
SEERMAP

South-East Europe Electricity Roadmap

Winter package: EED and governance

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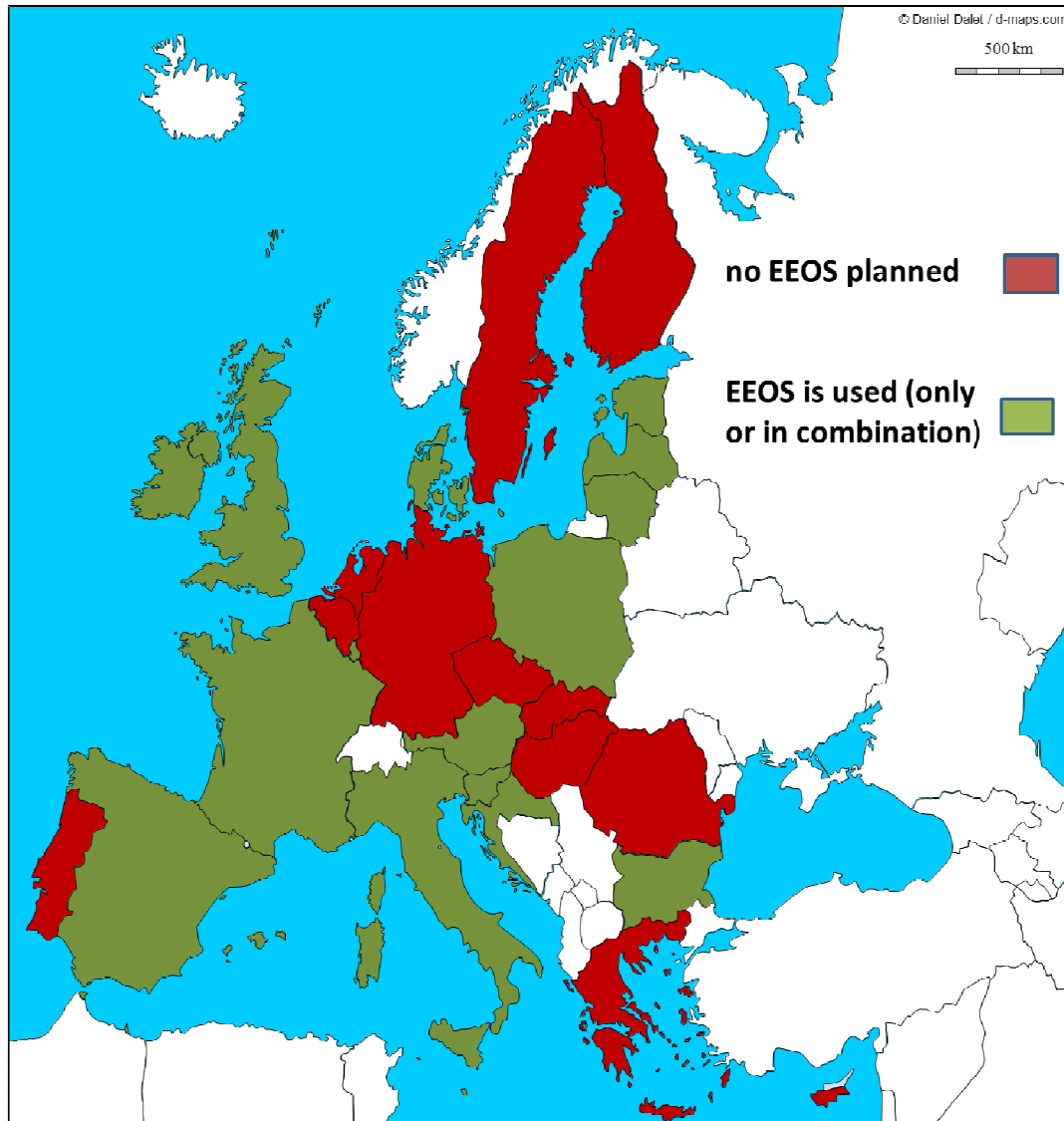
- Energy Efficiency Directive – EED (2012/27/EU)
 - Horizontal legislation
 - Bundling together many areas of energy savings
 - Key vehicle to achieve the 2020 EU energy efficiency goal
- Energy Performance of Buildings Directive - EPBD (Directive 2010/31/EU)
- Ecodesign Workplan 2016-2019
- Smart Finance for Smart Buildings

- **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 (including individual heat metering in multiflat buildings!)
- **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

- **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)

