funds for the same purpose which would make these investments more affordable for the tenants, thus decreasing their pay-back time.

• Remove perverse incentives regarding energy use from households: Subsidies to energy bills and flat-rate tariffs for district heating can create perverse incentives for energy consumers, thereby decoupling the energy price from energy consumption. In such cases harmful subsidies or badly-designed schemes should be removed or redesigned.

**As a first step, the Commission should establish a platform through which Member States could learn from the best and most effective policies.** This could be done through BuildUP. At the EU level, Eurima believe the EU institutions could push for the adoption of the following instruments:

• **VAT**: Eurima believes that a reduced VAT rate should apply not only to energy efficiency products but also on the total cost of renovations and new build that comply with 'stretch targets', in order to encourage the building chain and the EU's citizens to adopt the highest level of energy efficiency. Eurima calls on the EU to allow for a permanent reduction in the level of VAT on energy-saving products, materials and building processes related to implementing and upgrading thermal insulation and energy efficiency measures. We propose to link this reduction in VAT to the Energy Performance Certificates and that the reduced VAT rate on labour intensive services shall apply if the work aims to achieve the efficiency upgrades proposed by these Certificates.
• **Tax incentives:** The European Economic Recovery plan suggests urgent tax measures to improve the energy efficiency of the housing stock and public buildings. Eurima believes taxation ought to be one of the instruments that governments should apply to promote energy efficiency investments. Increased cooperation among Member States through committees of experts from Member States (comitology) should be encouraged by the Commission. In an area where co-decision is otherwise difficult. Income and corporate tax credits to promote buildings and energy efficient technologies should be agreed to support energy performance improvements. Property-tax differentiation based on certification schemes should also be developed. The effectiveness of buildings certification (as required under the EPBD recast) could be reinforced with financial incentives. Homeowners should be encouraged to make energy-efficiency improvements by e.g. linking buildings certification to tax deductions on the investment in energy efficiency measures.

2.6. Education and training on energy efficiency are vital ingredient of a successful energy efficiency policy. These were already mentioned above regarding buildings but the challenge is much broader. Do you consider that measures/actions at EU level to catalyze training at school and university level should be undertaken? (compulsory)

- Yes
- No
- No opinion

In your view what should these measures be as regards different target groups? (Max. 4000 characters) (optional)

Education and training in the building sector must mainly focus on two key groups: the building chain (including the national, regional and local government decision-makers) and the general public. The targeting of these groups is absolutely crucial to drive the wide scale deployment of very low energy buildings.

**Measures to target the building chain**

Various groups of the building chain have diverse levels of knowledge and expectations. Therefore, any strategy shall take into account the high-level of variation between the groups of the building chain. There are three types of actions the EU should undertake in order to fill the educational and training gap(s) of those groups;

- **Harmonisation and upgrading of educational requirements:** The EU has no clear competencies in the field of education except at the vocational school level, as secondary and university level education are among the policy areas most closely guarded by the Member States. However, wherever differences in education and particularly recognition of competencies in the Member States may hinder any of the community rules the EU must act in some way. For many years now there have been ongoing efforts aimed at the better mutual recognition of diplomas in the EU within the rules of the Internal Market and towards ensuring the freedom of movement of persons. In regard to the building sector, these efforts should aim to **strengthen the energy efficiency educational requirements** of diplomas for engineers, architects etc.

- **Improving EU framework for education and training:** This could be achieved by the **promotion of pan-European programmes** under initiatives such as the Erasmus Mundus programme and vocational training for the building chain under the general EU framework for education and training. In parallel, the EU should empower **EU bodies in charge of vocational training and lifelong learning** such as the European Centre for the Development of Vocational Training to ensure that energy efficiency in buildings, and in very low energy buildings, is adequately addressed, as a matter of urgency. (According to
the 2006 EEAP, the latter action should have been undertaken in 2008. It has yet to be carried out.)

- **Greening EU jobs**: As the European Social Fund (ESF) is the European Union’s main financial instrument for supporting employment in the Member States, the next programming period (post-2013) should mainly focus on greening EU jobs (with a part focusing on training the building chain on the issue of energy efficiency in buildings).

