

# The Energy Efficiency Directive: EU Context and Suggestions for the Energy Community

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## **Energy Union**



" I want to reform and reorganise Europe's energy policy in a new European Energy Union."

Jean Claude Juncker



- 1 Secure supplies
- 2 Internal energy market
- 3 Energy efficiency
- 4 Emissions reduction
- 5 Research & Innovation





## 3 Energy efficiency

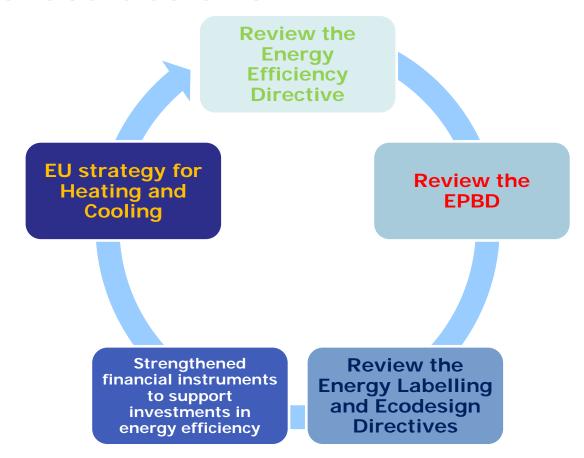


# Rethink energy efficiency as an energy source in its own right

This means increasing energy efficiency, in particular in the building sector, and promoting an energy-efficient and decarbonized transport sector as well as efficient products.



## **Energy efficiency Concrete actions**





# The Energy Efficiency Directive (2012/27/EU)

#### 2007: Adoption of 20-20-20 targets for

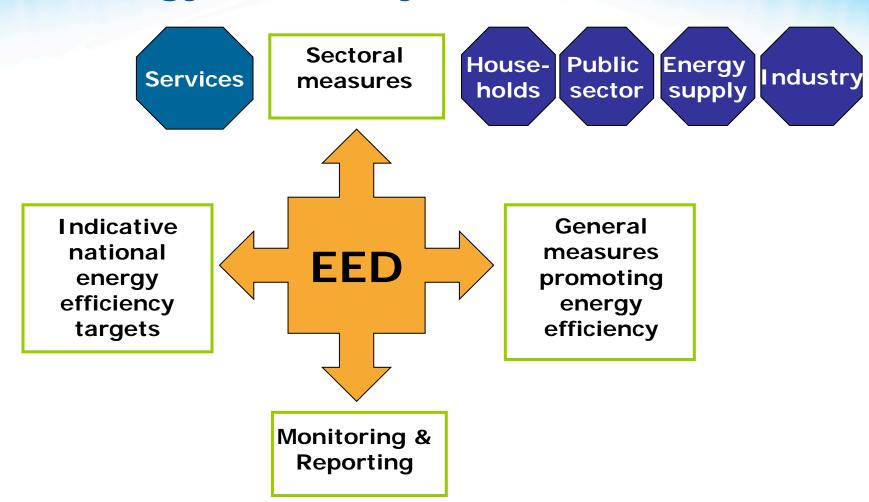
- Greenhouse gases emissions.
- Renewables.
- Reducing energy consumption.

#### **2012: Energy Efficiency Directive**

Energy efficiency target first time quantified in legislation.



## **The Energy Efficiency Directive**





### **EED: Methodology**

- Improved methodology compared to Energy Services Directive.
- Overall EU energy efficiency target impact defined in the text = 1474 Mtoe primary consumption in 2020 (updated later to reflect accession of Croatia: 1483 Mtoe)
  - Based on projections made in 2007 of business-as-usual primary energy consumption in 2020 of 1853 Mtoe.



#### **EED: National Commitments (Article 3)**

- Member States required to set indicative national targets for 2020
  - Member State to decide what is the preferred unit primary or final energy consumption, primary or final energy savings, or energy intensity;
  - <u>Requirement</u> that target must be expressed in terms of an absolute levels of primary and final energy consumption in 2020, with an explanation of calculation.



## **EED**: Reporting Modalities

- Commission to report on progress towards the 20% target by 30 June 2014 and to propose further measures, if necessary
  - Articles 3 and Article 24(7) set out the modalities for the Union to check progress.



# **Energy Community Proposal for the implementation of the EED**

#### Main features (I)

- Most of provisions in the EED in the draft text for adoption.
- However, Energy Efficiency Target: continuation of the Directive on Energy Services methodology:
  - Contracting Parties:
    - To set a national energy efficiency targets based on <u>final</u> energy consumption;
    - To set energy efficiency targets of at least 18% by 2025 and 25% by 2030.
  - No mid-term review of progress in legislation.



# **Energy Community Proposal for the implementation of the EED**

#### Main features (II)

- Other adaptations where differences occur:
  - Article 5 (Exemplary role of public bodies' buildings);
  - Article 7 (Energy efficiency obligation schemes);



# **Energy Community Proposal for the implementation of the EED**

#### Main differences

- No baseline.
- No overall target for the Energy Community as a whole.
- No requirement on individual Contracting Parties to commit to energy efficiency targets.
- No review to track progress toward a target at the level of the Energy Community.
- No provisions for follow up of other specific articles in the implementation period.



## **Discussion points**Article 3 and Article 24

- Target and reporting modalities at heart of the EED:
  - Methodology implies an improvement in European Energy Efficiency governance.
- Possible to set baselines for 2020 for Contracting Parties in 2020 in terms of both Primary Energy Consumption and Final Energy Consumption
  - Possible PEC and FEC targets in 2020;
  - Facilitates process of setting indicative national targets;
  - Coherence with EU legislation facilitates implementation of reviewed EU legislation;
  - Other issues of technical nature proposal for PHLG.