Overview of Energy Efficiency Obligation Schemes in the EU Countries

- assessment based on the studies prepared by AEA Ricardo/CE Delft /REKK for the European Commission -

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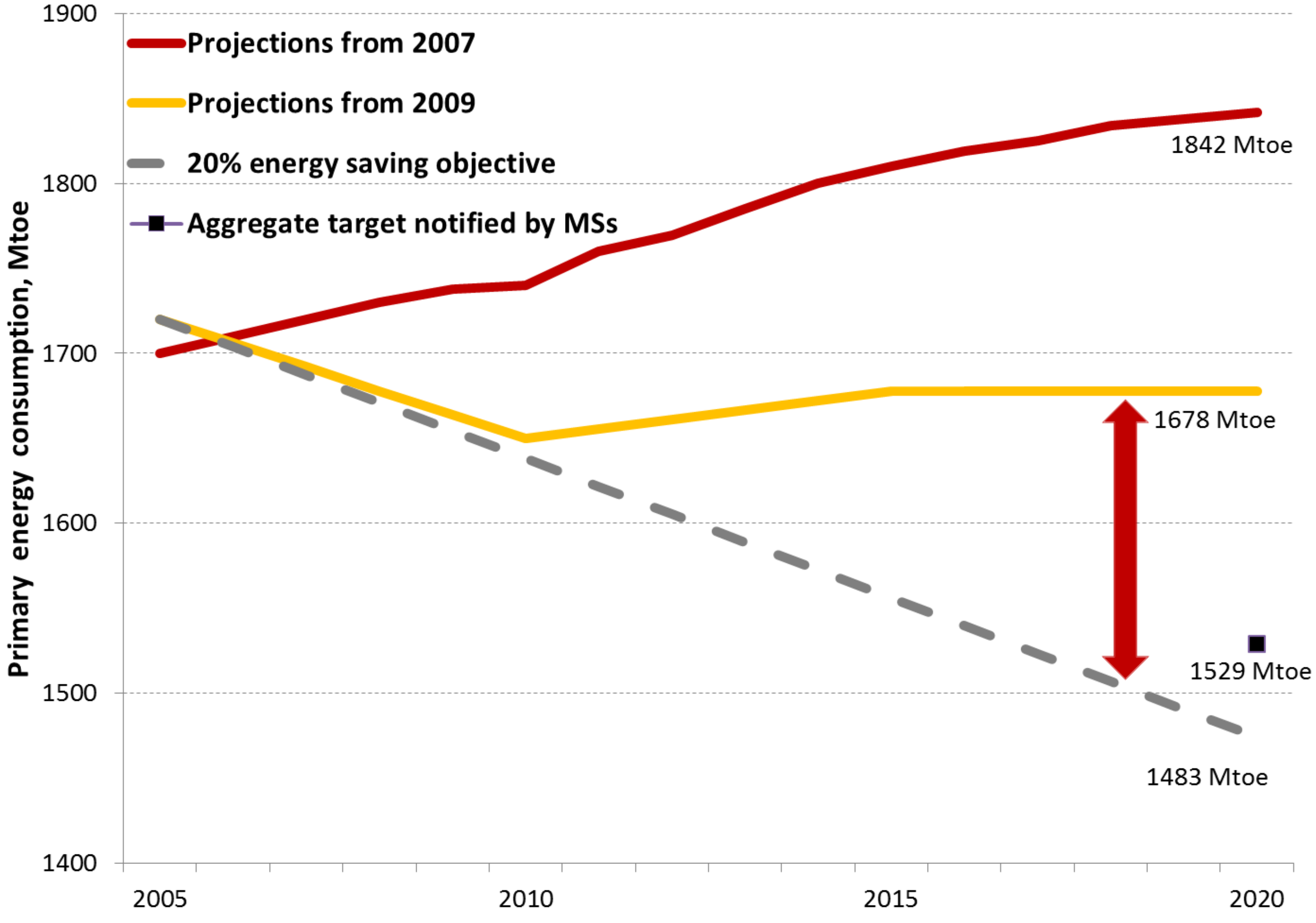
European Utility Week
Session 27: The impacts of EU policies on utilities

4 November, 2015 - Vienna

Why do we have the EED?



