

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

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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.

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, Energy Labelling Directive and EcoDesign Directive are the key building blocks of the current energy efficiency framework. Many climate policies, such as the CO₂ performance standards for passenger cars and light commercial vehicles, also make a major contribution to improving energy efficiency. Thanks to these instruments, significant progress has been achieved by Member States in terms of energy savings over the past (five) years, contributing to the overall 2020 energy and climate policy objectives.

Public funding has played an important role by supporting the implementation of energy efficiency policies at national and regional level. There has been an increase in financing over the last years

due to greater importance of these policies in the context of the overall EU decarbonisation agenda. The European Structural and Investments Funds (ESIF) and the European Fund for Strategic Investments (EFSI) are key to unlocking the needed private investments for energy efficiency. On the other hand, the effectiveness and impact of energy efficiency investment funding strongly depends (inter alia) on the implementation of the energy efficiency legislation, including the Energy Efficiency Directive.

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

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. 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 and to ensure that the results of this consultation are fed into two parallel processes: first, to assess whether relevant measures are efficient, effective, and coherent with the broader EU legislative framework, and second, to identify the most appropriate policy options to be considered for reviewing specific aspects of the EED as part of the impact assessment.

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

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

*** Please enter the full name of your organisation or institution:**

100 character(s) maximum

Energy Cities

*** Please enter your full name and position title:**

100 character(s) maximum

Alix Bolle, EU Campaign Manager

*** Please enter your email address:**

alix.bolle@energy-cities.eu

*** 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

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

- Yes
- No

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

- Austria
- Belgium
- Bulgaria
- Croatia
- Cyprus
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Ireland
- Italy
- Latvia
- Lithuania
- Luxembourg
- Malta
- Netherlands
- Poland
- Portugal
- Romania
- Slovakia
- Slovenia
- Spain
- Sweden
- United Kingdom
- Other

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- 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)
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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?

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By providing a comprehensive legislative framework for 2020 and beyond, including EU and national targets and minimum requirements for national programmes and measures that build on the EU efficiency standards for products, buildings and vehicles, the EED significantly increases national activities, strategic thinking and investments in energy efficiency improvements. In some MS (Hungary, Cyprus, Poland), interviewed experts also indicated that the EED had been the sole driver for the introduction of EE measures.

To be truly effective and provide the necessary pressure onto Member States to develop adequate supporting mechanisms, the EU's energy efficiency ambition ought to be declined into individual binding targets for each member state. In countries like the UK, recent developments have shown why such a binding target is important, with the new government launching "attacks" on a wide range of previously established national energy efficiency schemes.

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

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The EED provides the overall direction for all energy efficiency legislation by setting targets and national measures, building on EU standards for buildings, products and transport. Coordination on all fronts is needed to unlock the full potential for energy savings and their related multiple benefits.

The EED and ESD are intrinsically linked as saving energy is the first and

more cost-effective national measure to reduce non-ETS GHG emissions. However, they have only worked together to a limited extent. New and additional energy savings from continuing EED requirements to 2030 will significantly contribute to realising the EU GHG target for the non-ETS sectors.

Many of the barriers to energy efficiency are not and cannot be effectively dealt with by pricing instruments like the EU-ETS. This is illustrated by the low level of energy savings attributed to EU-ETS in the NEEAPs.

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

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The EED drives the creation of new national energy efficiency legislation and strengthening of existing legislation, such as the work towards the third NEEAPs. The increase in the number of Energy Efficiency Obligations in the EU is a clear indication of the role of the EED in driving the national legislation, but should emphasize more the need to create an EE vision for post 2020.

In addition, the EED implementation has helped establish, maintain, and increase national financing instruments, for example, additional capacities to KfW in Germany and the Dutch government support for Zero Energy Homes at Zero Upfront Costs (Stroomversnelling).

