

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

Fields marked with \* are mandatory.

## Introduction

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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 CO<sub>2</sub> 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

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**\* 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*

The associations of the local authorities of Bavaria, Baden-Württemberg and Saxony

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

*100 character(s) maximum*

Joint european offices of the local authorities of Bavaria, Baden-Württemberg and Saxony

**\* Please enter your email address:**

info@ebbk.de

**\* 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

**\* 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

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### 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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Due to the fact that EED is a relatively new legislation, there is not much experience so far. For example, the energy audits have just been implemented in Germany with the implementing act of April 15 2015. Therefore it is difficult to say what a key contribution is.

#### 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?

*1000 character(s) maximum*

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

*1000 character(s) maximum*

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

*1000 character(s) maximum*

The definition of SME in article 2 refers to Title I of the Annex to Commission Recommendation 2003/361/EC, therefore public owned companies can't be considered SME, not regarding the company's size or energy consumption. This leads to mandatory energy audits even for very small public owned companies, where energy audits are disproportionately expensive in comparison to the cost for energy consumption of the whole company. E.g. tourism offices in rural areas, car parks, public swimming pools, municipal agencies which only sell things.

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

*1000 character(s) maximum*

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

*1000 character(s) maximum*

#### 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

#### 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*

The current requirements set up obligations for central governments but are voluntary regarding regional or local authorities. This allows local authorities to concentrate on financial issues in procurement, while they are free to consider energy efficiency aspects where this is reasonable. Such regulation allows a maximum of energy efficiency in procurement whilst not putting disproportionate burdens on local authorities.

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

*1000 character(s) maximum*

**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*

**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

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

*1000 character(s) maximum*

Raising awareness was not necessary as the German government, contrary to EED, already set up mandatory energy efficiency requirements even to regional and local authorities.

### **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*

**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:

*1000 character(s) maximum*

**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*

**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*

#### 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*

**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*

**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*

**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*

**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*

**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?**

*1000 character(s) maximum*

## **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?**

*1000 character(s) maximum*

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

- Yes
- No

No opinion

**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*

**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*

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)

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### 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*

Mandatory consideration of non-financial factors could make public procurement disproportionately expensive and more complex and therefore more difficult to deal with for local authorities. Furthermore mandatory consideration of such factors would be incoherent with directive 2014/24/EU. Under this directive, the decision to use other factors than price or cost falls under the member states scrutiny.

**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*

**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*

**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*

## **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*

**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 type="radio"/>				
Better awareness of energy efficiency potential by consumers	<input type="radio"/>				

Better relationship between energy suppliers, distributors and customers	<input type="radio"/>				
Lower energy generation (and transmission) costs for the utilities	<input type="radio"/>				
Improved business and administrative environment for up-coming innovative energy services	<input type="radio"/>				
Aggregation of small-scale investments (pooling/bundling)	<input type="radio"/>				
Development of new financing models – e.g. energy performance contracting	<input type="radio"/>				
Stimulation of energy efficient renovation of buildings	<input type="radio"/>				
Increased competitiveness in the energy markets	<input type="radio"/>				
Other	<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*

**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

Please explain your answer:

*1000 character(s) maximum*

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

- Yes
- No
- No opinion

Please explain your answer:

*1000 character(s) maximum*

**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"/>				
Materiality	<input type="radio"/>				
Additionality	<input type="radio"/>				
Lifetimes	<input type="radio"/>				
Price demand elasticities for taxation measures in real terms	<input type="radio"/>				
Indicative list of eligible energy saving measures	<input type="radio"/>				
Monitoring and verification procedures	<input type="radio"/>				
Reporting	<input type="radio"/>				
Other	<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*

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

*1000 character(s) maximum*

**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*

**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*

**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*

## Contact

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