



THE NEW ENERGY EFFICIENCY DIRECTIVES

**Conference: How shall Nordic and Baltic
countries respond to Energy Union new
proposals?
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Adoption of the Clean Energy Package

Commission proposes new rules for consumer centred clean energy transition



Wednesday, 30 November 2016

<http://ec.europa.eu/energy/en/news/commission-proposes-new-rules-consumer-centred-clean-energy-transition>

Why do we need this Package?

THE ENERGY SYSTEM OF TOMORROW WILL LOOK DIFFERENTLY

2030

50% of electricity to come from renewables



2050

Electricity completely carbon free



**Thanks to the EU:
Ambitious energy and climate commitments**



**With leadership
comes responsibility**

Unique opportunity to **modernise our economy** and to

boost **competitiveness**

create the **growth and jobs** we need

What are our goals?

CREATING JOBS & GROWTH, BRINGING DOWN GREENHOUSE GAS EMISSIONS,
SECURING ENERGY SUPPLY



Putting
energy
efficiency
first



Demonstrating
global
leadership in
renewables



Delivering a
fair deal for
consumers

Why a proposal to amend the Energy Efficiency Directive?

- Ensure that the **2030 objectives** are reached;
- **Simplify** some parts of the text to facilitate national implementation.

NB: only **partial amendments** suggested.

Specific objectives of the EED Review



Align Articles 1 and 3 on the EU energy efficiency target with the 2030 framework on climate and energy.



Extend energy savings obligations in Article 7.



Clarify & modernise metering and billing provisions in Articles 9-11.



Updating the Primary Energy Factor (PEF).

EED Review and links to other initiatives

Articles of the EED	Reviewed in the context of:
Articles 1 & 3 – 2030 target	EED review/Governance proposal
Article 2 – Definitions	Unchanged
Article 4 – Long term renovation strategies	EPBD review
Article 5 – Exemplary role of public buildings	Unchanged
Article 6 – Public purchasing	Unchanged
Article 7 (Annex V) – Energy saving obligation	EED review
Article 8 – Energy audits	Unchanged
Articles 9-11 (Annex VII) – Metering & billing for thermal energy	EED review
Articles 9-11 – Metering & billing for electricity	MDI recast (remains unchanged for gas)
Article 12 – Consumer information	Unchanged
Article 13 – Penalties	Unchanged
Article 14 – Heating & cooling	Unchanged
Article 15 – Transformation, distribution: (5) for CHP priority and (8) for demand response	MDI recast
Article 16 – Certification schemes	Unchanged
Article 17 – Information & training	Unchanged
Article 18 – Energy services market	Unchanged
Article 19 – Other measures	Unchanged
Article 20 – EE National Fund, financing support	Unchanged
Article 21 – Conversion factors (PEF modified in Annex IV)	EED review
Articles 22 and 23 – Delegated acts	EED review
Article 24 – Reporting	Governance proposal

2030 objectives: Synthetic picture

WHERE WE ARE TODAY	POSITIONS OF THE INSTITUTIONS	COMMISSION'S PROPOSAL
<p>2020:</p> <ul style="list-style-type: none"> Indicative national targets. 20% indicative EU target. 	<p>2030:</p> <p>Commission 2014:</p> <ul style="list-style-type: none"> <u>30%</u> indicative EU target. <p>European Council Conclusions of October 2014:</p> <ul style="list-style-type: none"> At least <u>27%</u> target for 2030 "to be reviewed by 2020, having in mind an EU level of <u>30%</u>". <p>European Parliament 2015 Resolution:</p> <ul style="list-style-type: none"> Binding <u>40%</u> EU target. 	<p>2030:</p> <ul style="list-style-type: none"> Indicative national contributions for 2030. 30% binding EU target for 2030.

30% binding EU target for 2030



With a 30% target, the Union's 2030 energy consumption cannot exceed 1321 Mtoe of primary energy consumption and 987 Mtoe of final energy consumption.



This equals a **23% reduction in primary energy consumption** compared to historical 2005 energy consumption levels (-17% in final energy consumption).



Keeping the momentum: We need approximately the **same energy efficiency effort** from 2020 to 2030 as from 2010 to 2020.

EU target character: Binding



Union's commitment towards its international climate and energy goals in 2030 and beyond.



Energy efficiency on equal footing with the other 2030 climate and energy targets.