**Measures to target the general public**

*Help me don't tell me*: Information alone seems to deliver extremely limited results. Awareness of the need to act is high; however, what is missing is a helping hand to support individuals and organisations through the complex process of improving a building. Eurima calls on the Commission to make funds available for improving the education of the general population and to develop specific programmes on energy efficiency which would aim to give hand support to the general population through the deployment of e.g. info centres and helpdesks (see section 2.7). One good example in this respect was proposed by the 2006 EAAP with the organisation of a competition in each Member State with a view to award a prize for the most energy-efficient school.

**2.7. Awareness of final consumers on energy savings possibilities and their benefits is still low.** This in particular concerns domestic consumers and SMEs. Some actions to target different groups are already undertaken at national and EU level. For example, the Sustainable Energy Europe Campaign is focusing on grouping social stakeholders and market actors to undertake joint action. Do you think that further communication action at EU level is needed? (compulsory)

☐ Yes  ☐ No  ☐ No opinion

Which would be the content of such a communication strategy as regards each of the target groups concerned? (Max. 4000 characters) (optional)

- **Help me, don't tell me**: Although communication campaigns toward the building chain and the general “consumer” are important, information alone seems to deliver extremely limited results as already mentioned. Therefore, the EU should aim to encourage proactive communication actions providing hand support.

- **Different activities for different players**: In association with national, regional and local authorities, the EU needs to develop the right policy packages addressing specific local circumstances and buildings characteristics. For example, the EU could:
  1. **Regional and local authorities**: Encourage regional and local alliances (e.g. Covenant of Mayors) to prioritize awareness raising, training and communication activities concerning the issue of energy efficiency in buildings.
  2. **General public**: Ensure EU funding programmes (e.g. Intelligent Energy Europe) to develop projects aiming to improve the “energy efficiency” behaviour of EU citizens. E.g. Wide-scale deployment of info centres / helpdesks and agencies across the EU to pro-actively assist and support final consumers.
  3. **Building chain**: Adopt a “Building 21” strategy which would bring the building chain together and provide a platform for dissemination, education and sharing of best practices. This could in an advantageous way be linked to the new BuildUp website.
  4. **Economic players** (e.g. banks): Develop specific platform for economic stakeholders to encourage information about best financial practices leading to the deployment of green building markers.
• **Communication vs. regulation**: It should be recognised that communication strategies can often bring limited achievements. When it comes to energy efficiency in buildings, ambitious mandatory legislation, targets and measures are imperative. Such soft measures as information campaigns can only serve to augment the impact of well developed directives and regulations.

2.8. Furthermore, small and medium size companies (SMEs) are the backbone of EU’s economy as they make up more than 99% of all firms and employ 67% of the EU’s workforce but may need more support for implementing energy saving measures. Do you consider that specific measures to target SMEs are necessary? (compulsory)

☐ Yes  ☐ No  ☐ No opinion

**In your view what should these measures be? (Max. 4000 characters) (optional)**

SMEs should always be taken into account when developing EU energy efficiency legislation. A good example of this is the ESD, where ESCos are promoted. It is imperative that the concepts and definition of Energy Service Companies in legislation as well as in supportive and flanking measures are robust and flexible enough to encompass not only larger companies able to assume both technical and financial risks, but also smaller engineering and installation companies, proved they are accredited and qualified. This may of course entail the grouping or classification of different types of ESCOs, but this should still avoid discrimination in such activities as mutual recognition of qualifications, etc.

In addition, SMEs play a key role in the installation of energy-efficient technology. Therefore, it is essential that substantial efforts are made in the field of vocational training in order to involve this category of companies.

2.9. Public sector should lead by providing best practice examples. Positive progresses have been made under the voluntary Green public procurement policy and the proposals for mandatory procurement of energy efficient products in the framework of the recast of the Energy Labelling Directive. The leading role of public authorities has also been emphasized under the recast of Energy Performance of Buildings Directive proposal. Do you consider that further actions at EU level should be undertaken? (compulsory)

☐ Yes  ☐ No  ☐ No opinion

**What further actions would you suggest at EU level? (Max. 4000 characters) (optional)**

**Leading by example.** The public sector should take the lead in improving the energy efficiency of their own buildings in the short term, and as a matter of urgency. This has already been underscored in articles and obligations in the ESD and in the proposal for the EPBD recast. The latter should be translated into binding dates for the renovation of existing and new public buildings in the EPBD recast, as well as an ambitious Green Public Procurement policy, based on scientific and well accepted criteria
This could help Europe to move towards a more sustainable building stock. Most importantly, any public building policy has to be coherent and shall not add criteria where they already exist or where they are already mandated in regulations, directives or standards.

