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Commission



# CLEAN ENERGY FOR ALL EUROPEANS

Energy Community – Energy Efficiency Coordination Group  
Vienna, 9 March 2017

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# Why do we need this package?

## THE ENERGY SYSTEM OF TOMORROW WILL LOOK DIFFERENTLY

2030

50% of electricity to come from renewables



2050

Electricity completely carbon free



Thanks to the EU: Ambitious **energy and climate commitments**



With leadership comes responsibility

Unique opportunity to **modernise our economy** and to

boost competitiveness

create the growth and jobs we need

# What are our goals?

CREATING JOBS & GROWTH, BRINGING DOWN GREENHOUSE GAS EMISSIONS,  
SECURING ENERGY SUPPLY



Putting energy  
efficiency first



Demonstrating  
global leadership  
in renewables



Delivering a  
fair deal for  
consumers

# How do we get there (1)?

## THE RIGHT FACILITATING MEASURES



## How do we get there (2)?

### THE RIGHT REGULATORY FRAMEWORK FOR POST – 2020

*"In essence, the new package is about tapping our green growth potential across the board"*  
*Commissioner Miguel Arias Cañete (2016)*



**Energy Union  
Governance**



**Energy Efficiency**  
(Energy Efficiency Directive, European Performance of Buildings Directive)



**Renewables**  
(Revised Renewable Energy Directive)



**New Electricity  
Market Design**  
(including Risk Preparedness)



**Energy prices  
and costs  
report**

# Energy efficiency

## ACHIEVING THE BINDING 30% ENERGY EFFICIENCY TARGET BY 2030



### Energy Efficiency Directive

- Binding 30% energy efficiency target for 2030;
- Create 400,000 new jobs;
- Reduce gas imports by 12%;
- Save € 70 billion in fossil fuel imports;
- Empower consumers by granting access to information on their energy consumption.



### Energy Performance of Buildings Directive

- Clear vision for a decarbonised building stock by 2050;
- Smart & Efficient buildings through use of Information and Communication Technologies and Smart Technologies;
- Smart Finance for Smart Buildings initiative:
  - More effective use of public funding
  - Aggregation of funds
  - De-risking
- Protect vulnerable groups & address energy poverty.

