

Commission's proposal for a new Energy Efficiency Directive

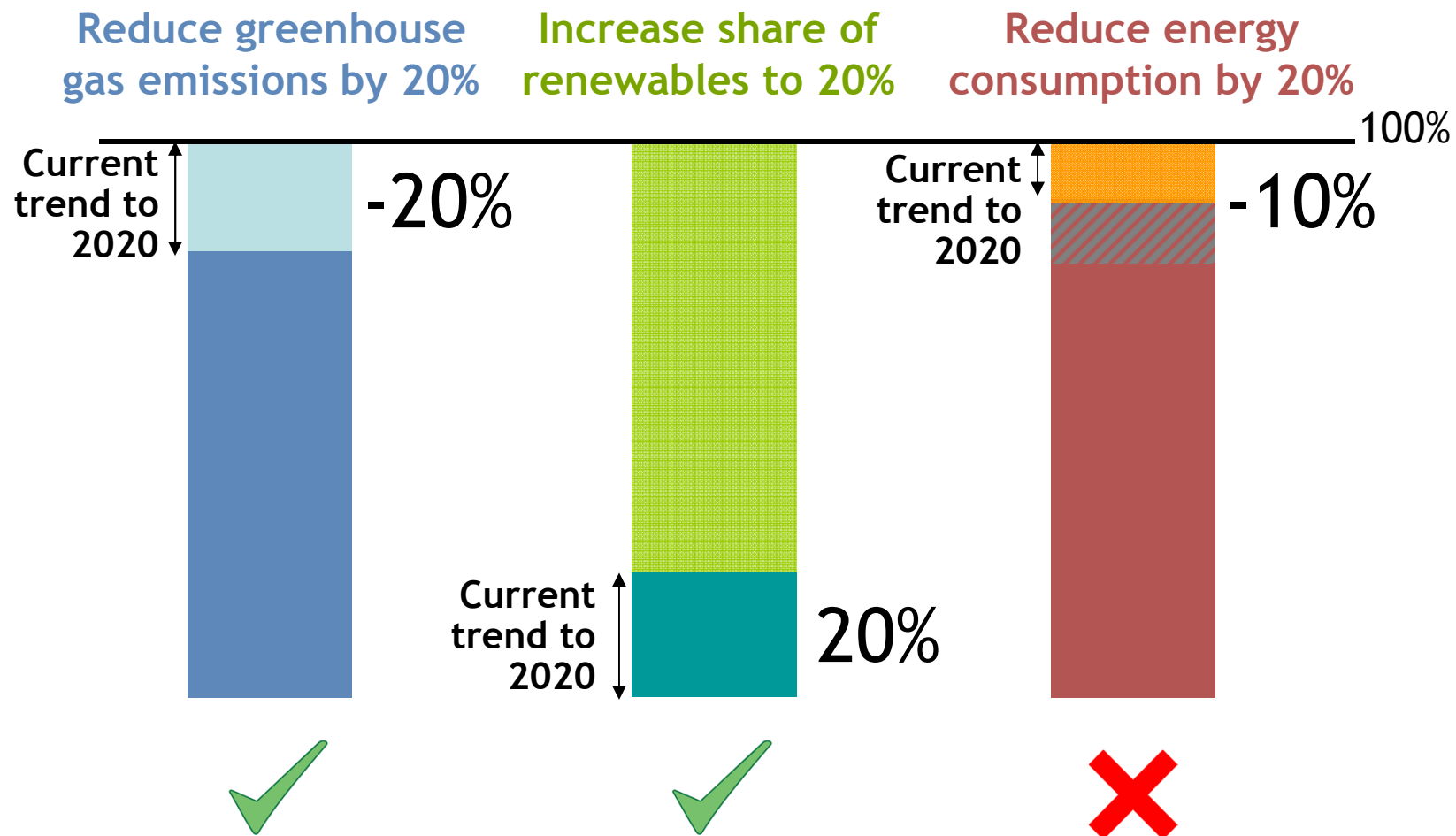
Paul Hodson
Head of Unit C.3 Energy efficiency
DG Energy, European Commission