2.10. The role of energy utilities can be substantial but at present they have insufficiently developed a market for energy efficiency services. Ways to create adequate framework conditions for this market to take-up in liberalized electricity and natural gas markets should be sought, possibly in cooperation with the Regulators. Do you consider that actions at EU level should be undertaken? (compulsory)

☐ Yes  ☐ No  ☐ No opinion

In your view what should these measures be? (Max. 4000 characters) (optional)

1. The ESD sets out obligations for Member States to develop legislation to require their utilities to offer energy efficiency measures to their customers. This directive is being implemented in Member States now. Infringement procedures have been initiated for late transposition and notification. When notification is received by the Commission, special attention should be given to the transposition of Article 6 and to secondary legislation resulting from its transposition. If the present obligations to be placed on utilities are not adequate in ensuring that utilities engage in energy efficiency, a recast of the ESD should be considered post haste.

2. In the 2006 EEAP there are proposals for a number of energy efficiency actions to be carried out with the Energy Regulators, through CEER and ERGEG. These have yet to be undertaken completely. They need to be re-evaluated and proposed again in the new Action Plan.

2.11. Energy efficiency offers significant market opportunities. Do you consider that specific measures at EU level should be adopted to provide incentives for companies to enter these markets, in particular as regards SMEs? (compulsory)

☐ Yes  ☐ No  ☐ No opinion

In your view what should these measures be? (Max. 4000 characters) (optional)

One of the stated objectives of the ESD was to complete the demand side of the internal energy market by increasing information, education and standard solutions for stakeholders, to improve access to financing and to remove legal, technical, institutional and other barriers to the proper functioning of the market. The internal market directives that were used for the liberalisation of the European electricity and gas markets focused almost exclusively on the supply side of the market.

The ESD was a first attempt to complete the internal energy market by including the demand side. After an evaluation of the ESD, its transposition and implementation, a second ESD directive might be considered, much in the same way as it took several internal market directives to make the supply side of the market function.
2.12. In relation to the above question do you consider that there is a need for the introduction of a EU-wide White Certificate scheme? (optional)

☐ Yes  ☐ No  ☐ No opinion

How do you think this EU-wide scheme should be designed and what should the role of energy utilities be? (Max. 4000 characters) (optional)

Market-based instruments for tackling climate change have proved to deliver energy-efficiency improvements in a quick and cost-effective way. White Certificate schemes have been shown to work in Italy and France (and to a limited extent similar utility obligations exist in the UK and Flanders), thus demonstrating the potential to unlock the huge efficiency improvement potential of especially buildings.

Still, such systems will need to be carefully designed and implemented at Member-State level in order to give the right incentives for savings. At EU level there is a need for sharing best practices, for harmonising the lifetimes of different energy saving measures in order to allow investment according to the best overall value, and to promote other standardised definitions. For these, a mandate from the Commission is currently being sought by CEN.

The administrative framework is another key factor that must be determined at national level, although with guidance at EU level, more member States are likely to initiate national White Certificate schemes. Article 6 of the ESD already requires Member States to place obligations on their utilities, including the possibility of White Certification schemes. It should be possible to facilitate even further at EU level the continued use of such White Certification schemes where utilities are involved, by the use of and, if necessary, the strengthening, of Article 6(2) in the ESD, placing additional obligations on utilities.

Creating an EU-wide or regional trading system may, however, prove difficult at this stage where different national schemes already exist, and where an EU-wide might generate too much administrative burden and render the national systems less effective.

2.13. The Directive on energy end-use efficiency and energy services (2006/32/EC) already provides for national indicative energy savings target which differs from the ones for renewables and for the greenhouse gas emissions. Giving the increasing priority for ensuring that investment in energy consumption reduction are made in all Member States do you consider that a move towards binding targets is needed? (compulsory)

☐ Yes  ☐ No  ☐ No opinion

How should these binding targets be set up and at what level? (Max. 4000 characters) (optional)

- It is important that the Member States are made aware of the fact that they shall operate under the assumption that de facto binding targets exist already for the Member States, in terms of energy savings. They are in principle already included in the ESD and thus in the NEEAPS. While the present 9% target is referred to as “indicative” in the ESD, the target is formulated in Article 4 of the ESD in such a way that Member States are legally bound to take adequate measures that would ensure the realisation of identified targets under “normal circumstances”. If the measures taken are judged by the Commission to be
clearly inadequate for achieving this goal, this constitutes an obvious breach of the Directive. Legal action against the MS in question may consequently be initiated by the Commission.

