

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



Introduction

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

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

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

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

Public funding has played an important role by supporting the implementation of energy efficiency policies at national and regional level. There has been an increase in financing over the last years due to greater importance of these policies in the context of the overall EU decarbonisation agenda. The European Structural and Investments Funds (ESIF) and the European Fund for Strategic Investments (EFSI) are key to unlocking the needed private

¹ COM(2015) 80 final

² Directive(2010) 31

³ Directive(2010) 30

⁴ Directive(2009) 125

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

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

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

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

⁵ COM(2011) 109 final

⁶ SWD(2014) 0255 final

⁷ COM(2014) 520 final

- **Article 24 (reporting and monitoring and review of implementation):** Given the new governance system to be introduced under the Energy Union in view of 2030 framework, currently being prepared in parallel to this exercise.

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

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

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⁸ Better Regulation Package (2015)

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**

***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:**

IFIEC Europe- International Federation of Industrial Energy Consumers

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

Jean-Philippe PERROT – Rapporteur Working Party Climate & Efficiency

***Please enter your email address:**

ifieceurope@ifieceurope.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**

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

- | | | |
|--------------------------------------|---|--------------------------------------|
| <input type="radio"/> Austria | <input type="radio"/> Belgium | <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 checked="" 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?

EED has encouraged Member States to develop programmes and implement structural frameworks to improve energy efficiency in various sectors. Unfortunately a limited number of Member States have fully implemented the EED. Today, analyses show that there is still potential to improve energy efficiency of specific sectors, such as transport and buildings.

For industry, which is covered by ETS, energy efficiency has always been one of the main drivers to improve production processes and to reduce the greenhouse gas emissions and thus the compliance costs of ETS

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?

In industry sectors, energy consumption is usually linked to carbon emissions and EU ETS is the steering instrument for both greenhouse gas emission reductions and rational use of energy.

Currently ETS and energy efficiency obligations in the EED may overlap, which can lead to increased costs. Sectors falling under the ETS should not be included in the obligation scope of energy efficiency targets. The EC should ensure EU energy and climate policy is consistent and does not overlap which can lead to increase costs.

The EU should support its industry to become more energy efficient by fostering technology breakthrough and innovation.

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

Between the further improvement of energy efficiency, progress in environmental protection and resource conservation as well as concerning flexibility in terms of electricity decline a clash of goals exists on national as well in national and European regulations.

In some Member States where national obligations on energy efficiency existed before the adoption of the EED, overlaps occur leading to stronger constraints for industry than the EED requirements.

As there is still untapped potential for the developing of cogeneration, the EED should promote cost effective use of CHP.

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

There is often confusion between energy efficiency improvement which aims to decrease the specific energy consumption (energy consumed per ton or per unit of output) and energy consumption reduction which aim to decrease the absolute energy consumption whatever the way the energy is consumed (efficiently or not).

A lot of efforts have already been made by the industry through existing voluntary agreements and other incentive schemes. Some potential still exists but often at higher costs that do not balance the economic reality of energy prices. Financial mechanisms and instruments – such as financial aids and tax reductions – should be developed in order to stimulate innovation and to lower the economic barriers for the implementation of energy efficiency measures.

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

When defining a target for 2030, the EU should define a relative target expressing efficiency and not an absolute level of energy consumption. This impedes sustainable growth and does not offer an attractive investment climate to develop the necessary innovative solutions to become more energy efficient. It ignores the trajectory run by energy users and punishes those who have invested early in sustainable energy use.

The directive should be based on a bottom-up approach per sector, with targeted focus on available potential and validated by the individual sector. Therefore, the EU should take into account the economic and technological feasibility of potential improvements. Energy efficiency should be encouraged in all sectors, especially in sectors where most gains still can be made. Industry has already strong incentives for energy efficiency and has tapped most of its potentials. Thus, energy efficiency targets covering industry should be avoided as this would limit rather than deliver sustainable growth and energy savings as it would not create the necessary investment climate.

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

To promote and finance research and innovation in the field of energy enabling breakthrough technologies.