**11th Inter-Parliamentary Meeting on Renewable
Energy and Energy Efficiency, 1st of October 2011**

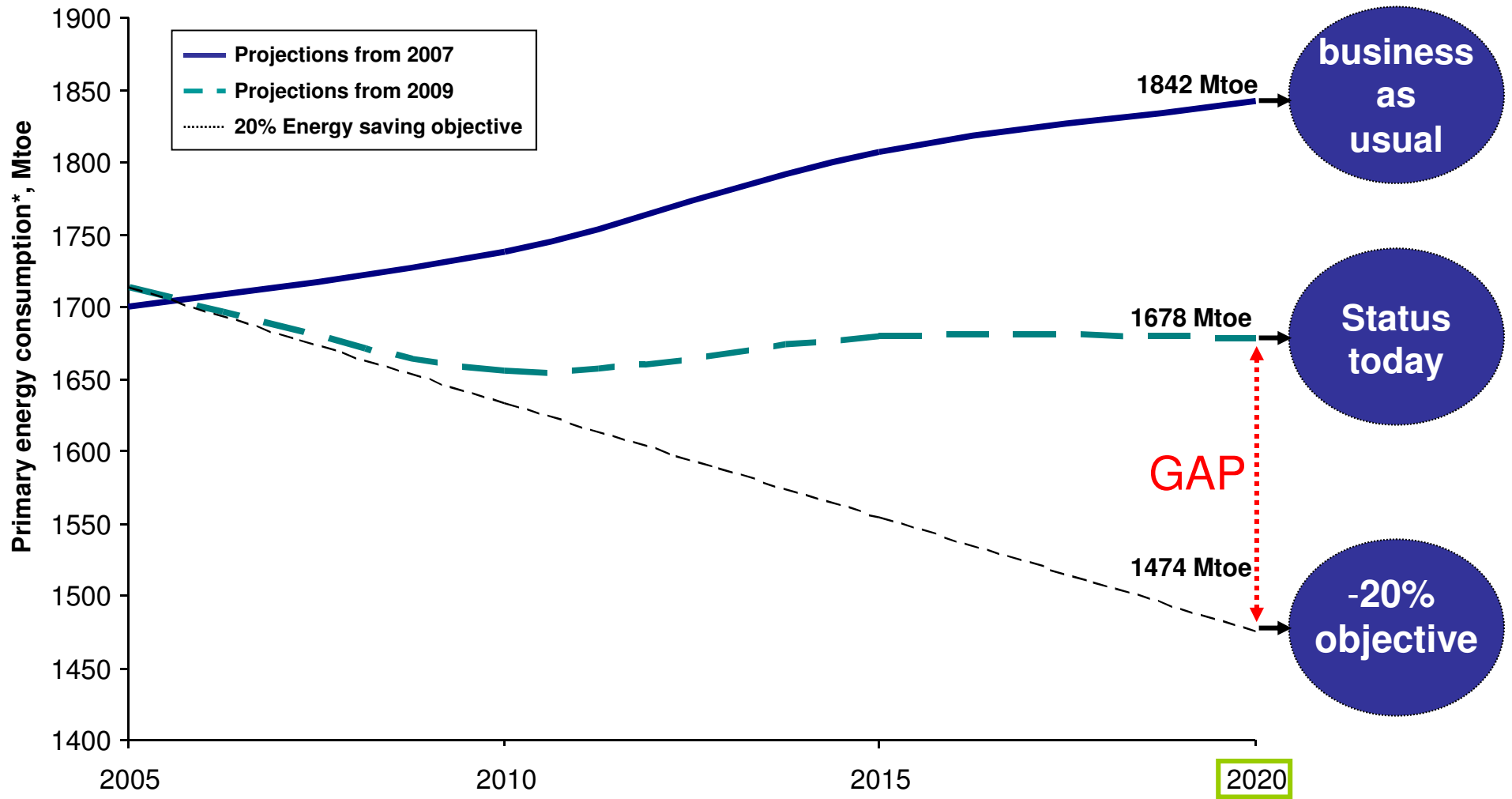
Directorate-General