Main provisions of EED

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- **Setting of an indicative national energy efficiency target** translated into absolute level of primary/final energy consumption in 2020
- **Achievement of a certain amount of final energy savings** between 2014 and 2020 by using **energy efficiency obligations schemes** or other targeted policy measures (‚alternative measures')
- **Information provision for consumers**: easy and free-of-charge access to data on real-time and historical energy consumption through more accurate individual metering
- **Energy audits**:
  - *Obligation for large enterprises* to carry out an energy audit at least every four years (the first executed by 5 December 2015)
  - *Incentives for SMEs* to undergo energy audits to identify energy saving options

Main provisions of EED

- **Public sector**:
  - renovating 3% of buildings owned and occupied by the central governments (from 2014)
  - energy efficiency considerations in public procurement
- **Heating and cooling**:
  - comprehensive assessment of the H/C potential for the application of high-efficiency cogeneration and efficient district heating and cooling (by 2015)
  - mandatory cost benefit analyses whenever existing thermal electricity generation installations, industrial installations or DHC networks (above 20 MW_{th})are planned or substantially refurbished with a view of promoting co-generation
- **Energy transport**: Identifying measures and investments for energy efficiency improvements in the network infrastructure (with timetable for their introduction)

Article 7 of EED

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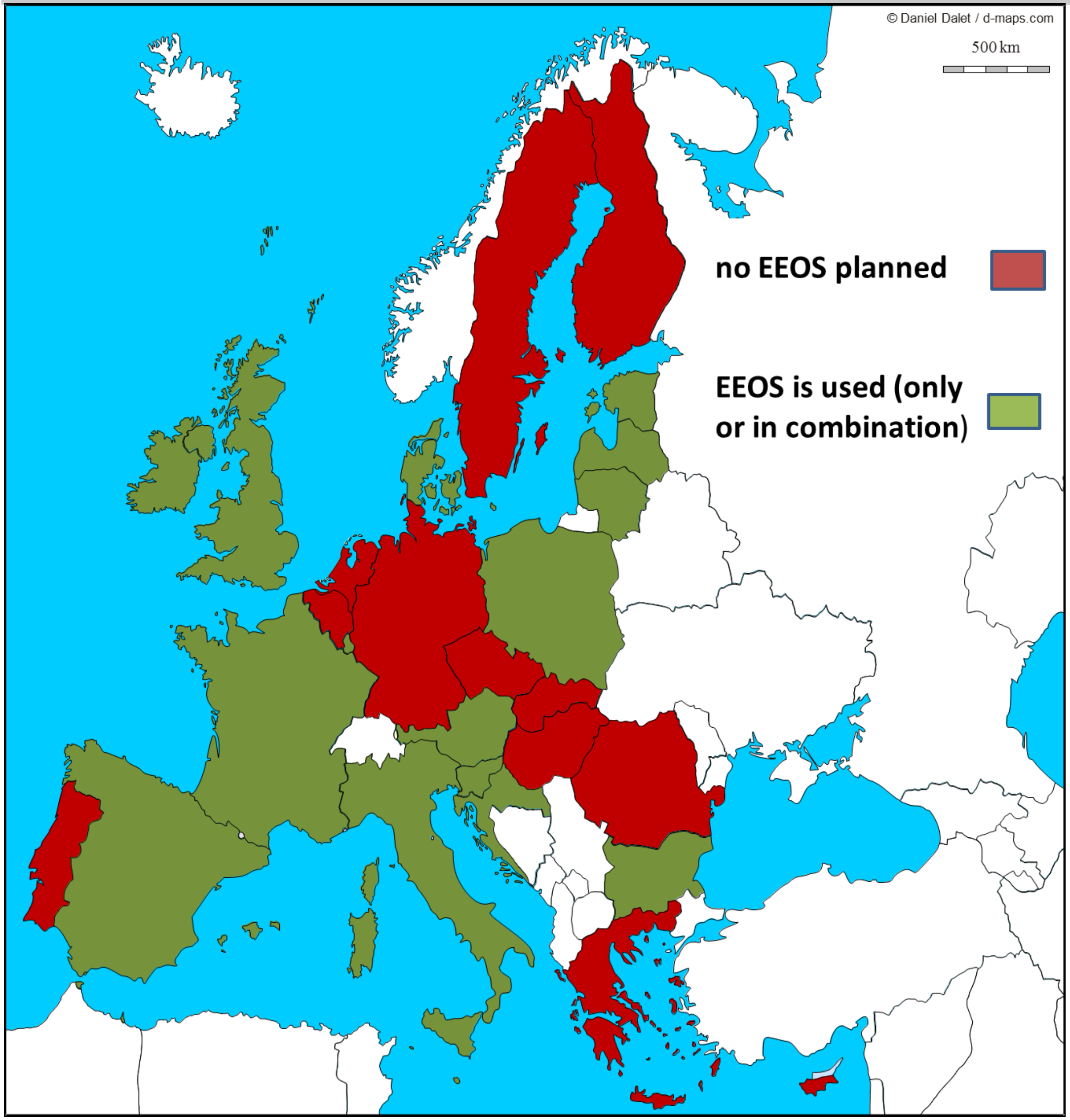
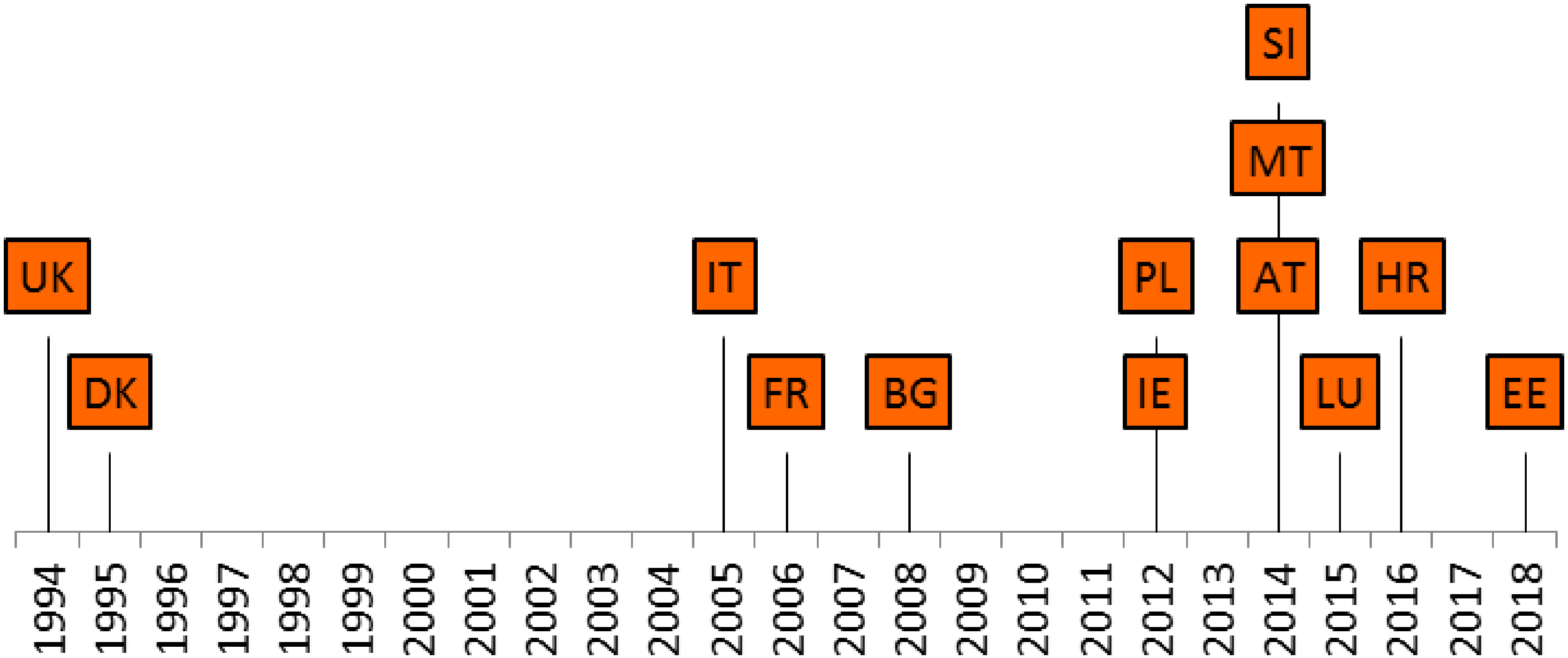
- Achievement of a certain amount of final energy savings between 2014 and 2020 by using **energy efficiency obligations schemes (EEOS)** or ‚alternative measures'
- Amount: new annual energy saving equaling 1.5% of the baseline, i.e. average final energy consumption of 2010-2012 but
  - exclusion of energy used by transport and energy for own use from baseline
  - Max 25% reduction of the savings target
- Energy savings should be achieved at the end consumer