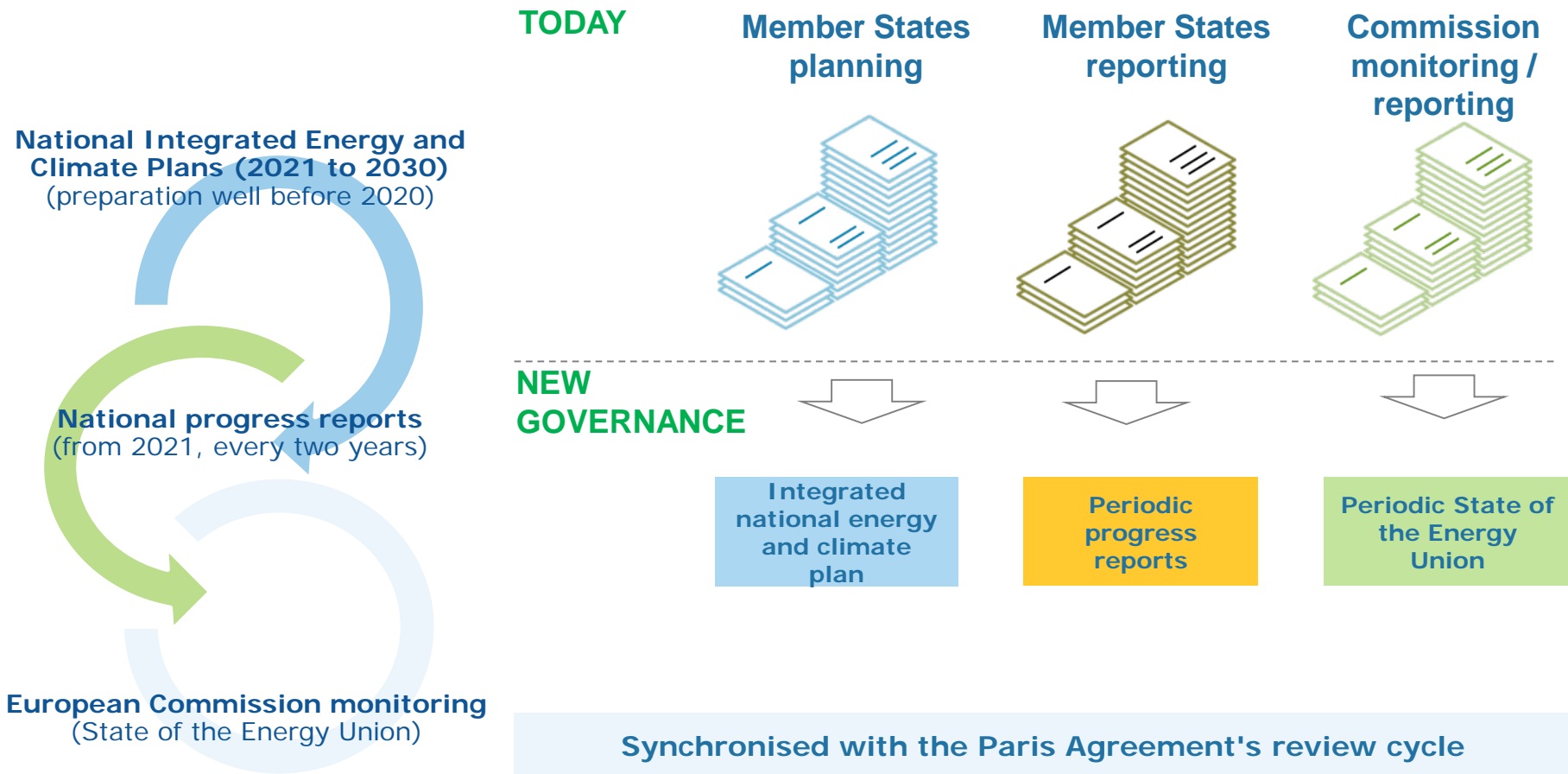


### Ecodesign Working Plan 2016-2019

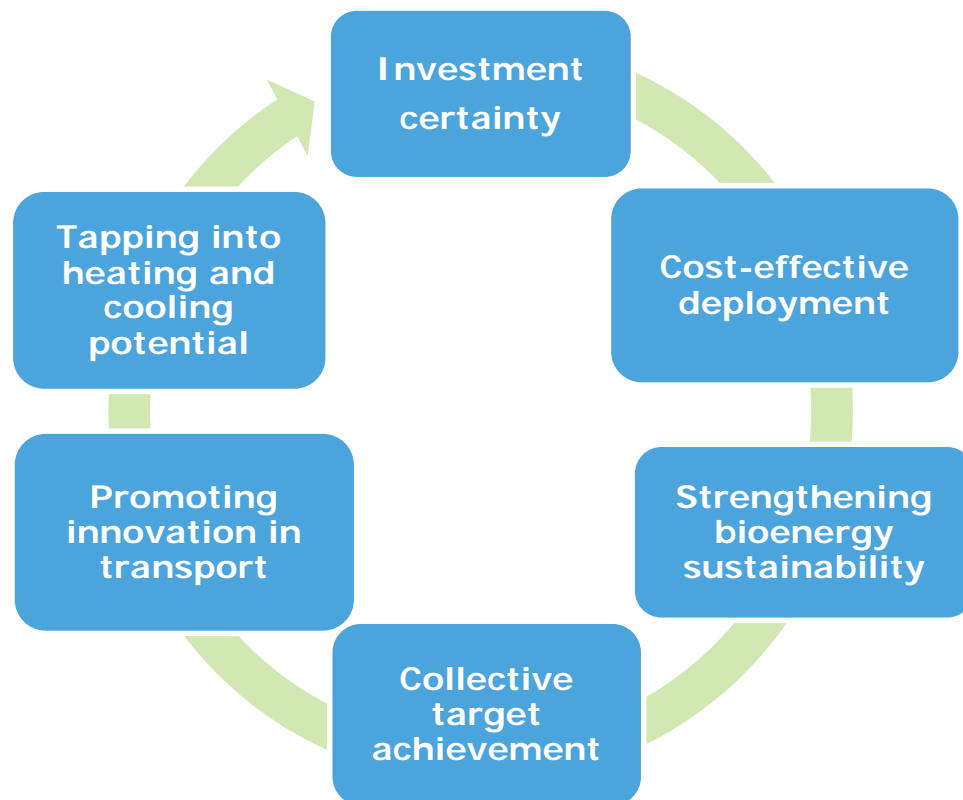
- List of new product groups;
- Outline on how ecodesign will contribute to circular economy objectives;
- Specific measures on air conditioning;
- Guidelines on voluntary agreements.