for Energy



MEETING ALL THREE “20-20-20 BY 2020” GOALS BECOMES A MATTER OF URGENCY

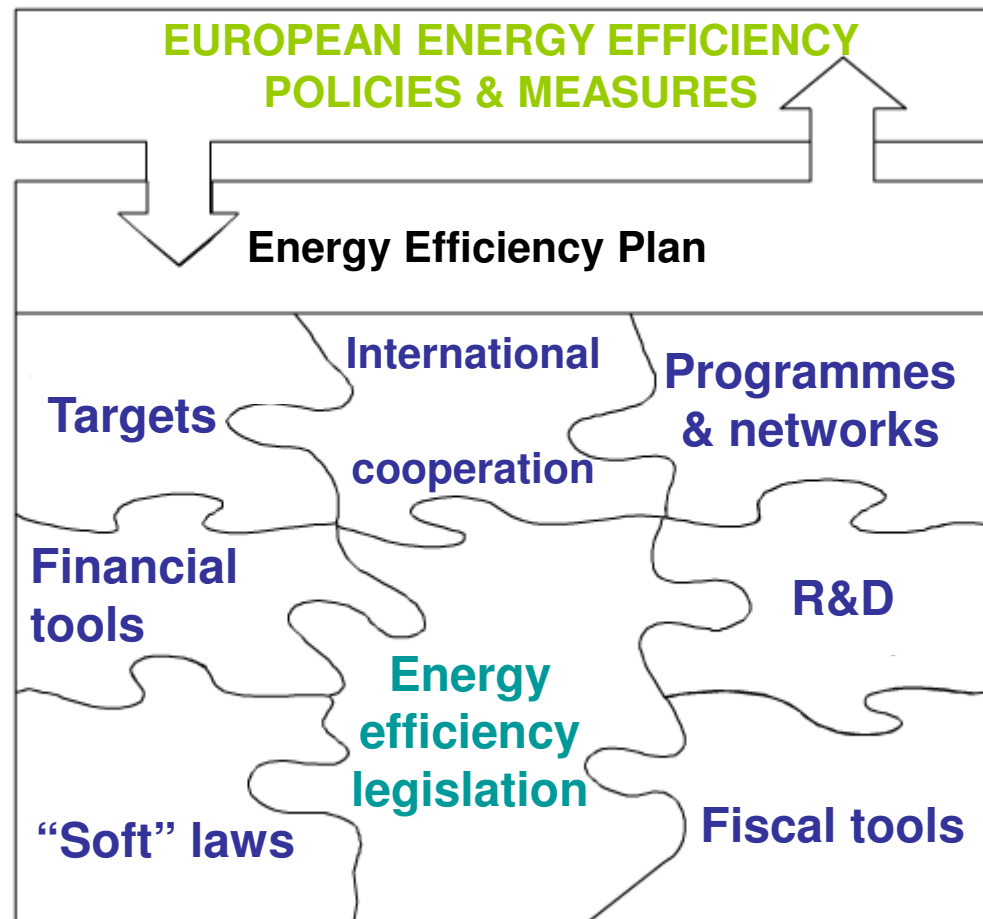


MIND THE GAP FOR ENERGY EFFICIENCY!