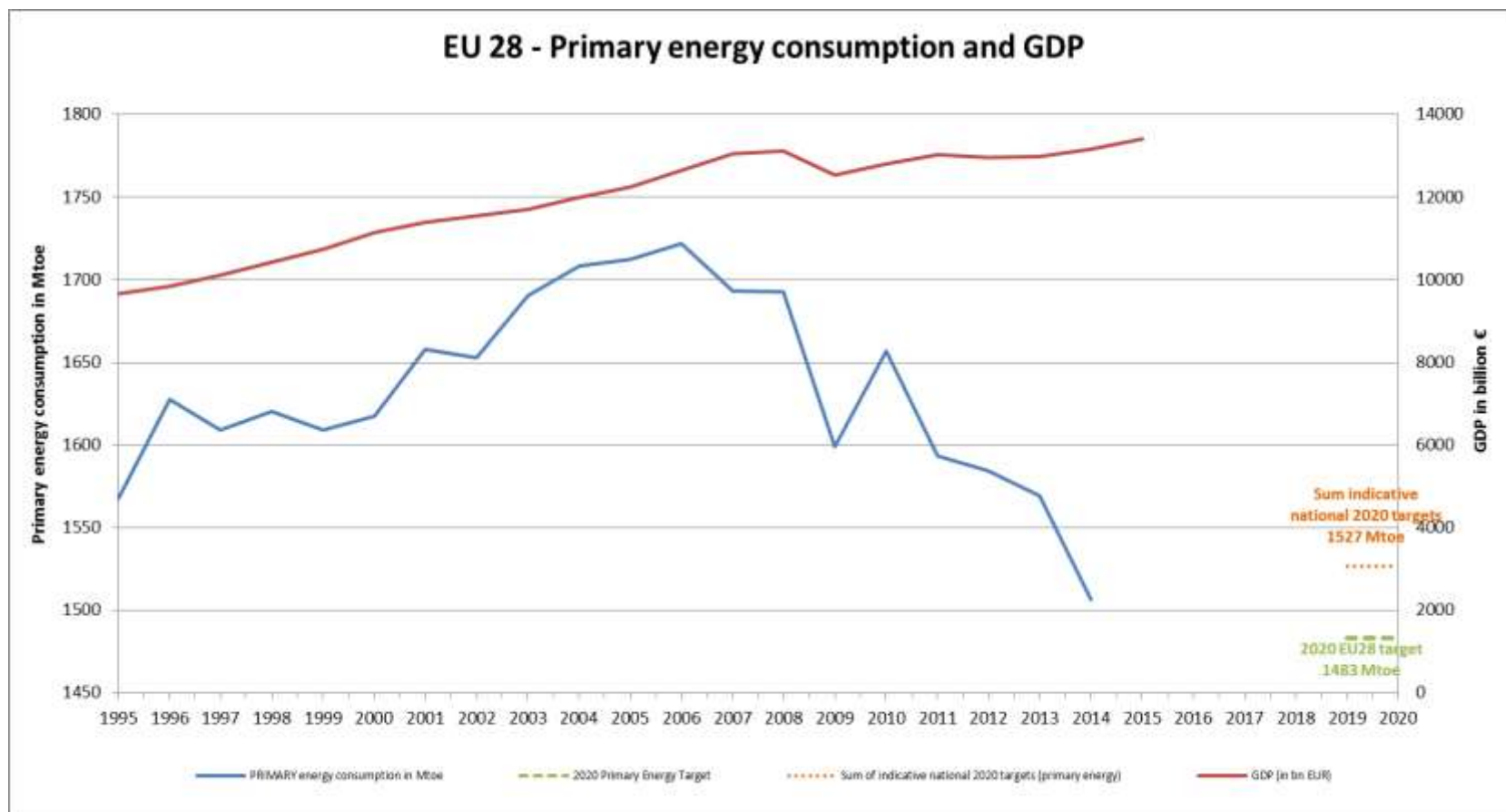
Endorse the Union's commitment under the Energy Union Framework to put 'energy efficiency first'.