# Energy Union Governance

## STREAMLINING AND INTEGRATION OF ENERGY AND CLIMATE PLANNING AND REPORTING



# The revised Renewable Energy Directive – Main objectives





# New market design

## A FAIR DEAL FOR CONSUMERS

### BETTER INFORMED

- Access to fit-for-purpose smart meters.
- Certified price comparison tool.
- Clearer energy bills.

### EMPOWERED

- Entitle individuals and communities to generate electricity and to consume, store or sell it back to the market.
- Easier switching conditions.
- Reward demand-response.

### PROTECTED

- Monitoring of energy poverty (governance).
- Information on alternatives to disconnection.
- Secured electricity supplies.
- Sound data management.



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# Proposal to amend Directive 2012/27/EU on energy efficiency



## Why a proposal to amend the energy efficiency directive?

- Ensure that the **2030 objectives** are reached;
- **Simplify** some parts of the text to facilitate national implementation.

NB: only **partial amendments** suggested.

## 2030 objectives: Synthetic picture

WHERE WE ARE TODAY	POSITIONS OF THE INSTITUTIONS	COMMISSION'S PROPOSAL
<p><b>2020:</b></p> <ul style="list-style-type: none"> <li>• Indicative national targets.</li> <li>• 20% indicative EU target.</li> </ul>	<p><b>2030:</b></p> <p><b>Commission 2014:</b></p> <ul style="list-style-type: none"> <li>• <u>30%</u> indicative EU target.</li> </ul> <p><b>European Council Conclusions of October 2014:</b></p> <ul style="list-style-type: none"> <li>• At least <u>27%</u> target for 2030 "to be reviewed by 2020, having in mind an EU level of <u>30%</u>".</li> </ul> <p><b>European Parliament 2015 Resolution:</b></p> <ul style="list-style-type: none"> <li>• Binding <u>40%</u> EU target.</li> </ul>	<p><b>2030:</b></p> <ul style="list-style-type: none"> <li>• Indicative national contributions for 2030.</li> <li>• 30% binding EU target for 2030.</li> </ul>

