



## 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.<sup>1</sup>

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 Directive<sup>2</sup>, Energy Labelling Directive<sup>3</sup> and EcoDesign Directive<sup>4</sup> are the key building blocks of the current energy efficiency framework. Many climate policies, such as the CO<sub>2</sub> 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

---

<sup>1</sup> COM(2015) 80 final

<sup>2</sup> Directive(2010) 31

<sup>3</sup> Directive(2010) 30

<sup>4</sup> Directive(2009) 125

2020. Since the Energy Efficiency Action Plan<sup>5</sup> 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.<sup>6</sup>

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.<sup>7</sup> 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 Package<sup>8</sup> 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.

---

<sup>5</sup> COM(2011) 109 final

<sup>6</sup> SWD(2014) 0255 final

<sup>7</sup> COM(2014) 520 final

<sup>8</sup> Better Regulation Package (2015)

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**

<b>Section</b>	
	Information about the respondent
	<b>Part I – General questions</b>
1.	Articles 1 and 3
2.	Article 6
3.	Article 7
4.	Articles 9 – 11
5.	Article 20
6.	Article 24
	<b>Part II – Technical questions</b>
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.**

-

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

*European Insulation Manufacturers Association (Eurima)*

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

*Shradha Abt-Bhatnagar, Energy Efficiency Manager Eurima*

**\*Please enter your email address:**

[Shradha.abt@eurima.org](mailto:Shradha.abt@eurima.org)

**\*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:**

- |                                      |   |                                      |
|--------------------------------------|---|--------------------------------------|
| <input type="radio"/> Austria        | <input checked="" type="radio"/> <b>Belgium</b> | <input type="radio"/> Bulgaria       |
| <input type="radio"/> Croatia        | <input type="radio"/> Cyprus                    | <input type="radio"/> Czech Republic |
| <input type="radio"/> Denmark        | <input type="radio"/> Estonia                   | <input type="radio"/> Finland        |
| <input type="radio"/> France         | <input type="radio"/> Germany                   | <input type="radio"/> Greece         |
| <input type="radio"/> Hungary        | <input type="radio"/> Ireland                   | <input type="radio"/> Italy          |
| <input type="radio"/> Latvia         | <input type="radio"/> Lithuania                 | <input type="radio"/> Luxembourg     |
| <input type="radio"/> Malta          | <input type="radio"/> Netherlands               | <input type="radio"/> Poland         |
| <input type="radio"/> Portugal       | <input type="radio"/> Romania                   | <input type="radio"/> Slovakia       |
| <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. 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?

*The EED is vital for achieving the energy and climate framework. The level of ambition (targets) and respective measures for achieving energy saving cost-effectively makes it the most important element of the EU's EE strategy and helps deliver all 5 of the Energy Union dimensions. In particular, security of supply, reduction of end-use energy demand, internal energy market and decarbonisation.*

*The EED is linked to other directives, for instance, EED sets ambition levels for building renovation activity (Art 4 & 5) and thus complements the EPBD.*

*At a national level it has been a valuable instrument in driving EE either as a vehicle to get it on the political agenda (e.g. SK, CZ) or the development of national plans (e.g. DE - NAPE plan). An ambitious EU level commitment and framework, helps keep a level of drive on efficiency nationally and provides a cushion in the case of policy U-turns (e.g. when national policies are affected by changes in domestic political climate e.g. UK.)*

996

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

*A 40% EE target and the EED and EPBD are an essential part of realising our 2DS but synergies are limited.*

*The ESD has had a limited impact in terms of encouraging or stimulating further action to improve the state of our inefficient building stock<sup>9</sup>. Without new policies, more than 80% of the energy efficiency potential in buildings will be lost.<sup>10</sup> An extension of Art 7 significantly reduces CO2 emissions in the non-ETS sectors.*

*Synergies between EED/EPBD are more significant. In principle Art 4 should be driving renovation and Art 5&6 should support requirements on public buildings. However, the EED has not facilitated sufficient actions to realise an NZEB level building stock by 2050 and further initiatives are therefore needed.*