The use of EEOS in Art 7

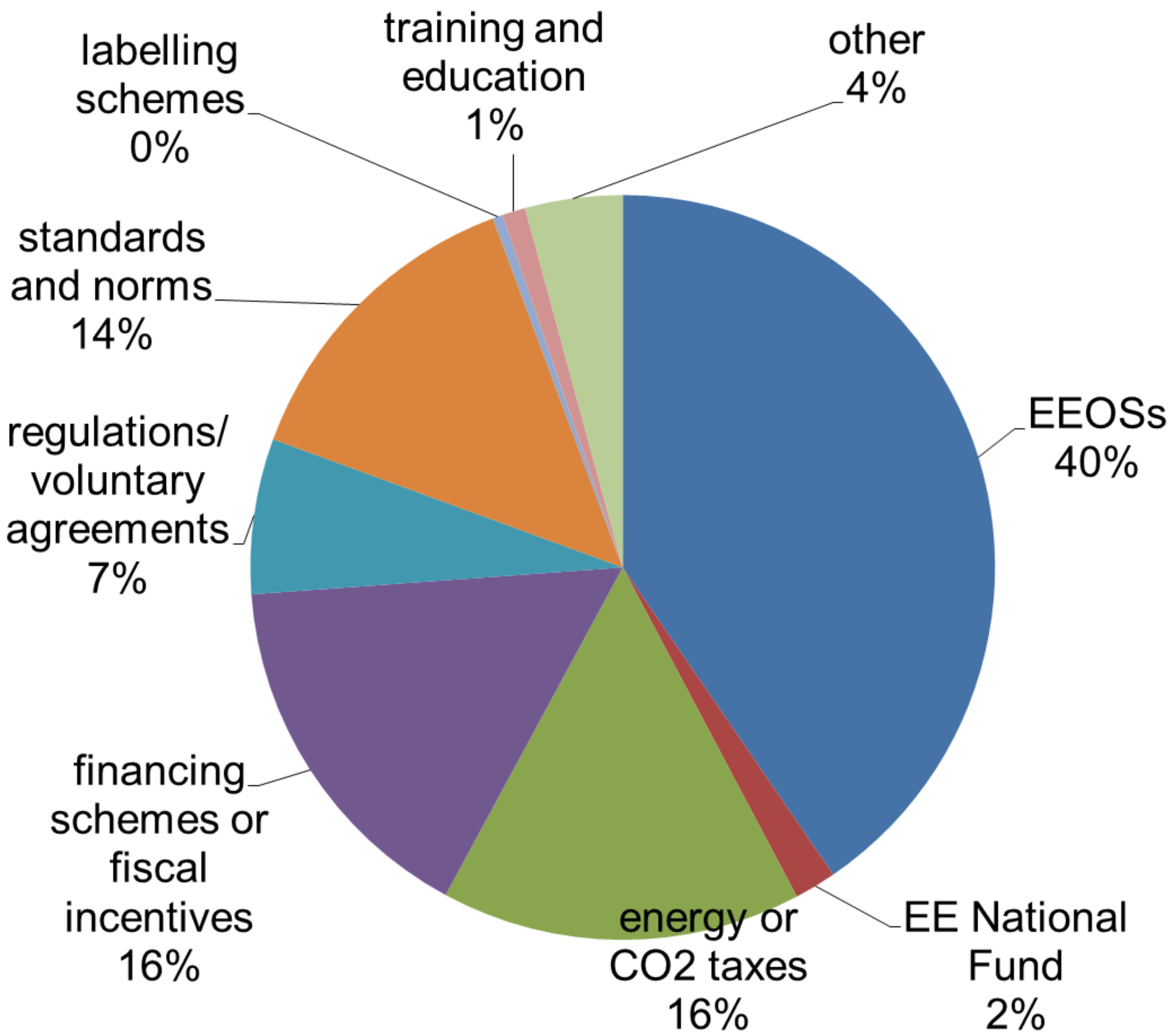


- The majority of MSs will use EEOS (16)
- BG,DK, LU and PL will use EEOS exclusively
- 12 MSs will use only alternative measures