# Impact assessment SWD(2016)405: Chapter 5.1 on target level (I)

## ACHIEVING THE 30% ENERGY EFFICIENCY TARGET BY 2030



1321 Mtoe of primary energy – 987 Mtoe of final energy in 2030.

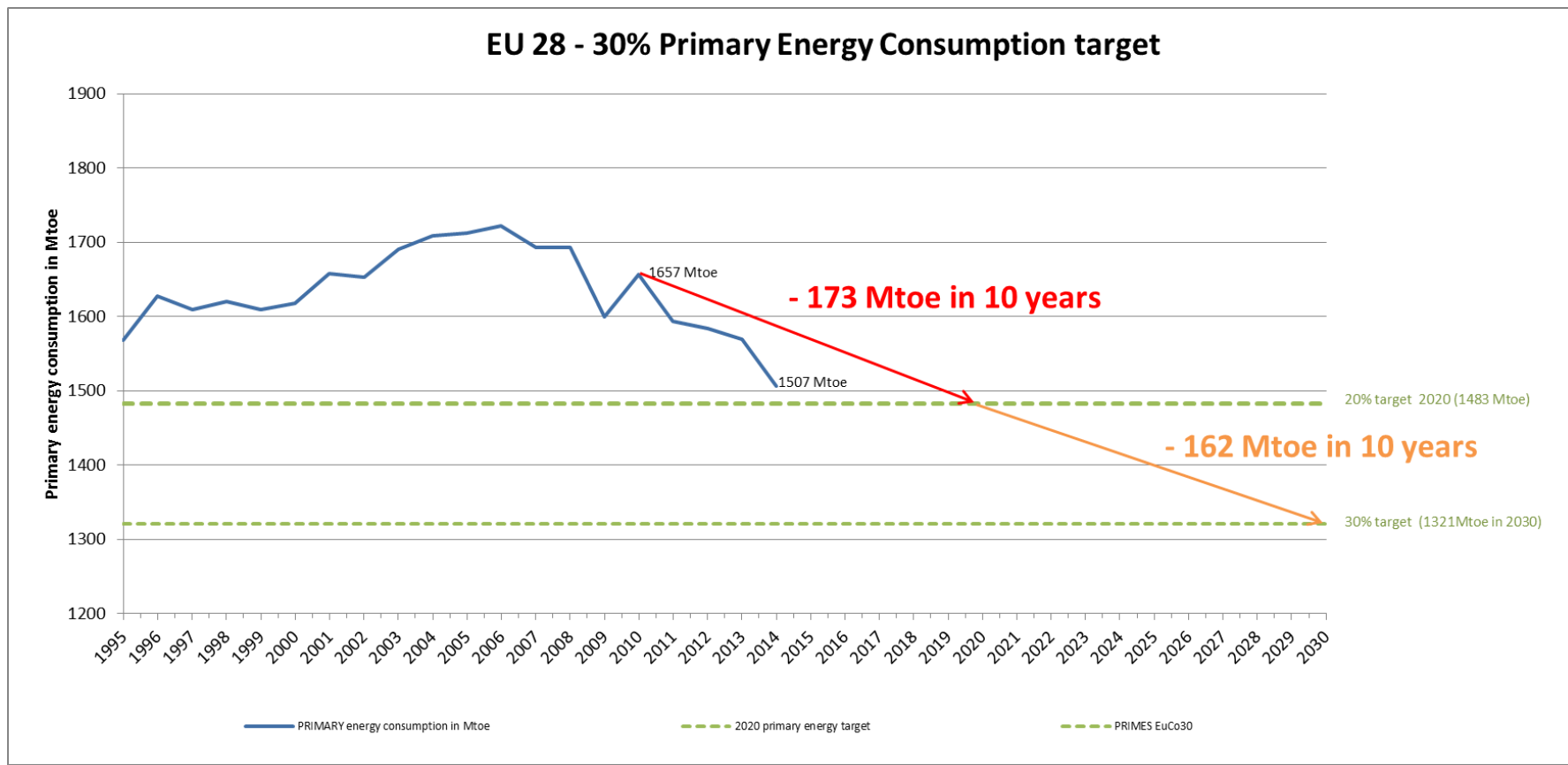


Equals to **23% reduction in primary energy consumption.**



Same energy efficiency efforts from 2020 to 2030 as from 2010 to 2020.

# Impact assessment SWD(2016)405: Chapter 5.1 on target level (II)



# Energy Saving Obligation (Article 7 EED)



Extended energy saving obligations post 2020 (1.5% per year).



Simplified and streamlined rules.



Coherence with the EPBD and strengthened social dimension.



Will allow attracting private investment and boosting the renovation rate of buildings, and will contribute to all climate and energy targets for 2030

## Saving obligation for the 2021-2030 period (I)

### As before:

- Annual target of 1.5%.
- Possibility to exclude energy sales in **transport** from the baseline.
- Use of **exemptions**: (b) exclude sales to ETS; (c) allow savings from supply side; (d) allow savings from early actions.



## Saving obligation for the 2021-2030 period (II)

### New elements:

- Automatic extension of **ten year periods** after 2030;
- New exemption 2(e): exclude from the calculation the verifiable amount of RES generated on/in buildings for own use (as a result of a new installation).