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

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In several Member States such as France the EED has not been fully implemented yet, which is why an overall conclusion applying equally to all Member States cannot be drawn. In Member States like Romania or Latvia the EED is considered to have a positive impact on fostering energy efficiency policies and measures, but time is still needed to fully implement all EED provisions. Taking all this into account, the EED has provided a foundation since its adoption in 2012 for energy efficiency policies and measures but should be continued beyond 2020 to allow them to take full effect in all Member States. The current ending of key articles in 2020 is a barrier to further implementation and should be removed, in order to ensure predictability, investor stability and incentivize the creation of long-term measures and schemes to deliver energy savings.

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

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1. Research for DG Energy shows that the EU could cost-effectively save 40% of its energy consumption by 2030.
2. The 6,700+ signatories engaged in the Covenant of Mayors voted on 15 October 2015 to start implementing the EU 2030 targets via their Sustainable Energy and Climate Action plans, with a strong focus on energy efficiency

measures and policies. Therefore the other levels of government (EU and national) should also start creating a post 2020 vision for the EED.

3. Considering that electricity demand is projected to increase in the years to come (notably as a result of the increased market penetration of e-vehicles) specific programmes targeting the reduction of electricity consumption should be encouraged at member state level.

4. Include a chapter on the local energy transition with particular emphasis on leveraging heat potential and cogeneration.

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

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The EU should put a strong focus on best practice exchanges and capacity building, as a key way to scale up success and impact. The fact that there is no current alternative to programmes like the former Intelligent Energy Europe (only partly integrated into Horizon 2020) aimed at civil society involvement and the support of “soft measures” (as opposed to “hardware” or more tangible infrastructure and research-related investment), is a worrying trend that should be corrected in future financial framework developments.

Last but not least, the EU should avoid clashes of interest between contradictory policy objectives. As energy efficiency is a clear objective of the Treaty, it should take precedence over competition-related legislation, to avoid unfortunate developments as has happened in countries like Sweden where the national government is trying to block attempts from local authorities to set higher energy efficiency requirements than the national objective.

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 'Other':

100 character(s) maximum

Expressed in an absolute amount (Mtoe) of both primary and final energy savings.

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

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 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?

- Yes
- No
- No opinion

Please explain your answer:

1000 character(s) maximum

There is a need of more clarity to translate the EU requirements in ambitious national policies to guarantee an energy savings impact. This means:

- > Streamlining the Public Procurement Directive (2014/24/EU) and other energy efficiency legislations (EED, EPBD, Ecodesign and Energy Labelling);
- > Harmonizing the definition of sustainable public procurement criteria (in selection output and progress phases) instead of the volatile interpretation by the Member States.
- > Energy efficiency requirements in public procurement are not sufficiently included in the EED: ‘a high performance of energy efficiency’, as stated under paragraph 1 in Art.6, needs to have tangible criteria to award public tenders.
- > The European System of Accounts needs to provide clear instructions for the accountancy of public procurement in energy services and those investments leading to cost-effective energy efficiency gains should get supportive accounting mechanisms.

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

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- > Remove the discrepancy in EU financial and energy legislation: the Stability Pact regulation and ESA 2010 procedure prevent public authorities with a higher debt ratio from positive investments that lead to net energetic and financial savings
- > As about 60% of public investments in the EU comes from local authorities, this level of governance should be integrated in early policy development stages for improved public procurement procedures
- > Green public procurement requirements should have clearly defined energy performance and sustainable life-cycle criteria in the tender awarding criteria, selection criteria and output specifications. It should be considered to extend them to all public contracts, including for new and existing buildings.

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

- Yes
- No
- No opinion

Please explain your answer:

1000 character(s) maximum

- > Further support in terms of capacity-building for all levels of of governance is necessary for life cycle cost assessments and methodologies
- > Improvement of standardisation and harmonisation of energy performance certificates and services is needed

2.4. Have you seen information campaigns or other public initiatives in your or in another EU country that explain public procurement of energy efficient products, services and buildings?

- Yes
- No

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, 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.