- 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

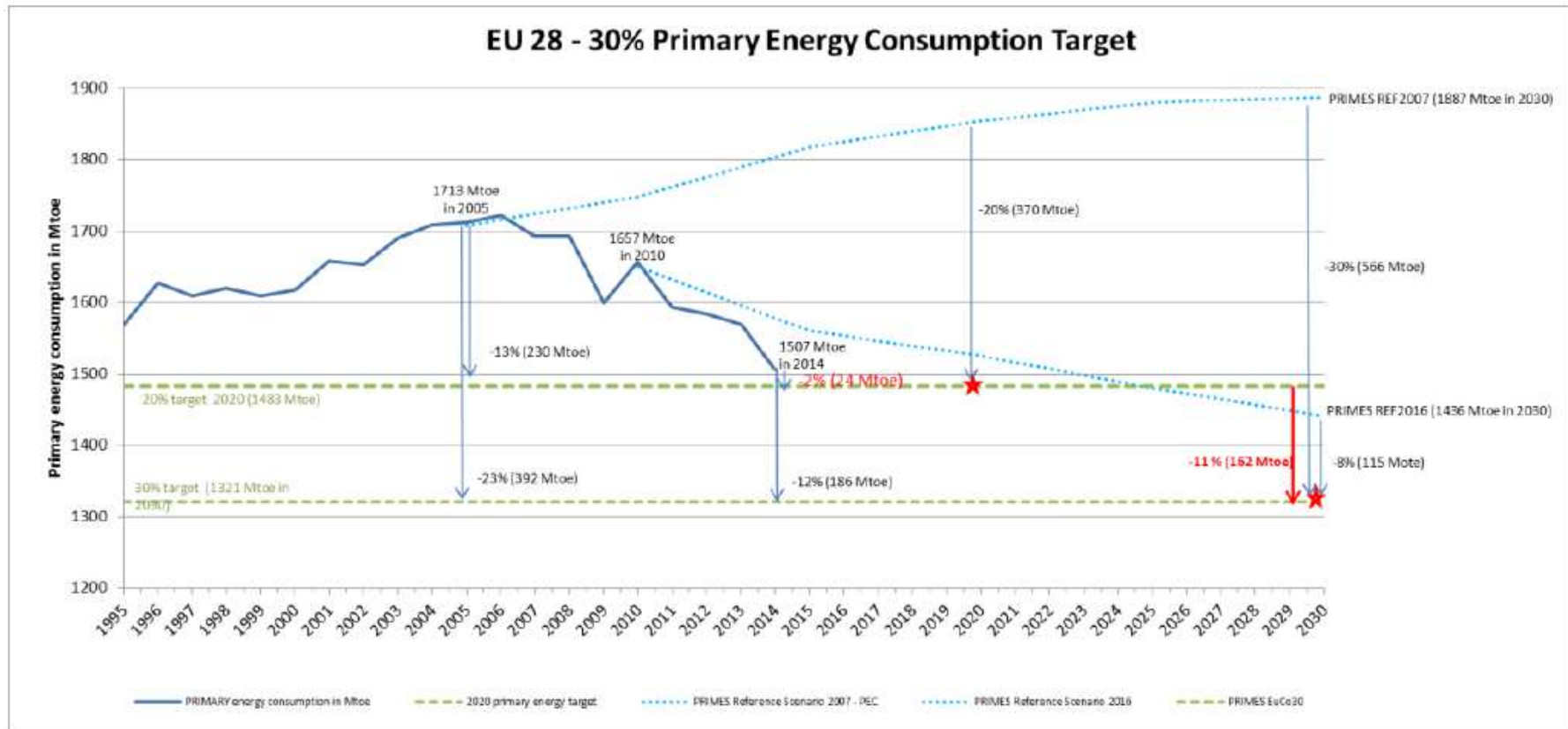


- The majority of MSs will use EEOS (16)
- BG, DK, LU and PL will use EEOS exclusively
- 12 MSs will use only alternative measures

Changes in the provisions of EED

- Binding EU target of 30% by 2030 (instead of indicative 27%): 1321 Mtoe primary and 987 Mtoe final energy use in the EU
- Art 7: Energy efficiency obligation schemes (EEOS):
 - Extension beyond 2020 (up to 2030)
 - Can still be substituted by 'alternative measures'
 - An additional exemption: RES produced on/in the buildings for own use
 - Compulsory subtarget for vulnerable consumers („shall include a requirement with social aim...”)
- Art 9: heat meters are cost allocation must be remotely readable by 2020 (replacement by 2027)
- Reporting is consolidated in the Integrated Climate and Energy Plans
- Few articles moved to other Directives:
 - Metering of electricity to the Internal Market legislation (gas remained in EED)
 - Art 4 on buildings action plans to the EPBD
 - Art 15: ee in energy transformation and distribution to the Market Design Initiative

Primary energy consumption, EU



Source: EED IA, 2016

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South-East Europe Electricity Roadmap

Governance

- Planned REGULATION: direct application to national law
- Review by the COM: in 2026 to amend this Regulation if necessary for better implementation + considering the global stocktake of the Paris Agreement
- Integrates 31 current reporting/monitoring and deletes 23
- Feeds into the international commitments of the EU
- 2 plans:
 1. Integrated national energy and climate plan (INECP) for 10 years (2020-2030)
 2. Long-term low emissions strategy
- The two should be consistent with each other 😊
- Reporting obligations (biannual and annual)
- Procedural requirements of planning (deadlines and process)

Long-term low emissions strategy

- to be prepared by Jan 2020
- „with a 50 years perspective” in line with the EU commitment under UNFCCC and Paris Agreement
- Shall cover total GHG, sectoral GHG and LULUCF
- Should consider the 2C target/Paris Agreement and the IPCC recommendation of 80-95% emissions reduction by 2050 by the developed countries as a group

- For the period of 2021-2030 by 1 January 2019
- Draft to be submitted by 1 January 2018 after consulting with neighbouring countries to identify opportunities for regional cooperation
- EC assesses (may issue recommendations on ambition levels, PAMs) and shares with other MSs for consultation (MSs should consider the comments when finalising the plan)
- Update
 - only once by Jan 2024 (draft by Jan 2023)
 - targets/objectives can be only modified upwards!