Introduction of EEOS



Planned delivery of savings

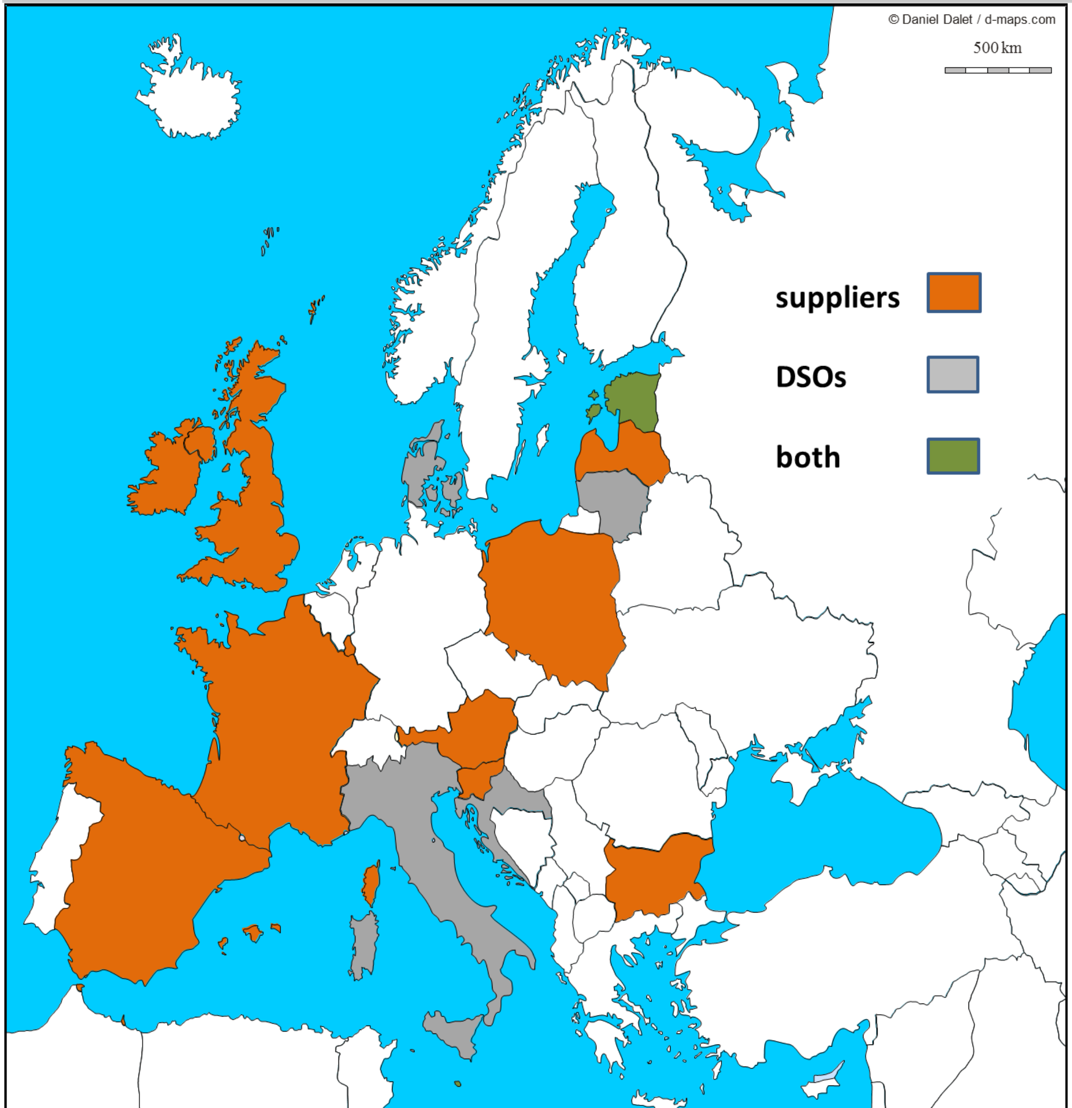


- EEOSs: only 40% of savings
- MSs are to use more ‚traditional' measures

Targets

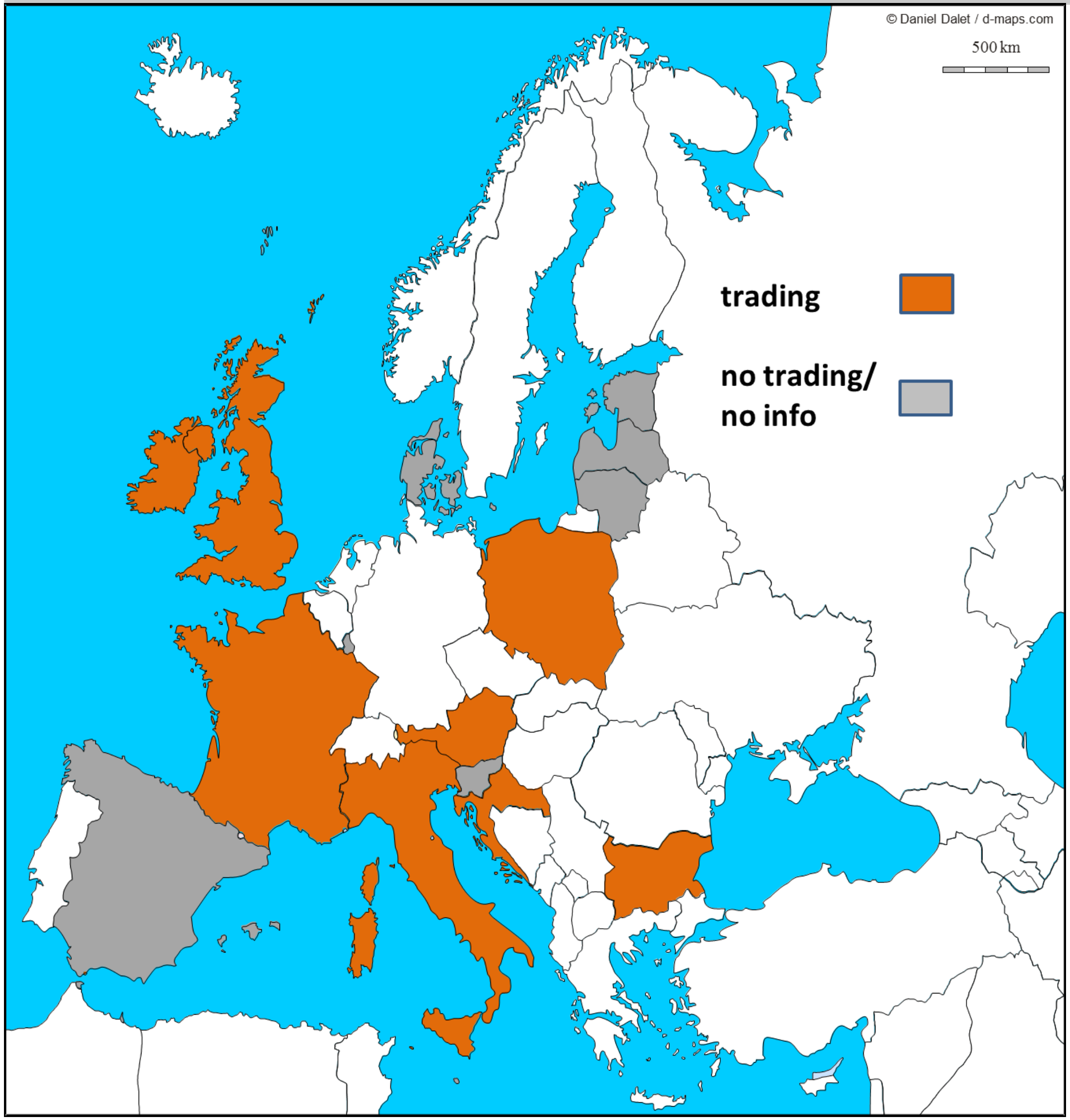
MS	% of savings target by delivered by EEOS	MS	% of savings target by delivered by EEOS
DK	100%	IT	62%
BG	100%	IE	48%
PL	100%	CR	41%
LU	100%	SI	33%
FR	87%	MT	17%
ES	44%	UK	21%
AT	42%	LT	65%
EE	5%	LV	77%