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
- No
- No opinion

Please explain your answer:

1000 character(s) maximum

Yes - in the city of Riga in Latvia for instance, local heat producers are fully implementing their 1,5% annual energy savings obligation, which according to officials from the local energy agency has boosted the local economy and enhanced the environment. In addition to this, citizens in Riga have had a beneficial impact on their energy bills in form of lower expenses due to the energy efficiency obligation being taken up by local heat producers.

In Ireland, the annual energy saving obligation has been met in a very positive way by utilities through their contribution to national funding programmes for energy efficiency.

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

- Yes
- No

Please explain your answer:

Article 7 holds Member States accountable to a measurable and significant outcome, while allowing for flexibility in the choice of instruments to suit national circumstances.

The latest national final energy targets show that the EU wide 2020 20% final energy target will not be achieved. Article 7 is key to delivering the savings towards these targets.

EEOs can be cost-effective policies. Figures show that the cost of energy savings driven by the Danish EEO scheme are less than many other Danish energy efficiency and savings policy instruments (RAP, 2012, Best Practices in Designing and Implementing EEOs). EEOs result in more energy savings than would be obtained from an equivalent energy price rise alone and deliver long-term final energy savings (ecee, 2012, EEOs - the EU experience). While the cost of EEOs are passed on to consumers, the impact on individual bills is negligible, compared to other surcharges.

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.

at most 5 choice(s)

- 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
- 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

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

Please explain your answer:

1000 character(s) maximum

Currently the minimum requirement only delivers 0,8% in final energy savings. This is far lower than the 1,5% savings that was envisaged every year to be achieved. The outcome of Article 7 must at least double in order to achieve the necessary energy savings to reach the EU's long-term efficiency targets. In addition to this, exemptions for Member States to achieve their energy efficiency target must be removed, such as excluding the energy used in the transport and ETS sectors from the baseline used for calculating the target and to phase in savings and count savings from before 2014. In view of 2030 targets that should be revised upwards to 40% EE after the Paris Agreement, the annual savings target from 1,5% should be corrected upwards to at least 2%.

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

- Yes
- No
- No opinion

Please explain your answer:

1000 character(s) maximum

One concrete step in the Art 7 requirements should be to develop a phase-out plan for fossil fuels subsidies which would be redirected to energy efficiency programmes in socially vulnerable areas. The EED should provide universally applied and workable definitions and mechanisms to push for dedicated programmes from member states in tackling energy poverty via increased energy efficiency measures. The Commission should help Member States implement Article 7.7.a which states that "Member States may: include requirements with a social aim in the saving obligations." Without specific rules in Art. 7 focusing on energy poverty, most EE projects will go to the building owners who are able to take on additional debt. The sub-national level plays a crucial role to detect and take action on energy poverty by creating synergies between their social inclusion strategies and sustainable energy programmes.

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)?

- Yes
- No
- No opinion

Please explain your answer:

1000 character(s) maximum

Citizens in many countries still find energy bills unclear, confusing and not timely enough to adapt their consumption patterns. Energy bills should be well-structured and support self-assessment (eg: by showing the consumption patterns from previous years, benchmarking graphs, etc.). Smart meters can help citizens to better manage their energy consumption and cost - in particular if flexible tariffs are applied-, but need to be accompanied by additional efficiency measures such as awareness-raising campaigns or energy advice. Member States should incentivise energy providers to develop training programmes for tenants/house owners to further optimize their behaviour and use of smart meters and reduce their energy consumption and bill. As a first step all pricing incentives which are detrimental to energy efficiency must be removed, as required by Article 15.4 of the EED.

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
- No
- No opinion

Please explain your answer:

1000 character(s) maximum

Results of individual and smart meters are mainly positive if combined with cost effective energy efficiency measures well designed together with tenants and home-owners. Any measure related to metering systems should take place within the framework of a multi-faceted approach to energy efficiency.

