

# ***The Clean Energy Package***

**What's at stake for Energy Efficiency professionals?**

**Romanian Energy Efficiency Forum 2017**

*Bucharest, 12 October 2017*

# ***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 30<sup>th</sup> 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 **11<sup>th</sup> October**
- ❑ **ENVI Opinion by MEP Jätteenmäki** (ALDE - Liberals, FI) approved on 7<sup>th</sup> September
- ❑ **EU Energy Council adopted its general approach** on 26<sup>th</sup> 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 11<sup>th</sup> October**
- **Expected Vote in Plenary on 26<sup>th</sup> October**
- **Begin of trilogue negotiations expected on 7<sup>th</sup> 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 **28<sup>th</sup> November**
- **ENVI Opinion by MEP Guteland** (S&D – Social Democrats, SE) approved on 7<sup>th</sup> September
- **EU Energy Council adopted its general approach** on 26<sup>th</sup> June



European Parliament



## ***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 **28<sup>th</sup> November**
- ❑ **ENVI Opinion by MEP Eickhout** (Greens, NL) to be approved on **23<sup>rd</sup> October**
- ❑ **EU Energy Council to adopt its general approach** by the end of the year. Latest revised text by the EE Presidency published on **27<sup>th</sup> 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!***