

The Clean Energy Package


What's at stake for Energy Efficiency professionals?

Romanian Energy Efficiency Forum 2017

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EFIEES – About us... (I)

EFIEES, the *European Federation of Intelligent Energy Efficiency Services*, is a EU trade association, representing private companies providing an **overall energy-management service to end-users (Energy Service Companies, ESCOs).**

- **EFIEES has members in 12 EU Member States**, including Romania 
- Among them, **7 organisations are national trade associations representing ESCOs**. They share, in their country of origin, the same objectives as EFIEES.
- **5 Privately-owned Energy Efficiency Services Companies**, as an alternative to national trade associations in certain Member States, where no correspondent trade association exist.

EFIEES – About us...(II)

The main activities of the companies we represent include:

- **Analysing clients' needs & consumption** in order to identify the required measures/actions to be implemented
- **Designing energy performant solutions** according to clients' specific needs
- **Maintaining and managing plant and equipment of end-users**, including industrial and commercial facilities, collective residential buildings, public premises
- In some cases, **operating district heating networks**

Our members commit contractually to reach technical, financial and environmental performance targets, frequently through long-term solutions based on contractually-guaranteed savings, such as ***Energy Performance Contracts (EPCs)***.

Among its activities, **EFIEES strives to promote the further development of these contracts**, also cooperating with other ESCO associations (**EFIEES is European Co-Administrator of the Code of Conduct for EPCs**, for which **ARPEE is National Co-Administrator in Romania**).

EFIEES – Our mission

EFIEES represents the common interest of ESCOs towards the European Institutions, ensuring that their views and interests are duly taken into account throughout the EU decision making process. To this end, EFIEES:

- **carries out studies and analysis on relevant issues raised at the EU level** which may have an impact on the profession and on its companies' interests (economic, social, administrative, legal, technical as well as financial issues)
- **encourages the exchange of experiences and information** between the members of the Federation
- **raises awareness in the European Union about ESCOs' activities and their role** in reaching the EU energy efficiency and environmental targets

What's on the agenda?

Clean Energy Package



The Clean Energy Package

Released on 30th November 2016 by the EU Commission, it consists of **a comprehensive set of proposals** aimed at amending existing legislation and creating new common rules for the **post 2020 EU climate and energy policies**, notably in the following areas:

- Energy efficiency** (*EED, EPBD*)
- Renewable energy** (*REDII*)
- Electricity market design and security of supply** (*Electricity Regulation, Electricity Directive, Regulation on Cooperation of Energy Regulators (ACER), Regulation on a European Agency, Regulation on risk preparedness in the electricity sector...*)
- Governance of the Energy Union Regulation**, to ensure coherence and adequate coordination among the different sectoral proposals

EFIEES' interest in the Clean Energy Package

EFIEES is notably concentrating on the three following directives:

- 1. Energy Performance of Buildings' Directive (EPBD)***
- 2. Energy Efficiency Directive (EED)***
- 3. Renewable Energies Directive (REDII)***

Main elements of the EED, EPBD and RED

- **A 30% EU binding target for Energy Efficiency**
- **The extension of annual energy savings obligation of 1.5% to 2030 (Art. 7 EED) and the possibility to opt for alternative measures alternatively to EEOS (*Energy Efficiency Obligation Schemes*)**
- **Long-term renovation strategies with a clear roadmap to ‘decarbonise’ the national building stocks and foster energy-efficiency renovations in the building sector (art. 4 EED moved to art. 2a of the revised EPBD)**
- **A 27% EU binding target for RES, expressed in final energy consumption**
- **A target of 1% annual increase in the share of RES in the H&C sector**

EPBD - State of the play:

- ❑ Report in the EP leading Committee (ITRE) drafted by MEP Bendtsen (EPP - Christian Democrats, DK) and approved on **11th October**
- ❑ **ENVI Opinion by MEP Jätteenmäki** (ALDE - Liberals, FI) approved on 7th September
- ❑ **EU Energy Council adopted its general approach** on 26th June



EPBD: current developments & main points for EFIEES

- **Broadening the scope of long-term renovation strategies – not just focus on (deep) renovation!** → EFIEES managed to get references to the role other complementary/alternative energy efficiency solutions other than renovation.
- The **extension of the exemption from regular inspections for heating & air conditioning systems** in buildings covered by an agreed energy performance commitment, such as EPCs.
- As a general principle, **the equal treatment of RES, whether produced on-site or nearby and supplied through an energy carrier such as DHN** (important to promote the further development of efficient DHN). Nevertheless, **EFIEES welcomes the removal of the possibility to discount energy generated from RES from consumption calculations**: even if green, it is energy produced (not saved!).