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

- Yes
- No
- No opinion

Please explain your answer:

1000 character(s) maximum

Conditions are different depending on Member States. However, a methodology/guidance to define these conditions should be provided by the Commission.

In addition, costs and benefits of individual metering should be regularly reviewed during their roll-out to ensure accuracy and that parameters such as quality of service, energy efficiency gains and financial impact are taken into account.

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

- Yes
- No
- No opinion

Please explain your answer:

1000 character(s) maximum

The key challenge is how to raise awareness about consumption patterns to increase households' energy savings. Potential benefits for citizens, as well as, costs that may be passed onto them during or after the roll-out need to be carefully considered. For instance, for households with low heat consumption, the costs related to smart metering may outweigh the savings. On the other hand, this technology may help those who consume large amounts of electricity or, for example, households equipped with electric HVAC or additional smart home components to better profit from sophisticated services or tariffs that may be provided in future 'smarter' energy scenarios. Smart meters can have a positive impact on energy efficiency, but also represent significant risks if expected benefits and protections are not delivered. Smart meters are not the holy grail in terms of energy efficiency upscaling, but merely one option out of many.

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 (C(2012)1342) together provide a sufficient level of harmonisation at EU level?

- Yes
- No

No opinion

Please explain your answer:

1000 character(s) maximum

It is important to make sure that any meters across the EU are compatible with future developments.

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

- Yes
 No
 No opinion

Please explain your answer:

1000 character(s) maximum

ACER/CEER Annual Market Monitoring Report describes different requirements set by Member States, as well as a lack of minimum technical functionalities and other requirements for smart meters to ensure benefits are delivered to citizens.

As majority of MSs have plans to roll-out smart meters, coordination at EU level is needed. Functionalities should allow for easy supplier switching, and access to free of charge real-time information on total household consumption.

Smart meters should open the door to innovative services, particularly those enabling more energy efficiency. Modularity by design, to avoid lock-ins and reducing future costs, is of key importance.

It important that strong protection for the citizen is in place over the whole life span of the smart meter.

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?

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In 2009 in the Netherlands, the Senate blocked the initial law for the introduction of smart meters because of privacy and cyber security concerns. These concerns have been addressed in a revised law by providing an 'opt out' for citizens and by setting clear requirements on access and use of the data. Small-scale introduction of smart meters started already in 2005, and from 2012 on, the official roll-out of smart meters started for renovation, new-build and upon request of the citizen. These testing phases were

successfully concluded and from 2015 on, a smart meter will be installed with every citizen for free.

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 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 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?

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1. A long-term stable environment for investments, driven by adequate national targets and Art. 7 requirements.
2. Technical assistance support (ELENA-like) to increase the bankability of EE projects and increased effort for bundling smaller-scale projects within one municipality and between different municipalities.
3. Exemption ruling from the European System of Accounts for cost-saving investments as EE in order to have EPC implemented off-balance. EE measures should be seen as operating cost instead of capital expenditure, which increases the investment budget on a public authority's balance sheet.
4. Dedicated credit lines (national) and financing instruments such as (portfolio) guarantees, soft loans, mezzanine debt, green bonds, forfeiting/factoring, on-bill/on-tax financing etc.
5. Priority access to projects that tap local sustainable energy potential first (more favourable to social acceptance and territorial cohesion) in the selection criteria of the Juncker Plan

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

- Yes
 No
 No opinion

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 'Other':

100 character(s) maximum

Financing the measures listed in the 5,000+ Covenant of Mayors Sustainable Energy Action Plans

5.3. Do you agree that one way to increase the impact of energy efficiency investments could be through making the energy performance/savings monitoring mandatory under Article 20 whenever public funds/subsidies are used for EE investments? Such monitoring could be done, for example, via on-line platforms, by users in the regular intervals.

- 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
- No
- No opinion

6.2. Do you think that the reporting of national indicators (for example, value added/ energy consumption, disposable income, GDP etc. for year (n-2) under Annex XIV (1)(a)) of the EED should be simplified?