995

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

*The EED has created some positive outcomes at national level. Art 3 on targets kick-started proactive energy savings at national level, Art 4 the long-term renovation roadmaps requirement give an opportunity to set in motion transformation of the building stock based on MSs building typology, climate, income etc.*

*However, some MSs have implemented the Directive a minima. Analysis of the first iteration of MSs roadmaps<sup>11</sup> calls for better strategies, more consultation with stakeholders, and*

<sup>9</sup> See Eurima response on ESD consultation submitted on 18/6/2015

<sup>10</sup> The Copenhagen Economics reports on "Multiple benefits of investing in energy efficient renovation of buildings" and on "The role of building renovation in the EU investment strategy". The Ecofys report on "Deep renovation of buildings, an effective way to decrease Europe's energy import dependency" underlines energy efficiency's potential in increasing energy security.

<sup>11</sup> BPIE Renovation roadmaps, 2014

*crucially a clear long term renovation vision/ targets coupled with increased visibility and long term financial incentives to stimulate the building market.*

*The EED has helped establish or maintain, and increase national financing instruments, e.g. KfW in DE and the NL Zero Energy Homes at Zero Upfront Costs<sup>12</sup>. The increase in the number of EEOs in the EU is a clear indication of the role of the EED in driving national legislation.*

996

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

*The EED is a very important EU framework which has the potential to drive national energy savings efforts and complement other climate and energy policies.*

*Further political will is needed to implement it and there is room for improvement, in particular for energy savings in buildings. The alternative measures and accountability for early actions have watered down ambition and coherency. On buildings, MSs need minimum requirements, coherent roadmaps, more robust guidance, quality/ implementation check etc. Finally, measures are not supported by appropriate finance mechanisms.*

*Proper implementation can help deliver the EU's EE targets for 2020 and 2030 and realise the Energy Union goals<sup>13</sup>. When it comes to delivering energy demand reduction in buildings and specifically driving building renovation, the EED is complementary to and reinforces EPBD.*

974

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

*The EED must be brought in line with the Union's 2030 climate and energy framework while keeping a 2050 perspective<sup>14</sup>. A binding 40% EE target by 2030 and building on the cost-effective (CE) potentials of key sectors is necessary<sup>15</sup>.*

*The CE potential for EE and co-benefits in the building sector should be the foundation. This means using an appropriate societal discount rate for evaluating EE, moving from a least-cost to a cost-benefit-analysis of EE to honour it as political priority. The EE market needs long term and consistent regulatory signals to upscale investments.*

*Art 8 is key. In a report by the EiiF, payback for investments on better insulation could be as little as 1-3 months. Regular energy assessments or "audits" for large enterprises is important to track industrial efficiency and stimulate industry to do better energy management, which might otherwise not happen.*

997

---

<sup>12</sup> BPIE 2015, Best renovation practices

<sup>13</sup> Which is the only EU energy and climate target on which we are lagging behind (17,6% towards the 2020 target).

<sup>14</sup> Recalled by the October 2014 Council Conclusions

<sup>15</sup> Ecofys, November 2015, Costs and Benefits of Energy Efficiency Targets

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

*Art 194 TFEU “EU energy policy should promote energy efficiency and savings”. The EU should therefore set the framework for tapping the full energy savings potential. This should be realised through a 40% binding EE target for 2030, supported by targeted sectoral efforts.*

*The EU should ensure that the Energy Efficiency First principle is enshrined in EU energy and climate policy.*

*The EED can help realise the cost-effective energy savings potential in key sectors by 2030 (residential 61%,<sup>16</sup>). Long term goals for the transformation of the building sector are needed. The EU’s role should be to accelerate change in a sector that creates jobs and growth incl. MSs developing demand reduction pathways.*

*The EPBD established the concept of NZEB by 2020, a similar EU objective for existing buildings is needed to reach an NZEB<sup>17</sup> level building stock 2050.*