To provide information on energy efficient technologies.

To develop instruments to foster energy efficiency investments at all levels.

The EC should coordinate and ensure that policy measures implemented are consistent amongst Member States and do not create distortion within the EU.

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)**

Industry covered by ETS should be exempt from any energy efficiency target to avoid costly overlaps with other regulations.

Absolute target leads to energy consumption reduction and not to improvement of energy efficiency which is related to specific energy consumption (energy consumed per ton or unit of output).

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)**

Targets should be set according to the sector. EU ETS should stay the only instrument for industry. Energy consumption should not be limited as an input factor for industrial processes, as they mean a value added for the economy with all related positive effects. Industry has a long track record of improving its energy and resource efficiency. Energy efficiency improvements on a flexible and voluntary basis are the appropriate means for industry.

Energy switch (e.g. from non-renewables to renewables) does not result in energy efficiency improvement.

To follow the energy performances, all the energy consumptions should be expressed in primary energy. It is a non-sense to add together MWh of gas, MWh of steam and MWh of electricity.

Some relevant examples of indicators:

Primary energy consumption per unit of production (for industry)

Primary energy consumption per tonne and per km (for transport)

Primary energy consumption per m² (for buildings)

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?

No opinion

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

No opinion

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

No.

There is no clear guidance to characterise the energy efficient products. A complete assessment based on the life cycle assessment of the products shall be applied to compare their energy efficiency.

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 opinion

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

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 States⁹, 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

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

No

If no, please explain your answer:

Energy savings is not equivalent to energy efficiency. Specific energy consumption is a more appropriate measure of energy efficiency, and this measure does not put restrictions on economic (and industrial) growth by limiting total energy consumption. Eventually, separate targets should be set in sectors where a market failure has been established. Energy-intensive industries have already strong incentives for energy

⁹ <http://ec.europa.eu/energy/en/topics/energy-efficiency-directive/obligation-schemes-and-alternative-measures>

efficiency. ETS sectors should not be exposed to energy efficiency targets and instruments.

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
- 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)**

Article 7 is based on an absolute reduction target of energy consumption and is therefore not leading to energy efficiency improvements across all sectors.

Specifically for the industry subject to ETS. Article 7 has led to an overlap with the ETS. Energy efficiency has always been one of the main drivers to improve production processes and to reduce the costs of ETS. However, the EED with an absolute target that is not taking into account early actions has created a situation without level playing field for the industry.

Competitiveness of industrial companies that are already covered by other schemes (e.g. ETS) should not be negatively impacted by any obligation schemes related to energy efficiency.

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:]

Once again there is confusion between energy savings and energy efficiency. EU should focus on energy efficiency and not energy savings. Normally energy saving is a saving that is not necessarily cost efficient and involves welfare loss whereas energy efficiency requires cost efficiency. The level of energy savings/energy efficiency should be set such that economic and industrial development is not curtailed.

The percentage of improvement shall be assessed sector per sector based on their specificity and their potential.

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

No opinion

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

Not relevant for industry where energy consumption is continuously measured to comply with the balancing rules of gas and electricity markets and being an essential part of an energy management system. The metering schemes are already in place.

No opinion for other sectors.

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?

No opinion

Industrial consumers have already efficient metering in place

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

No opinion

[See 4.1](#)

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 Commission¹⁰ together provide a sufficient level of harmonisation at EU level?

No opinion

[See 4.1](#)

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

[Yes/No/No opinion; please explain your answer:]

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

¹⁰ C(2012)1342

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

The analysis of the July 2014 Energy Efficiency Communication and the recent EEFIG Report¹¹ 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?

First, it must be ensured that “financing mechanisms” don’t trigger disincentives which mislead investments in technologies / plants.

Investments are best stimulated by ensuring a competitive playing field for industry. To further increase energy efficiency investments will require measures that can help reduce investment pay-back time and/or the risk involved in investments in new technologies as well as investment friendly energy and climate policies (also regarding overlapping policies like the ETS).