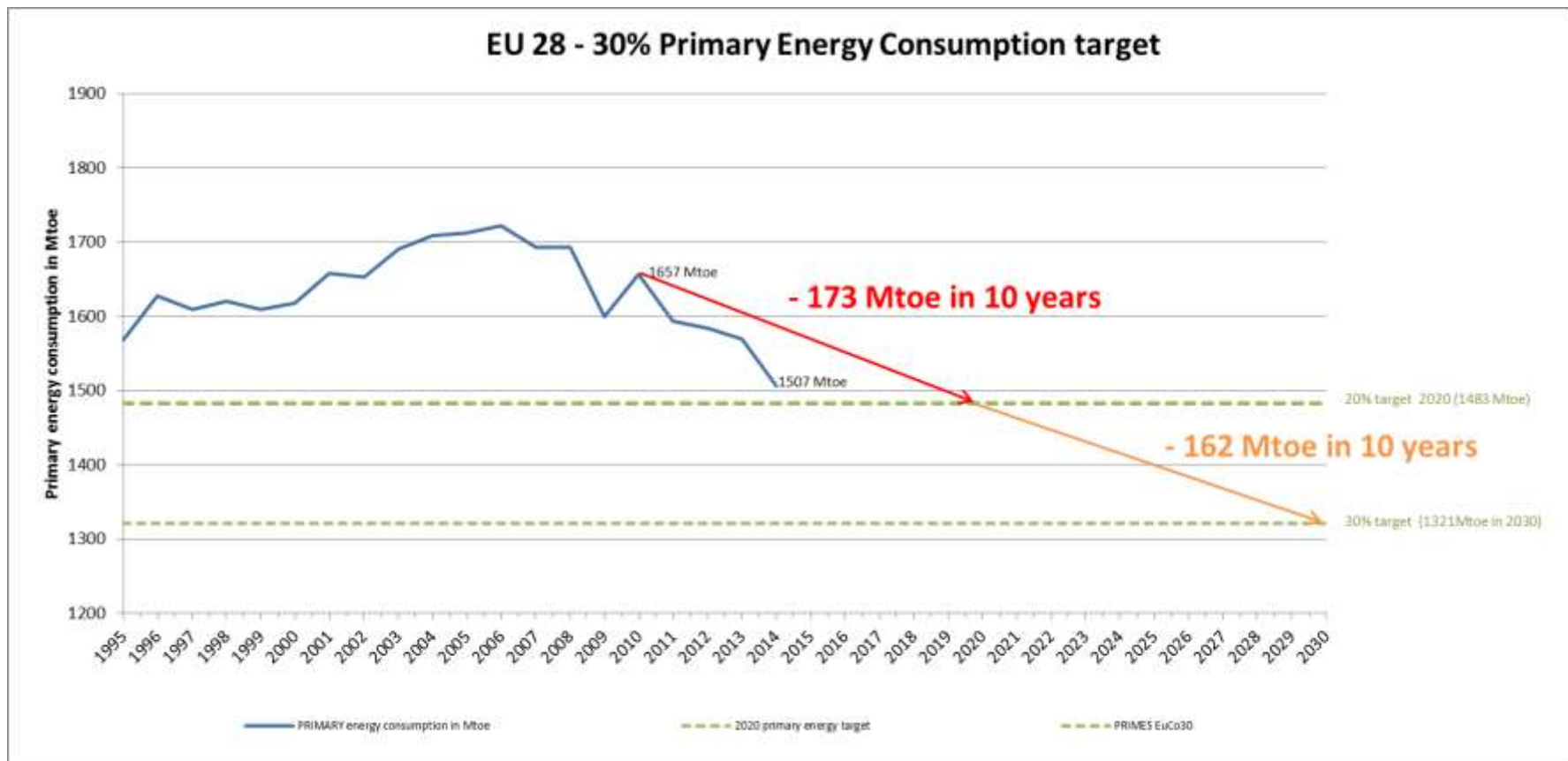
Give investors the security that it is worth investing in energy efficiency, with positive impact on the technology costs and payback periods.

Coherent governance process is needed to ensure that there is no ambition and delivery gap towards the Union's 2030 energy efficiency target.

It is not a dream...



What we still need to do



Energy Saving Obligations (Article 7 EED)



Extended energy saving obligations post 2020 (1.5% per year).



Simplified and streamlined rules.



Coherence with the EPBD and strengthened social dimension.



Will allow attracting private investment and boosting the renovation rate of buildings, and will contribute to all climate and energy targets for 2030

Saving obligation for the 2021-2030 period (I)

As before:

- **Annual target of 1.5%.**
- Possibility to exclude energy sales in **transport** from the baseline.
- Use of **exemptions**: (b) exclude sales to ETS; (c) allow savings from supply side; (d) allow savings from early actions.

Saving obligation for the 2021-2030 period (II)

New elements:

- Automatic extension of **ten year periods** after 2030;
- New exemption 2(e): exclude from the calculation the verifiable amount of RES generated on/in buildings for own use (as a result of a new installation).



NB: All exemptions under Article 7(2) taken together may not exceed 25% of the total amount of savings calculated under Article 7(1).