- Yes
- No
- No opinion

Please explain your answer:

1000 character(s) maximum

Member States should receive one standardized template by the Commission in which they draft comprehensive national energy efficiency policies, that can be then integrated into the NECPs (National Energy and Climate Plans) of the Energy Union governance. It is paramount that the national energy efficiency policies fully take into account local and regional energy efficiency potential and priorities.

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
 No
 No opinion

Please explain your answer:

1000 character(s) maximum

As of today, cost-benefit of investments does not internalise neither the climate change nor the great benefits of creating local jobs, improving health and quality of life in the long term. A related evaluation methodology has to be proposed and effects to be taken into account. This would increase the visibility and understanding of the multiple benefits of energy efficiency and how having ambitious targets for energy efficiency can drive these benefits.

In addition to this, local energy efficiency policies and measures, such as in the framework of the Sustainable Energy Action Plans of the Covenant of Mayors, should be considered as additional indicators to improve monitoring to assess Member States' progress towards their energy efficiency targets.

The "Submit" button is located at the end of Part II. If you wish to only respond to questions in Part I, skip the questions in Part II and click "Submit" at the bottom of the next page.

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

- No
- No opinion

Please explain your answer:

1000 character(s) maximum

The current Article 6 evaluates measures on public procurement on the cost-effectiveness, but local and regional authorities would save more money by complete life-cycle-cost assessments, which should become part of the EED legislation. The scope of public procurement rules should be extended to all public authorities to cover all public contracts, and clear and ambitious energy performance levels should be set (including for new and existing buildings). Guidance and financial instruments should be tailored to local and regional authorities in order to facilitate the market take-up, as LRA's are leading by example and best positioned to convince the market players on the profitability and added value of energy efficiency measures.

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
- Other

Please explain your answer:

1000 character(s) maximum

- Since public authorities often work on the basis of annual budgets, public authorities 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 also lack energy managers who are able to conclude energy-efficiency services contracts. Local authorities from smaller and medium sizes would therefore benefit heavily from capacity-building efforts (via e.g. coordination and support action of H2020, information campaigns, etc.) to understand the complete cost-benefit analysis of energy efficiency.

- Split tendering prescribed by the Public Procurement Directive is a burden to overall energy-efficiency services contracts in the public sector.

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?

- Yes
 No
 No opinion

Please explain your answer:

1000 character(s) maximum

Yes, It should be ensured that public procurement rules related to sustainability cover all products/services, even when these are not covered by specific EU legislation. The Commission should ensure coordination and coherence between different pieces of legislation, which could work as different "modules" of the same topic, i.e. public procurement rules and the EED.

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

- Yes
 No
 No opinion

Please explain your answer:

1000 character(s) maximum

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?

1000 character(s) maximum

This is a problem, the high up-front investments will significantly impact the balance sheet for the first year of the investment, without any 'neutralising factor' of the operating cost savings afterwards. Consideration may be given to whether annual energy savings could be accounted for as income in public

budgets during the lifetime of the investment. In order to cover better the high up-front investment needs, it is very important for many local and regional authorities to bundle several purchases, performance services to lower transaction costs and reach more easily 'economies of scale'. Especially when targeting higher ambitious efficiency levels than at market conditions with feasible payback times within the legislative period.

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?

- Yes
 No
 No opinion

Please explain your answer:

1000 character(s) maximum

There is insufficient evidence of lifetimes of measures, and where it is reported by Member States there are concerns that they are overestimated. The ending of Article 7 in 2020 is an obstacle to measures with long lifetimes and can lead to "stop and go" policies. The EED, adopted only in 2012, should have and encourage a long-term vision for energy efficiency policies in view of a strong 2030 EU energy efficiency target that should be 40%.