Financing mechanisms related to energy efficiency must give stable conditions for companies which invest in new and innovative technologies. Industry needs long term visibility.

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

Yes

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

¹¹ EEFIG - Energy Efficiency Financial Institutions Group Report: Energy Efficiency – First fuel for the EU economy, 2015, www.eefig.eu

- SMEs
- Companies
- City and community infrastructures in relation to transport, waste heat recovery, waste-to-energy
- Other (please specify)**
The State of the Energy Union report (December 2015) recognises that one of biggest sectors for potential investments is the building sector

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

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

Comment for answer sent by email

Reporting and monitoring system provides useful data which are used by industry to manage energy. The reporting should remain internal and not become mandatory in order to avoid unnecessary administrative burden.

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)¹² under Annex XIV (1)(a) of the EED should be simplified?

Yes

In order to reduce the administrative burden and costs

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?

No

No necessity to introduce new indicators. The current reporting enables a complete follow-up of the evolution of energy efficiency

¹² 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?

No

No, because it increases at the end the tax burden on the citizens. Public entities must also follow economic principles.

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

[Free choice: max. 1000 characters]

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?

No

Self-responsibility also of public entities must be ensured

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

No opinion

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?

The right indicator to compare the products efficiency should be the total cost of ownership which includes both the purchased price and the production costs.

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

However, alternative measures such as voluntary agreements between the energy intensive industry and the government have proven their efficiency. The investments made by companies to improve their energy efficiency can still have a positive impact beyond 2020, this is however strongly depending on the economic context.

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					

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:]

8.4. If you think that some requirements of Annex V need more precise guidance please list those requirements and specify briefly what further information you think would be useful.

The calculation of energy savings takes into account the lifetime of savings. However, the savings are currently limited to the one achieved between its implementation and the end of the period. Such calculation methodology is not fair and strongly decreases the amount of savings for actions implemented close to the end of the period. It prevents the full potential realisation of energy savings. The lifetime of the savings should be based on technically realistic lifetime of the project.

8.5. As you might know, the current framework of Article 7 is set until 2020, linked to the energy efficiency target for 2020, which will expire at the end of 2020. In your view, should the Article 7 obligations continue beyond 2020 in view of the new energy efficiency target for 2030?

No

The new energy efficiency target should be reached in the most cost-efficient way, but at the same time not be an obstacle to industrial development and economic

growth. The energy intensive industry has already strong incentives to be energy efficient, as energy efficiency reduces costs and gives a competitive advantage. Article 7 should be changed such that excluding of sectors covered by ETS is part of the regulation (not an option, as in the existing directive).

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

Activities covered by ETS should be excluded from any additional target, as the ETS is already leading to energy efficiency improvements.

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)

[Free choice: max. 1000 characters]

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					
Price demand elasticities ¹³ for taxation measures in real terms					X

¹³ Price demand elasticity is a measure used in economics to show the responsiveness, or elasticity, of the quantity demanded of a good or service.

Indicative list of eligible energy saving measures		X			
Monitoring and verification procedures			X		
Reporting					
Other					

[Please explain your answer: max. 1000 characters]

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

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

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?

EU should aim for the most cost effective approach towards energy efficiency European wide trading scheme for energy savings would require harmonised calculation methods and harmonised policy frameworks. Under certain conditions such a system – if it does not undermine subsidiarity and self-responsibility - might lead to a cost efficient way to less energy consumption. However, the sectors covered by ETS should not be included in the obligation scope as there is already a signal to consider energy efficiency while investing.

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?

Measures to increase renewable energy production are covered by the Renewable Energy Directive (and indirectly also by EU ETS). Experience with guarantees of origin in the current RE-directive has shown that it is difficult to design a system for expressing renewable energy sold by energy suppliers and distributors that gives a correct impression of what the share of renewability actually is. As this systems works

today, it is misleading with regard to what the consumers actually buy, and it does not influence energy production. If such a system was embedded in the energy efficiency obligations this would only complicate measurements of energy efficiency and make obligations and compliance confusing and non-transparent.

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