- Sets national objectives for Energy Union dimensions and 2030 targets
- Mandatory template for the Plan and mirroring template and online platform for reporting
- General content requirements:
 - Current situation for the 5 EU dimensions
 - Projections of WEM and WAM scenarios up to at least 2040 (including for 2030)
 - Macroeconomic, environmental, skill and social impact of PAMs until at least 2030
 - Interaction of existing and planned policies within and across the dimensions

- Binding national target on non-ETS GHG emissions by 2030 and annual binding emissions limits
- Commitment on LULUCF
- Long-term emission strategy
- Adaptation goals or sectoral targets („where applicable”)

- Indicative **national RES share** by 2030 taking into account:
 - Equitable distribution of deployment in the EU
 - Economic potential
 - Geographic and natural constraints (islands?)
 - Level of power interconnection
- Target setting should consider:
 - Measures of the new RED
 - Measures in the EED (interaction)
 - The 27% EU target for 2030
- 2020 RES target attainment is the baseline for 2030 target setting!
- **Trajectories for sectorial shares**
- **Trajectories by RES technology** (Mtoe and MW per technology)
- **Trajectory on bioenergy** demand and biomass demand/import

- **Indicative national target by 2030** taking into account:
 - Remaining cost-effective potential
 - GDP forecast
 - Net energy import
 - Development of low carbon technologies
 - Early action
- Indicative national target can be expressed also in terms of absolute level of primary and final energy consumption in 2020 and 2030 with a linear trajectory from 2021 onwards
- **Energy savings target pursuant to Art 7**
- Residential/commercial **building stock renovation** objectives
- **Central governmental buildings renovation** pursuant to **Art 5** (expressed in total floor area or equivalent energy savings)
- **Other** optional targets (sectoral for 2030 or longer term general target)

- Objectives on diversification of energy sources and supply from third countries
- Objectives on reducing energy import dependency from third countries
- Objectives and timeframes with regard to readiness to cope with interrupted energy supply in coherence with plans on security of gas supply (COM(2016)52) and risk-preparedness in the electricity sector (COM(2016)862)
- Objectives on deployment of domestic resources (RES)

- On Internal Energy Market:
 - Interconnectivity target: at least 15% by 2030
 - E and G transmission infrastructure objectives necessary for the achievement of any goals related to the Energy Union dimensions
 - Objectives on market coupling and integration with timeframe
 - Objectives on electricity system adequacy and system flexibility with timeframe
- On R&I:
 - Funding targets for private and public research with timeframe (coherence with SET Plan)
 - 2050 objectives for the deployment of low carbon technologies
 - Objectives on phase out of energy subsidies

Biennial (first by 15 March 2021):

- Progress towards the objectives set out in the Plan, including implementation of PAMs
- GHG projections (transparency on models, assumptions and methodologies)
- All aspects of RES, EE, IEM, security, R&I as in the Plans (including the use of EU funds!)
- Adaptation
 - Projection of climate change impacts
 - Adaptive capacity and plans
 - Institutional setting and governance

Biennial (cont.):

- Support for developing countries:
 - to facilitate the EU reporting commitment under the UNFCCC and the Paris Agreement
 - Quantitative information of public and mobilised private financial resources (OECD DAC standards)
 - Public funded technology transfer and capacity building projects
- Use of EUA revenues:
 - Should cover both EUAs and EUAAs
 - For purposes defined in 2003/87/EC (Art 10(3) and 3d(1))

Annual:

- GHG inventory

INECP:

- Against the 2030 EU targets
- Compliance with content and process requirements
- Compliance with recommendations on the draft

Consolidated biennial report by the COM („State of the Energy Union Report”): based on the biennial progress reports of MSs

Follow-up in case of:

- Insufficient ambition: recommendation to MSs on their ambition („do more!”) and EU level new measures to close the „ambition gap” of MSs
- Recommendations to MSs („shall take utmost account of the recommendations”)

- In RES if EU level linear trajectory is not met in 2023 then MSs (taking into consideration the ambition of earlier contributions!) should by 2024
 - Adjust their RES-H or RES-T share
 - Financial contribution to EU RES fund managed by COM to acquire RES projects
 - If 2020 targets are not maintained then again payment to the Fund
- In EE if progress is insufficient than EU should take additional measures, in particularly in the field of buildings and products