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	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Better awareness of energy efficiency potential by consumers	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Better relationship between energy suppliers, distributors and customers	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lower energy generation (and transmission) costs for the utilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Improved business and administrative environment					

for up-coming innovative energy services	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Aggregation of small-scale investments (pooling/bundling)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Development of new financing models – e.g. energy performance contracting	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Stimulation of energy efficient renovation of buildings	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Increased competitiveness in the energy markets	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please explain your answer:

1000 character(s) maximum

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?

- Yes
- No
- No opinion

Please explain your answer:

1000 character(s) maximum

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.

1000 character(s) maximum

There is a need to clarify that savings from the implementation of EU harmonised standards (i.e. Ecodesign, EPBD, CO2 standards for vehicles) must not be counted towards fulfilling the requirements of Article 7. A very significant share of savings must be related to increased activity levels from additional measures, for example, increasing energy renovation and product replacement rates and the provision of new infrastructure. Part of the obligation set out in Article 7(1) may be fulfilled by contributing into fund referred to in Article 20(6). However, It should be ensured that any money taken via citizens' energy bills to contribute to the fund should be redirected back to citizens.

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?

- Yes
 No
 No opinion

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):

at most 5 choice(s)

- 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 'Other':

100 character(s) maximum

Exemptions, or rather ‘statistical tricks’, that reduce the minimum energy savings to be delivered

Please explain your answer:

1000 character(s) maximum

Many countries only began developing their measures and schemes in the last couple of years. Deleting this so called “sunset clause” would incentivise the creation of long-term measures and schemes to deliver savings, build on the experience of creating successful and effective schemes, and provide increased certainty for investors. If Article 7 is not extended, these schemes and measures may not continue beyond 2020, which would be a waste of the efforts to date. In addition, a longer outlook would also encourage the inclusion of measures which deliver savings over longer lifetimes.

8.6. Do you think that the scope of eligible measures allowed under Article 7 should be clarified?

- Yes
- No
- No opinion

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

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 explain your answer:

1000 character(s) maximum

The scope of eligible measures should be only end-use energy savings (as it is at the moment). However, measures should support the implementation of energy efficiency measures elsewhere in the supply chain (via Article 14 and 15), which help to reach the indicative national energy efficiency targets set under Article 3.

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?

	Strongly agree	Agree	Disagree	Strongly disagree	No opinion
Calculation methods	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Materiality	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Additionality	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lifetimes	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Price demand elasticities for taxation measures in real terms	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Indicative list of eligible energy saving measures	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Monitoring and verification procedures	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reporting	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please explain your answer:

1000 character(s) maximum

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

1000 character(s) maximum

The implementation of policies and measures should be closely monitored and enforced by the European Commission. This will also help the Commission to better understand where they need to provide clearer guidance to Member

States. The European Commission should assess national targets to ensure that the 2030 target will be achieved, and, if progress is not sufficient, propose additional measures.

An EU level dialogue with stakeholders should also be established to aid the development and implementation of all policies (not only in relation to article 7), with especially the close involvement of local and regional authorities as they are crucial stakeholders in implementing energy efficiency policies on the ground.

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

1000 character(s) maximum

Energy Cities has also contributed to a collection of best practice examples from the Coalition for Energy Savings, which is foreseen for publication in mid-2016. Promotion of such best practice examples across the EU could be ensured by enhancing the capabilities of European city networks to facilitate knowledge exchange and replication and upscaling of best practice.

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?

1000 character(s) maximum

This should only be discussed when a country has demonstrated that the cost-effective savings potential is fully tapped. It is clear that no country is currently at that stage.

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?

1000 character(s) maximum

No. Energy efficiency obligations schemes on suppliers and distributors should be focused on improving energy efficiency. Measures to increase the share of renewable energy are complimentary and additional.

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

Please explain your answer:

1000 character(s) maximum

If the savings were traded monitoring and verification would be very important to ensure the energy savings were delivered. Therefore, there would need to be a strong verification system set up. Since measures vary between Member States, this would make such a verification systems complex and difficult to establish.

Contact

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