1004

**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) –

*Expressed as today, in primary energy, final energy and as an absolute energy saving target*

**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

<sup>16</sup> Fraunhofer 2014, Analysis of a European Reference Target System for 2030

<sup>17</sup> Definition for NZEB will vary for existing buildings then for new buildings

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, the current article 6 only applies to central governments purchase of products, services and buildings with high energy-efficiency performance. And public bodies, including at regional and local levels should only be encouraged to follow the exemplary role of their central governments to purchase products, services and buildings with high energy-efficiency performance.*

*The public sector, if all parts are included from central to regional and local level, has a “huge buying power” and could be a really important player to transform the market towards highly efficient buildings and products to the benefit of society as a whole. Therefore the public procurement rules in Art. 6 should apply to all public contracts (including for the armed forces) and in case of buildings also be applied when public authorities are renting buildings used for public purposes.*

871

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

*Revision of the EED should include clearer guidelines and better integration into the wider EU rules on public procurement. EU public procurement guidelines for highly energy-efficient buildings need to begin to be integrated into the framework of rules on GPP, together with factors such as durability and long-term performance can also be considered in the calculation of the “best option” tender.*

*Full implementation of EE public procurement guidelines by local and regional bodies could be part of the ex-ante conditionality for receipt of EU funds such as European Structural and Investment Funds (ESFI).*

623

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

*No, the guidance needs improving. Clear performance levels should be set for buildings. Buildings newly built or rented by all public authorities should all meet NZEB standards, regardless of their intended use (with exemptions as appropriate).*

*Regarding buildings, Energy Performance Certificates (EPCs) have been introduced along with performance criteria for the different energy classes. The quality of EPCs must be improved, and the NZEB definition clarified (in particular, in order to secure significantly low energy need for heating & cooling). Buildings lose heat due to poor envelope quality and large energy savings can be achieved through energy renovations. In this respect, a maximum H&C energy demand benchmark should be considered. In addition, harmonised methodologies and guidance should be deliberated.*

813

**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, we are not aware of any.*

**If yes, how useful have they been to increase awareness? Please describe.**

*[Free choice: max. 1000 characters]*

### **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 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 States<sup>18</sup>, 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.

---

<sup>18</sup> <http://ec.europa.eu/energy/en/topics/energy-efficiency-directive/obligation-schemes-and-alternative-measures>

**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. FR and IT: 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. DK: Utilities provide direct financial incentives for end costumers for replacing boilers or installing EE measures and offers own services of energy audits to industry. Utilities are buying savings in industry from third party (independent energy auditing companies) when others implement recommendations from energy audits. This allows energy consultants to offer “no-cure no-pay” solutions to industry primarily SMEs. UK: savings in the residential sector is being achieved; households benefit from subsidised or free insulation and obliged retailers to deliver savings in the area of e.g. lighting, appliances, or insulation.<sup>19</sup>*

994

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

**If yes, please explain your answer:**

*Yes. Art 7 is an important pillar of the EED. EEOs have the potential to be an effective tool for energy savings and can have a transformative effect on EE market. What is critical also about art 7 is that this binding measure allows MSs to design schemes to within their national context.*

*There cannot be one-size fits all approach and MS need to take bespoke approaches combining drivers and enablers (e.g. long-term finance) that is appropriate for the buildings stock in MS and the particularities of their markets. EEOS can deliver cheap and short measures (e.g. cavity wall) and energy demand effectively depending on building type. However when it comes to more extensive renovation and impactful measures (e.g. solid wall insulation), alternative schemes (e.g. KfW) can be more appropriate and effective.*

*By end 2015, in the UK 1.66 million measures were installed in around 1.35 million properties through ECO, Cashback, GD Plans and the Green Deal Home Improvement Fund (96% delivered via ECO).*

999

**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

---

<sup>19</sup> Regulatory Assistance Programme, best practices in designing and implementing EEOs, Task XXII for IEA