Simplified and streamlined rules



New structure of Article 7:

- Article 7 – General rules on the savings requirements;
- Article 7a – Rules for energy efficiency obligation schemes;
- Article 7b – Rules for alternative measures; and
- Annex V – Common methods and principles of calculation.



Eligible savings:

- **End-use savings** (except for exemptions), technology neutral;
- **New approach** for counting savings under the EPBD.

Social dimension



Strengthened social dimension

Energy poverty

- Energy efficiency obligation schemes after 2020 (Article 7a(5a));
- Alternative measures (Article 7b(2)).

Revised EED metering and billing provisions (I)



Clarification in relation to metering and billing provisions:

- ✓ **"Removal" of electricity:** consolidation with Internal Energy Market.
- ✓ **Distinction** between "final consumers" and "final customers".
- ✓ **Simpler, more operational conditions** for billing based on consumptions.
- ✓ **Clearer minimum requirements** for billing information.
- ✓ **Need** for Member States to set out transparent **cost allocation rules**.

Revised EED metering and billing provisions (II)



Remote reading becomes the norm:



New installations from 2020.



Existing installations by 2027.



Definition?

Background and purpose for the PEF update

- Annex IV of Directive 2012/27/UE: "default coefficient to convert electricity into primary energy" (PEF).
- Present value: 2,5.
- Commission proposal: 2,0.

Success of the implementation of the EPBD

LOOKING BACKWARDS

- ✓ Creating a step-change in the energy efficiency requirements in building codes across the EU.



- ✓ As a result, new buildings today consume only half of typical buildings from the 1980s.

TO DO: tackling an European building stock that is old and inefficient₂₁

Implementation

2010 ENERGY PERFORMANCE OF BUILDINGS DIRECTIVE



EU Building Stock Observatory launched

<https://ec.europa.eu/energy/en/eubuildings>



Why an EPBD review?

- **Review clause** in Article 19 of the Energy Performance of Buildings Directive (Directive 2010/31/EU).
- The **Energy Union Strategy** reinforces the mandate for this Review.
- Additional measures on energy efficiency in buildings needed to meet the **2030 targets**.

Focus on buildings – For good reasons

- 75% of the housing stock is energy inefficient, missing the benefits of increased renovation.
- Renovation rates are too low and renovation depth is too shallow.
- Need to accelerate and finance building renovation investments.

The proposal to revise the EPBD: main features

BETTER BUILDINGS, FASTER

- **Smart** – Supporting ICT, smart building technologies and infrastructure for e-mobility.



- **Simpler.**



- **Supportive** of building renovation.



Long-term renovation strategies (Article 2a)

Two new elements in the Commission proposal:

1. Long-term renovation strategies move to the EPBD.
2. Two new paragraphs:
 - a. Decarbonisation by 2050;
 - b. Smart Finance for Smart Buildings.

Electro-mobility

RATIONALE FOR CONSIDERING ELECTRO-MOBILITY IN THE EPBD

Need for further EU intervention:



- To address regulatory gaps;
- To leverage (private) buildings as natural hosts to electric recharging infrastructure;
- To achieve pan-European coordination of technical specifications and timing of deployment of electric vehicles;
- To promote electrification of the transport sector to catalyse its decarbonisation by increase the contribution of renewable energy.

Electro-mobility (Articles 8(2), 8(3) e 8(4))

- Recharging points in non-residential buildings.
- Pre-cabling of every parking space in residential buildings.
- Possible exemptions:
 - Buildings owned and occupied by SMEs;
 - Public buildings covered by Directive 2014/94/EU.

Smartness indicator

SMARTNESS INDICATOR – ARTICLE 8(6)



- Promote the take-up of smart technologies for buildings via:
 - **Ensuring information** and awareness;
 - **Facilitating investments** in smart building technologies;
 - Putting **building occupants at the centre.**

"Smart Finance for Smart Buildings"

MAJOR GOALS

More effective use of public funds

- Deploying **Financial Instruments** and flexible energy efficiency and renewable financing platforms.
- Building on EFSI II blending with ESIF funds.



Assistance and aggregation

- Supporting the project pipeline at EU and local level.
- **Project Development Assistance** facilities.
- "One-stop-shops".



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De-risking

- Understanding the risks and benefits for financiers and investors.
- De-risking Energy Efficiency Platform.
- Commonly accepted underwriting framework.



Outlook 2017

13 December 2016 – **Joint Declaration of Presidents:**

The energy files are given a priority within the inter-institutional work in 2017

- European Parliament
- Council
- European Council



European
Commission



THANK YOU!

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DG ENER, European Commission Website:

http://ec.europa.eu/energy/efficiency/index_en.htm