**NB: All exemptions under Article 7(2) taken together may not exceed 25% of the total amount of savings calculated under Article 7(1).**

## Simplified and streamlined rules



### New structure of Article 7:

- Article 7 – General rules on the savings requirements;
- Article 7a – Rules for energy efficiency obligation schemes;
- Article 7b – Rules for alternative measures; and
- Annex V – Common methods and principles of calculation.



### Eligible savings:

- **End-use savings** (except for exemptions), technology neutral;
- **New approach** for counting savings under the EPBD – full credit can be claimed for measures promoting the renovation of existing buildings (Annex V(2)b)).

## Social dimension



### Strengthened social dimension

#### Energy poverty

- Energy efficiency obligation schemes after 2020 (Article 7a(5a));
- Alternative measures (Article 7b(2)).

# Revised EED metering and billing provisions (I)



## **Clarification** in relation to metering and billing provisions:

- ✓ **Removal of electricity:** consolidation with Internal Energy Market.
- ✓ **Distinction** between "final consumers" **and** "final customers".
- ✓ **Simpler, more operational conditions** for billing based on consumptions.
- ✓ **Clearer minimum requirements** for billing information (see next slide).
- ✓ **Need** for Member States to set out transparent **cost allocation rules**.

## Revised EED metering and billing provisions (II)



**Remote reading** becomes the norm:



**New installations** from 2020.



**Existing installations** by 2027.



**Definition?**

## Background and purpose for the PEF update

- Annex IV of Directive 2012/27/UE: "default coefficient to convert electricity into primary energy" (PEF).
- Present value: 2,5.
- Commission proposal: 2,0.

# Calculation approach

Calculating the PEF means taking a picture of how electricity is generated.



## Conclusions

- The PEF is **decreasing**.
- A **regular review** is foreseen every five years.
- The value is **not mandatory**.
- It is used in **various legislative acts**.

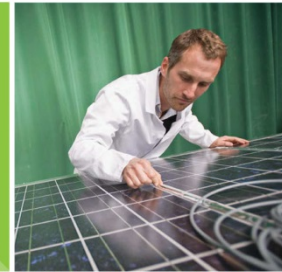


## Amended EED – Horizontal issues

- Delegated acts (Article 23).
- General review (Article 24).



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# Proposal to amend Directive 2010/31/EU on the energy performance of buildings