- 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
- 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)

*As establishing such schemes have taken time in some Member States, it is important to give those schemes time to bed-in. Utilities are now starting to see energy services, along with metering and billing requirements and demand response, as means to develop new customer markets. However, analysis has identified that only half of the 1.5% pa energy saving required under Art. 7 is currently being delivered, as a result of the raft of exemptions and flexibilities, the misinterpretation of eligibility criteria and a very loose application of alternative measures.*

*Therefore when revising the EED, attention must be paid in particular to removing flexibilities that are no longer needed because they were to ease the transition to the new system. For example, the phasing in to gradually reach the annual 1.5% in 7.2(a) and the early actions in 7.2(d) are no longer relevant or applicable.*

892

#### **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

*Currently the minimum requirement is delivering at 0,8% energy savings economy wide<sup>20</sup>, there is a lack of direction on EEOs, flexibilities (and exemptions such as phasing in of savings and accountability for early actions – therefore obsolete provisions should be removed and 1,5% should be achieved. In fact, studies show that 2% EEO measure would be needed to meet the 2020 EE targets.*

<sup>20</sup> Coalition for Energy Savings

*EEOs should be seen as a way to mobilise financial means to deliver on bigger strategies, such as ambitious deep renovation programmes for the building stock. In absence of such goals providing visibility and understanding regarding how a specific sector can cut end-use demand, EEOs will have less impact (See the case in Italy and UK).*

754

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

*No this should be left to decision at Member States level.*

*Due to low incomes, increasing energy prices and often poorly insulated houses, nearly 11% of EU citizens were unable to adequately heat their homes in 2012.*

*Data collection can be done via the EED. In France for example EEOs have specific rules for vulnerable consumers prescribed by Article 7. At the same time, fuel poverty /energy poverty which is yet to be defined at EU level is a compound social problem. The causes and situation of vulnerable consumers are various – as such this should be considered and tackled at national level to best suit vulnerable consumers for the short and long term. EEO schemes should be designed to improve and future-proof the housing stock and available to all consumers.*

769

**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 opinion*

**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.*

*Information/ metering / billing is certainly one piece of the puzzle of energy efficiency in buildings. However, providing consumer's information about consumption in itself does not necessarily lead them to taking action (EE measures; behavioural changes etc). Information/*

*metering / billing is a needed tool but other incentives need to be in place for metering or billing to play their role.*

*Not least, each building's potential should be assessed in a comprehensive manner and the benefits of technologies such as meters have to be considered jointly with other measures which can improve the quality of the building envelope and reduce the intrinsic energy demand of a building.*

688

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

*No, it is justified to look at the specificities of country circumstances.*

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

*No opinion*

**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<sup>21</sup> together provide a sufficient level of harmonisation at EU level?**

*No opinion*

**If no, do you think the common minimum functionalities should be the basis for further harmonisation?**

*No opinion*

**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?**

*No opinion*

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

The analysis of the July 2014 Energy Efficiency Communication and the recent EEFIG Report<sup>22</sup> 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

---

<sup>21</sup> C(2012)1342

<sup>22</sup> EEFIG - Energy Efficiency Financial Institutions Group Report: Energy Efficiency – First fuel for the EU economy, 2015, [www.eefig.eu](http://www.eefig.eu)

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?

As outlined in the EEFIG report, incentivizing EE through financing should be considered in the context of broader structural reforms to improve the competitiveness of the EU economy and ensure that there is sustained impact on the EU 2030 climate and energy strategy.

Financing mechanisms include:

- EU funds EFSI (France - Energy Posit-if), EEEF in France, Kredex in Estonia, JESSICA in Lithuania etc. These require more awareness and uptake of available funds, and project aggregators;
- Focussing subsidies/grants on renovation projects delivering savings beyond what the market can deliver and bringing the building on the right path to 2050;
- Reduced VAT on energy efficiency works and services<sup>23</sup>;
- Use of revenues from climate policies such as ETS should be used for investment in deep renovation of the building stock.
- Property / stamp duty tax linked to the energy performance of a building through EPC's

995

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

Yes, for the energy renovation of our buildings.