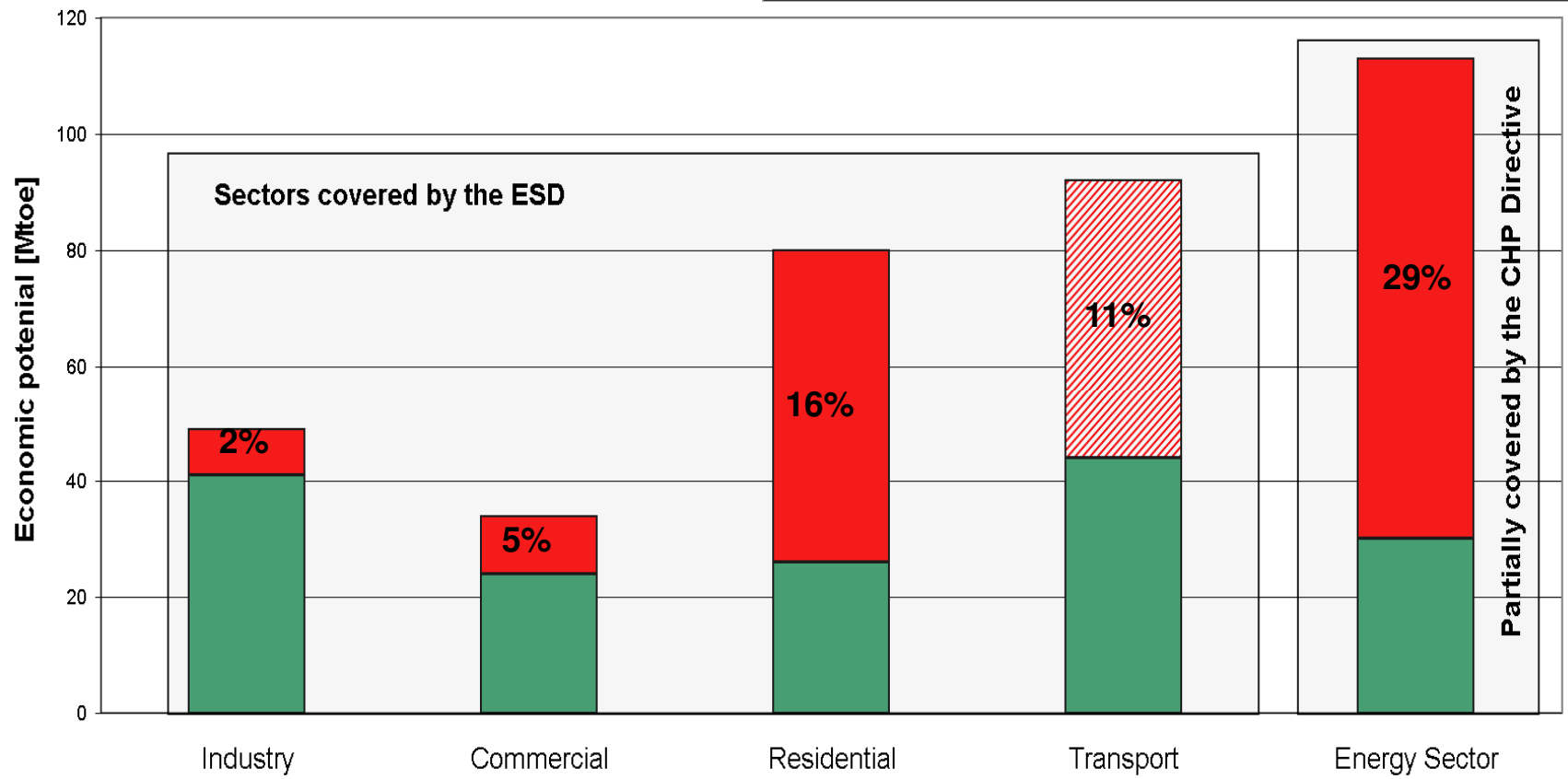
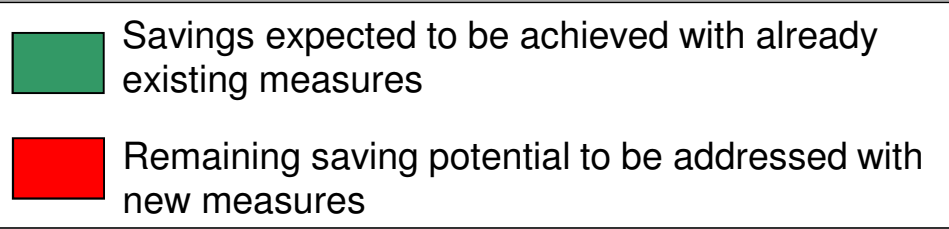