Obligated parties (OPs)



- Most MS oblige suppliers
- DSOs as OPs only in 4 (IT, DK, CR and LT)
- EE: both DSOs and suppliers
- MT: single company

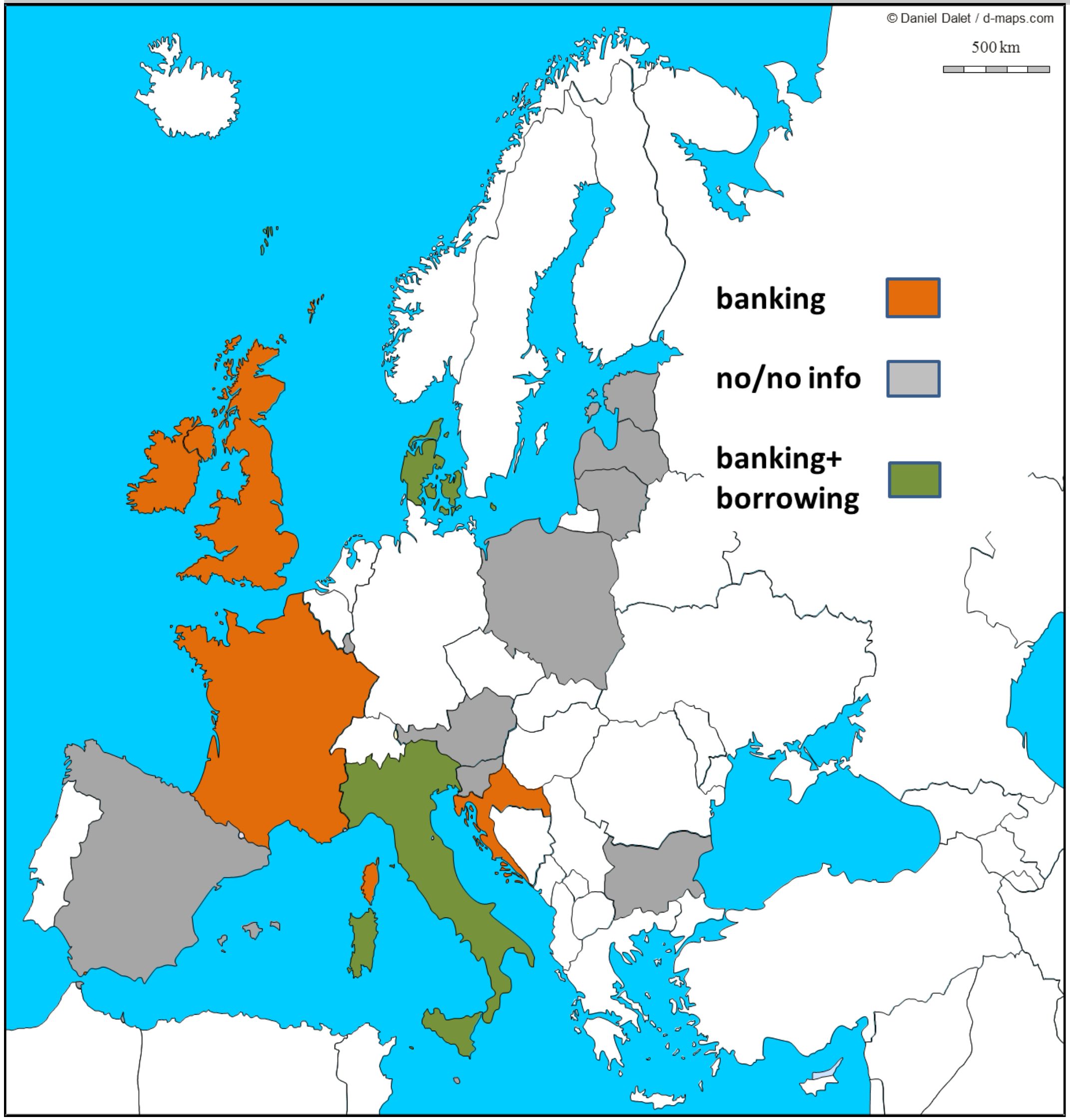
Trading of energy savings



Bilateral trading	AT
Third party savings	BG, CR, PL
Both	FR, IE, IT, UK

Via trading platform

Banking and borrowing



- Banking is allowed in 4 MSs: IE, UK, FR, CR
- Banking and (limited) borrowing only in IT and DK

Design: social aims

- MS may define energy savings subtargets with social aims but this option is used only in 4 MSs:
  - Austria: uplift by factor of 1.5 for savings achieved in fuel poor households
  - France: option for obligated parties to contribute to 4 programs on fuel poverty
  - Ireland: 5% of savings need to be achieved in energy poor households (receiving certain welfare transfers or located in designated areas)
  - UK: part of the target needs to be achieved in 25% lowest areas on the Index of Multiple Deprivation and in households receiving certain welfare transfers

Penalty regimes

MS	Penalty	MS	Penalty
AT	0.2 €/kWh	IE	1.25 of the buyout price
BG	€510-255,000	IT	not defined "ex ante"
CR	contribution to EE Fund is not recoverable	MT	up to €100,000 or €600/day
UK	up to 10% of global turnover	PL	up to m€2 but less than 10% of income
FR	buy-out of 0.02 €/kWh	SI	€15,000-€250,000

Conclusions and the way ahead

- EEOS operating pre-EED all contribute to the implementation of Article 7 (except BE): viability of the policy instrument
- EEOSs have a significant contribution to the savings target but failed to become the single dominant policy instrument
- Suppliers and DSO are both affected depending on the MS – new business opportunities
- Trading - especially via trading platforms - can results in cost effective solutions
- The Commission shall assess the implementation of Article 7 by June 2016 and report on it to the European Parliament and Council