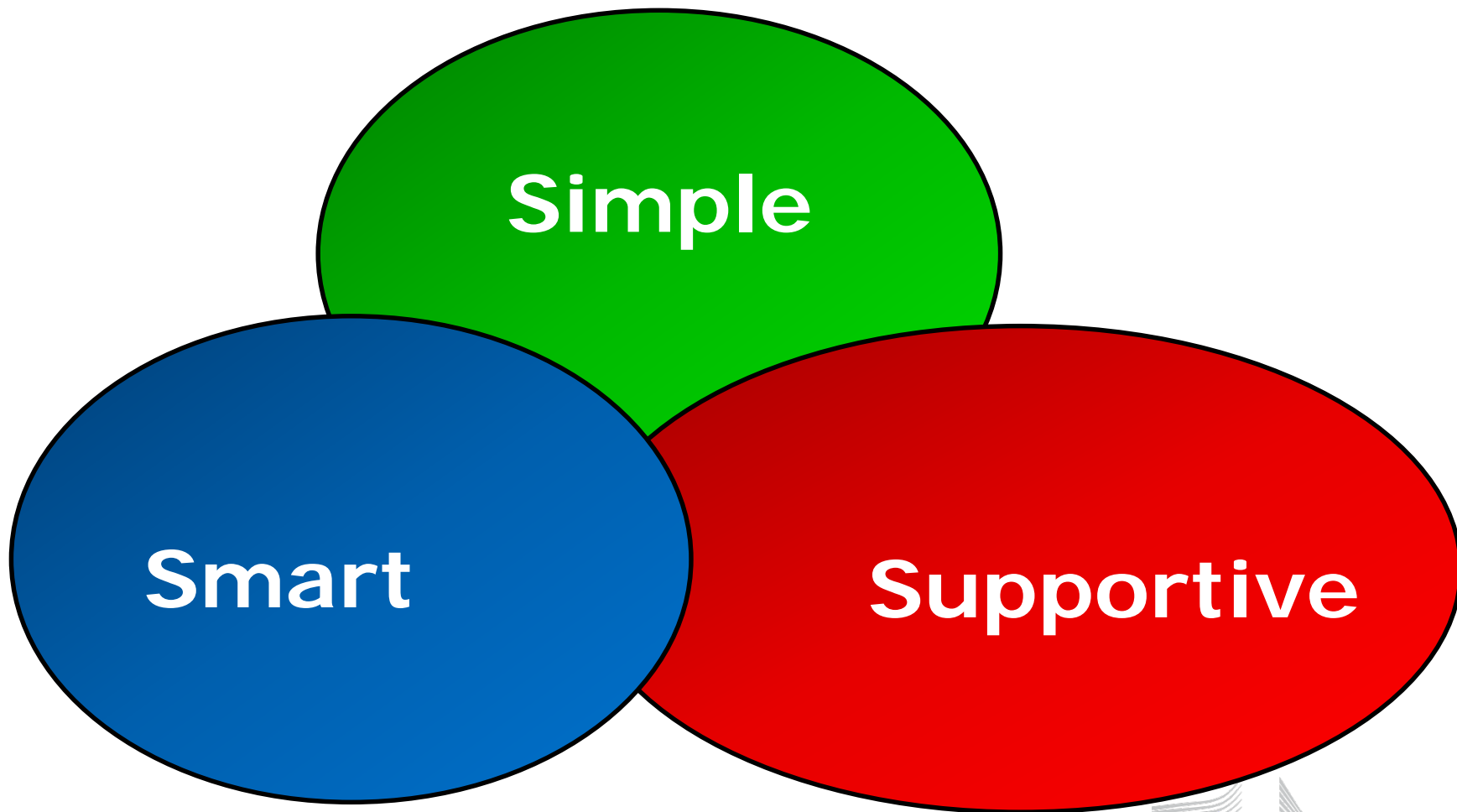
## Why an EPBD review?

- **Review clause** in Article 19 of the Energy Performance of Buildings Directive (Directive 2010/31/EU)
- The **Energy Union Strategy** reinforces the mandate for this Review.
- Additional measures on energy efficiency in buildings needed to meet the **2030 targets**.

## Focus on buildings – For good reasons

- 75% of the housing stock is energy inefficient, missing the benefits of increased renovation.
- Renovation rates are too low and renovation depth is too shallow.
- Need to accelerate and finance building renovation investments.

## Main features of the Commission proposal



## Long-term renovation strategies (Article 2a)

Two new elements in the Commission proposal:

1. Long-term renovation strategies move to the EPBD.
  
2. Two new paragraphs:
  - a. Decarbonisation by 2050;
  - b. Smart Finance for Smart Buildings.

## Electro-mobility (Articles 8(2), 8(3) e 8(4))

- Provisions on **electro-mobility**.
- **Recharging points in** non-residential buildings.
- **Pre-cabling** of every parking space in residential buildings.
- Possible exemptions:
  - Buildings owned and occupied by SMEs.
  - Public buildings covered by Directive 2014/94/EU.

## Smart indicator (Article 8(6))

New **smartness indicator** to evaluate the capacity of a building to:

- **Manage** itself;
- **Interact** with its occupants;
- Participate into *demand response*.



# Smart Finance for Smart Buildings Initiative

## Aggregation

e.g. Project development assistance



## De-risking

e.g. Performance data, risks/benefits implications, market evolution & benchmarking



## Market-based culture

e.g. financial instruments, better use of public finance



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# THANK YOU!

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[http://ec.europa.eu/energy/efficiency/index\\_en.htm](http://ec.europa.eu/energy/efficiency/index_en.htm)