* Gross inland consumption minus non-energy uses

COMPREHENSIVE SET OF EUROPEAN POLICIES & MEASURES



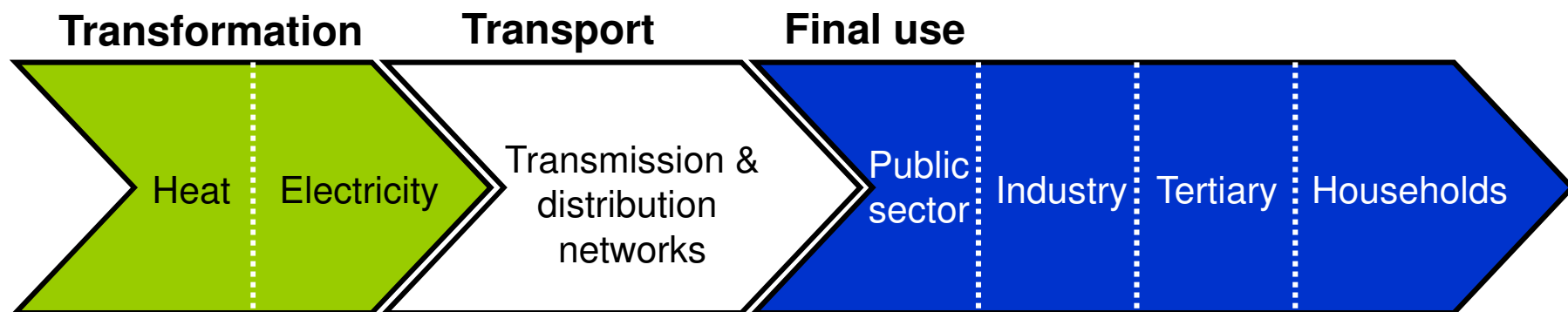
UNTAPPED ENERGY SAVING POTENTIALS ACROSS ALL SECTORS



A NEW ENERGY EFFICIENCY DIRECTIVE: TO ACCELERATE THE PROGRESS TOWARDS THE 20% EE TARGET

1. INDICATIVE NATIONAL ENERGY EFFICIENCY TARGETS

2. SECTORS: ENERGY SUPPLY & DEMAND



3. HORIZONTAL MEASURES

4. MONITORING

ENERGY EFFICIENCY TARGETS: TWO STEP APPROACH

STEP 1: 2011/12

MS set a national energy efficiency target for 2020 (Art. 3)

expressed as absolute level of primary energy consumption

taking into account:

- Overarching EU 20% target
- measures provided for in this Directive
- measures adopted to reach the national energy saving targets in the ESD
- other measures at national and EU level

STEP 2: June 2014

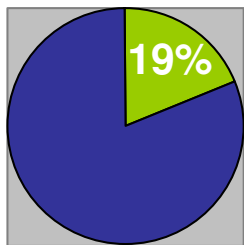
COM assesses progress achieved towards 20% objective

Taking into account the national targets and expected progress

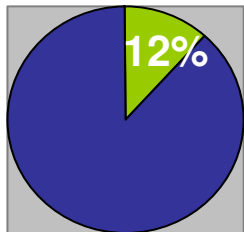
**If 20% unlikely to be achieved:
Binding national targets**

PUBLIC SECTOR TO LEAD BY EXAMPLE

Status

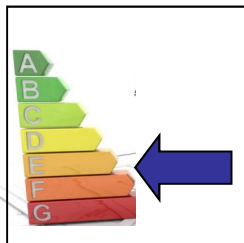


- Public spending: Important share of EU's GDP



- Public buildings: Important share of EU's building stock

- Low average EE of existing buildings stock, incl. public buildings



- Cost optimal renovation can bring up to 60% energy savings

EED proposals

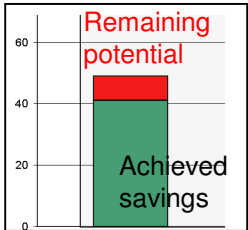
- Purchase of **products, services & buildings** with **high energy efficiency performance**
- Annual **renovation target of 3% for public buildings above 250 m²**
- Encouragement of local energy **efficiency plans** and use of **energy management systems**
- More **systematic use of Energy Performance Contracting**

CREATING BENEFITS FOR CONSUMERS AND INCREASED AWARENESS

Status



- Considerable remaining potential in the residential and services sectors



- Slow uptake of market for EE services

- Remaining potential also in industry



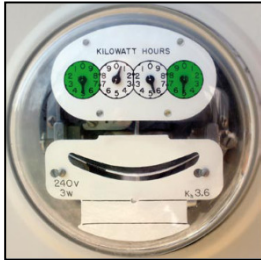
- Energy efficient technologies and EE best practices readily available

EED proposals

- **National energy efficiency obligation** schemes for utilities or **alternative approaches**: equal to 1.5% of energy sales by volume in year n-1
- **Transparency on available ESCO offers** through public lists and registers
- **Mandatory audits for large companies** & incentives for use of audits and Energy Management Systems by final consumers