- **The 20% savings goal for 2020 should also be made binding on Member States.** This can be facilitated by using the results of the NEEAPs and by applying the harmonised measurement system for energy savings that will be developed for the ESD, and combining it with targets for improving energy efficiency in the energy transformation and transport sectors. As energy transformation is already included in the ETS, and transport is covered by an agreement, it should be possible to calculate and track the fulfilment of both the 9% and the 20% targets by adding improvements in the different sectors.

2.14. Measurement and verification of energy savings is essential aspect for monitoring the results of any measures introduced at national and EU level. Although some targeted measures are being implemented, do you consider that more systematic and harmonized approach at EU level is needed? (compulsory)

- Yes
- No
- No opinion

In your view what should these measures be? (Max. 4000 characters) (optional)

- The indicative ESD savings target of 9% by 2016 and the 20% 2020 savings goals are not directly comparable since the ESD is an end-use (final energy) target and the 2020 target relates to primary energy use. However the **MS should be required to put their national ESD target into the context of the 2020 target to identify the gap.** It should also be requested from the MS to indicate how they consider dealing with the identified gap.

- To improve methodology and comparability of energy savings between Member States, Eurima supports **EU wide and mandatory templates for the next round of National Energy Efficiency Action plans, including use of the almost-finalised top-down/bottom-up and bench-marking methodologies being developed by the Commission with the assistance of a committee.** The recently completed savings potential study commissioned by the EC should also be compared to the methodology for a consistency check.

- The reporting templates were important elements that were missing in the first round of national plans and made it difficult to analyze the NEEAPs effectively. The templates should be sector specific and also highlight how the obligation to the Public sector should be implemented.

- A template should also be used to request the MS to clearly state which measures are new and which ones already exist, as well as how they plan to validate the impact of the measures to be implemented. Several sector templates were developed for the first NEEAPs, which is a good starting point for developing mandatory EU templates covering all end-use sectors. The results of the in-depth analysis of the NEEAPs currently undertaken by JRC, as well as the analysis done by Wuppertal and Ecofys as part of the EEW project, should also be taken into account when developing templates.
2.15. Energy efficiency should become a vector of international co-operation and a subject of international financing programmes, in particular regarding EU neighbouring countries. Do you agree with statement? (compulsory)

☐ Yes  ☐ No  ☐ No opinion

In your view what should these measures be? (Max. 4000 characters) (optional)

Energy efficiency is a critical issue at worldwide level as well. More than one-third of energy is consumed in buildings worldwide. The built environment is therefore a critical part of the climate change problem - and solution. Most existing buildings were not designed for energy efficiency, but by retrofitting with up-to-date products, technologies and systems, a typical building can achieve significant energy savings. Improving the energy efficiency of buildings is a priority for reducing both greenhouse gas emissions and energy costs. There are numerous actions to be undertaken:

- The EU shall prioritize the building sector in the COP 15 agenda and give support to develop the strategies, methodologies and mechanisms that will enable the sector to deliver deep cuts in emissions. Approving a very strong recast of the EPBD at the day of opening COP 15 will send an incredibly strong signal to the rest of the world.

- The EU shall cooperate with financial institutions and international agencies such as the European Investment Bank, the European Bank for Reconstruction and Development (EBRD), the World Bank and other MDBs and the International Energy Agency to promote financing programmes and common definitions, best practices, measurement systems and criteria for classifying high-grade energy efficiency projects. This would facilitate tackling renovation of the building stock in neighbouring countries and at worldwide level.

- The EU shall always promote buildings standards, codes and practices that could achieve a massive reduction of energy and CO₂ emissions at worldwide level.

- In conjunction with COP 15 discussions, the recently launched International Partnership for Energy Efficiency Cooperation (IPEEC) should be transformed into an international agreement (binding) on energy efficiency as was originally intended in the 2006 EEAP. It would then form an important backbone of the new Kyoto agreement expected from COP 15. The building sector is especially important in this context.

3. Other remarks

3.1. Please add your additional remarks in the section below. (Max. 5000 characters) (optional)