**If yes, specify your answer from the below list:**

- Building renovation
- 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)

### 5.3. Do you agree that one way to increase the impact of energy efficiency investments could be through making the energy performance/savings

<sup>23</sup> Such as property taxes to encourage renovation (stamp duty in UK, recent developments in Spain)

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, however more harmonisation in MS reporting is needed.*

**If no, how do you think it could be improved in the future?**

*[Free choice: max. 1000 characters]*

**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)<sup>24</sup> under Annex XIV (1)(a)) of the EED should be simplified?**

*Yes, a binding/standardised template for reporting would make tracking more transparent and comparable. In addition, standardised energy data, definitions and indicators should be used to provide clarity and to allow aggregation of data.*

**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, Indicators on public and private investments in energy efficiency and/or building renovation and resulting indicators such as numbers of jobs created should be added.*

*Monitoring implementation is essential, in particular for renovation strategies so as to track progress on policies, targets, buildings refurbished, savings realised, and benefits obtained/triggered. In this respect the Buildings Observatory is an important tool. No programme can work without being based on sound, analysis of the situation and ongoing trends in the market including relevant aspects of the building sector.*

---

<sup>24</sup> In the year before last [year X(1) – 2], where "X" is the current year.

## 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, as the public sector owns and administrates a significant share of the EUs buildings the public sector can and should have a huge impact on driving the demand for high efficient buildings and for proper energy renovation to the benefit of the society at large.*

*This provision currently only 'encourages' MS to apply the public purchase requirements to other public bodies, including at the regional and local level – when in fact the requirements of Art 6 should be extended to all public contracts including armed forces and renting of buildings for public use (hospitals, schools), and clear performance levels should be defined. All buildings (with certain exceptions) newly built or rented by public authorities should meet nearly zero energy standards.*

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
- 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

Reasons:

- *Since public authorities often work on the basis of annual budgets, they tend to look at expenses during the current year, instead of life cycle costs spread over many years.*
- *Public authorities are often not aware of the life cycle approach and do not understand what it means for a particular public contract (energy-using products, buildings etc.) they lack energy managers that are able to conclude energy-efficiency services contracts*
- *Split tendering prescribed by the Public Procurement Directive is a burden to overall energy-efficiencies services contracts in the public sector.*
- *Eurostat rules on debt and deficit restrictions and accounting rules for public spending make EE investments more of a debt burden for MS.*

- *“Higher EE criteria may imply higher prices”, for new built integrating EE at design & conception phase should lower costs, and for renovation EE costs are marginal compared to other costs induced by regular / technical maintenance.*

997

**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?**

*Ambitious public procurement (PP) rules have the potential to play an important tool in the transformation of the building stock. Therefore the PP rules should be strengthened and carefully implemented in all public contracts. It is also meaningful to gather the PP rules in a single EU guidance framework, provided it is in line with EPBD requirements.*

*Energy efficiency in buildings should be part of the PP rules for all PP guidance documents related to buildings, which should exceed the standard national minimum performance/ EPBD, to lead by example.*

536

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

*No, the guidance needs improving.*

*Regarding buildings, Energy Performance Certificates (EPCs) have been introduced along with performance criteria for the different energy classes. The quality of EPCs must be improved, and NZEB definition clarified. More harmonised methodologies and guidance should be considered.*

*Public authorities could use further support in terms of capacity-building for the evaluation of life cycle and methodologies for monitoring energy performances.*

*EE products, services and buildings – should be streamlined with EPBD requirements so as for the building stock to reach an NZEB level by 2050.*

**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?**

*It is not a problem per se, with the public sector playing a leading role and applying a holistic approach at building level (construction sector, construction materials, technologies, labour, training, certification, etc) the right sequencing in applying energy efficiency measures will reduce the total costs including use phase, it will be cheaper to run highly efficient buildings and there will be less maintenance costs. In fact, EE costs for highly efficiency buildings are marginal when EE is integrated in the early design phase.*