EMPOWERING CONSUMERS TO BETTER CONTROL AND SAVE ENERGY

Status



- Considerable remaining potential in the residential and services sectors



- Lack of awareness & access to information on EE benefits



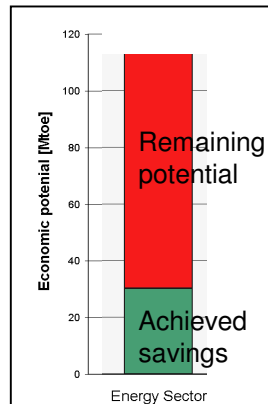
- Technological developments not sufficiently reflecting households interests

EED proposals

- **Obligation for individual energy meters**, reflecting actual energy consumption & information on actual time of use
- Requirement for a user-friendly **interface for the meter** and **free-of-charge access** to own consumption data by consumers
- Ensure **accuracy & frequency of billing** based on **actual consumption**
- Obligation on appropriate information and advice with the bill

IMPROVING ENERGY EFFICIENCY IN TRANSFORMATION AND DISTRIBUTION OF ENERGY

Status



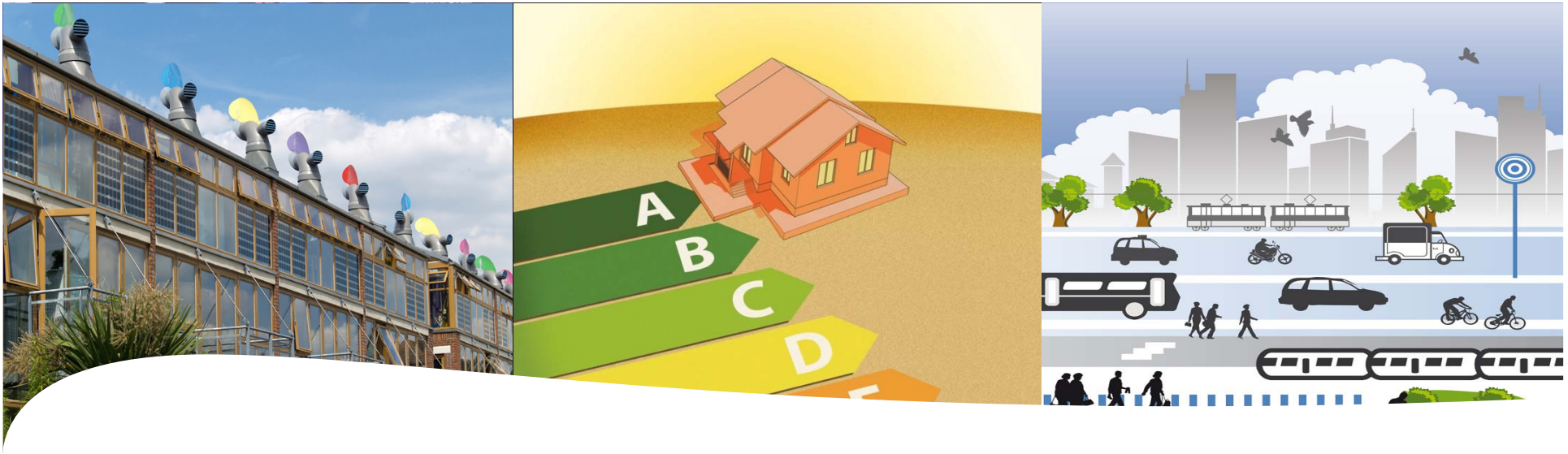
- Fragmented regulations & incentives to address waste across supply chain
- CHP uses 30% less fuel for the same amount of heat & power but level of use in EU low
- New generation installations not systematically reflecting level of BAT

EED proposals

- Ten-year **national heat & cooling plans**
- **Waste heat recovery (CHP) obligation** for new and existing thermal power & industrial installations
- **National annual inventories** of energy transformation installations to monitor efficiency levels
- **Network tariffs** design to encourage energy efficiency improvements

OVERALL IMPACT IN 2020

- **Primary energy reduction of about 20%**
- **Energy demand targeted by most measures**
- **Slightly positive impact on the GDP and employment**
- **Insignificant impact on household income but some distributional effects possible**
- **Greater decrease in GHG emissions than in a baseline with ETS alone but models inconclusive on the impact on CO₂ allowances price → monitoring**
- **Transport sector has an important role to pay for delivery of the target → monitoring**
- **Further efforts also needed to mobilise financing → EE and RES priority in next MFF under Cohesion policy**



Thank you!

For further information:

<http://ec.europa.eu/energy/efficiency/>