EPBD: what's next?

- **Vote in the relevant EP Committee, ITRE, on 11th October**
- **Expected Vote in Plenary on 26th October**
- **Begin of trilogue negotiations expected on 7th November**
- **Second trilogue in December → Estonian Presidency expect to reach a deal by the end of the year**

EDD - State of the play:

- Report in the EP leading Committee (ITRE) drafted by MEP Gierek (S&D – Social Democrats, PL) to be approved on **28th November**
- **ENVI Opinion by MEP Guteland** (S&D – Social Democrats, SE) approved on 7th September
- **EU Energy Council adopted its general approach** on 26th June



EED: current developments & main points for EFIEES

- **The EE target:** discussions ongoing in the EP on the target level and nature
→ **ENVI Opinion adopted a 40% EE binding target + national binding targets** ≠ approach from the rapporteur in ITRE, initially supporting just a 35% EE EU-wide target.

EFIEES supports an ambitious EE target which is, at the same time, cost-effective. Whatever the target nature, it is important ensure a level playing field between EE and RES support.

- **Extension of the energy saving obligations in Art. 7** → **ENVI Opinion maintained the 1.5% annual savings obligation**, expressed in both primary and final energy, and extended until 2050 (with 10-year sub-periods).

The rapporteur proposes to express the energy savings obligations in primary energy, focusing on supply-side measures and on improvements to be achieved along the whole energy chain. EFIEES supports this approach.

EED: current developments & main points for EFIEES

- **Primary Energy Factor (PEF):** the Commission proposes to reduce the default value for electricity from 2.5 to 2.0, to be used by MS for reporting purposes.

EFIEES strongly opposes this inadequately low value, for several reasons:

- a) It's the result of wrong methodology choices (exclusion of upstream energy losses, geographical resolution, etc). Calculation should ensure a fair comparison for all fuels and sources.***
- b) The value does not reflect the current energy mix but a hypothetical one, much more based on RES than it is → this reduces incentives to improve EE.***
- c) A single PEF should not apply to buildings, where geographical and seasonal aspects play a key role.***

ENVI Opinion maintains the 2.0 value, with the possibility for MS to use other values due to national circumstances affecting primary energy consumption.

RED - State of the play:

- Report in the EP leading Committee (ITRE) drafted by MEP Blanco Lopez (S&D – Social Democrats, ES) to be approved on **28th November**
- **ENVI Opinion by MEP Eickhout** (Greens, NL) to be approved on **23rd October**
- **EU Energy Council to adopt its general approach** by the end of the year. Latest revised text by the EE Presidency published on **27th September**



RED: current developments & main points for EFIEES

- **THE RED target: the ITRE Rapporteur has increased the EU RES target to 35% binding and reinserted national binding targets. Some amendments even increased the target to 40% and 45%.**

Whatever the target and its nature, it is important to ensure a level playing field between EE and RES.

- **Support for RES → Commission proposed to issue no Guarantee of Origin to RES producers already receiving financial support from a support scheme.**

It should be possible to combine GOs and support schemes and avoid possible windfall profits through other mechanisms.

- **MS to establish a framework for the development of RES Communities entitled to generate, consume, store and sell renewable energy. These should include local authorities and even companies, provided they are SMEs.**

All companies, regardless of the size, should be eligible to these communities.

RED: current developments & main points for EFIEES

- **Mainstreaming RES in H&C:** The rapporteur raises the annual increase in the share of RES in H&C to 2% and includes waste heat in the calculations.

EFIEES welcomes and supports the recovery of waste heat – even if it is not RES – as tool to increase EE and reduce the use of fossil fuels.

- **Right to disconnect/switch from inefficient DH.** The rapporteur restricts it when DH supplier has concrete investment plan to improve its performance in terms of efficiency from RES.

For EFIEES, it should be ensured that disconnections comply with the contractual clauses and allow DH improvements to be planned and realised.

- **Non discriminatory access to DHN for alternative RES/waste heat suppliers**

It should be allowed, provided it is technically feasible and it does not result in a rise of total costs for customers already connected.

Waiting for the next votes...

***Thank you very much for your
attention!***

Mulțumesc!