*As regards workable solutions for payment, financing programmes i.e. upfront loans, on bill financing or tying debt to property so that the party repaying the loan is also the one benefitting when sold – can help overcome this.*

766

## 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?**

*No, measures introduced as a result of EEO's across the 17 MS that have them vary.*

*We believe that projects that install comprehensive energy retrofits that capture all available cost effective energy savings for i.e. buildings which have a 30-50 life cycle, should be encouraged. Doing so also provides assurance to the obligated parties that, set-up and system costs, are justified for long lifetime measures.*

*The energy savings obligations in Art 7 must be designed to deliver a significant reduction of the energy demand in buildings and therefore be designed to deliver the renovation strategy developed in Article 4.*

*Lastly, the ending of Art 7 in 2020 is an obstacle to measures with long lifetimes and can lead to "stop and go" policies, therefore the sunset clause should be lifted.*

793

**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		X			

Development of new business models – suppliers (see question 3.3)

**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?**

*Eurima supports the Coalition for Energy Savings collection of data on benefits of ambitious energy efficiency policies in the context of the EED, which will be published in the coming weeks.*

**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.**

*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 article 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, which should be resolved.*

**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?**

*The EED including the obligation in Art 7 should be extended to 2030, with a forward looking perspective to 2050. The obligation in Art 7 should be expressed as a yearly savings target, without any sunset clause or allowance for early actions to provide accountability for measures with a long life time and to provide a stable investment outlook for utilities and other stakeholders investing in developing new initiatives to help fulfil the savings obligation in Article 7.*

*Given that large scale financial and human resource investments into programmes/schemes have now been made removing this provision, could discourage long term transformation*

*creates market uncertainty and dis-incentivise investments such as building renovation which have a lifetime of 30 or more years.*

*Measures developed under Art 7 should better contribute to the implementation of long term renovation strategies, as EEO measures today mostly are targeted at least cost/short term measures.*

968

**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):**

- 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)

*There is a vast potential to do more on the existing building stock, in particular to reduce heating and cooling (H&C) needs namely via introducing a H&C benchmark for energy demand set at national level – this will not only lower energy bills, but also help achieve our CO2 targets.*

*The scope of Art 7 should not be expanded. Setting a benchmark for the maximum H&C energy demand (defined nationally), where inspiration could be taken from the*

*PassivHaus approach, will help increase energy efficiency a building having a long term quality in mind, trigger energy renovations, save large investments in supply system, prevent overreliance on developing new technologies, help us be independent from supply carriers and avoid having stranded assets.*

778

**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 <sup>25</sup> 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?**

*The implementation of policies and measures should be closely monitored and enforced. This will also help the Commission to better understand where they need to provide clearer guidance to Member States. In addition to regular stakeholder engagement, the European Commission should regularly assess national targets to ensure that the 2030 target will be achieved and propose additional measures where appropriate.*

*The EU should also encourage Art 7 implementation to contribute to realising savings potentials in key sectors, e.g. encourage deeper savings and links made with art 4 renovation strategies.*

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

*Eurima supports the Coalition for Energy Savings collection of data on benefits of ambitious energy efficiency policies in the context of the EED, which will be published in the coming weeks.*

**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?**

*No, each MS should first achieve its own indicative target and then prioritise unlocking remaining cost-effective potentials (energy efficiency first). Currently the target is suboptimal level compared to the cost-effective savings potentials (cf Fraunhofer 40%...).*

<sup>25</sup> Price demand elasticity is a measure used in economics to show the responsiveness, or elasticity, of the quantity demanded of a good or service.

**8.11. 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. 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 complementary and additional and should be addressed accordingly.*

**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

*Full implementation of the directive in its current form and evidence suggesting that the full cost effective savings potential have been reached at the national level would have to happen before an EU wide "white certificate" trading scheme can be considered.*