

Clean Energy Package: what's at stake?

Thermal Energy Forum - Bucarest
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EFIEES: who are we?

- ★ EFIEES is the EU trade association representing **private companies** providing an **overall energy management service** to end-users such as:
 - ★ Analysing the clients' needs & consumption
 - ★ Designing solutions with the best energy performance
 - ★ Maintaining and managing plant and equipment on end-users' sites, including industry, commercial offices, collective residential buildings, public premises
- ★ And/or **operating district heating networks**
- ★ Our members/companies **commit contractually to reach technical, financial and environmental performance targets.**

Our members

★ 7 organisations

National trade organisations representing EESCs. They share, in their country of origin, the same objectives as EFIEES, in as much as they are not guided by commercial or profit-seeking activities. **Our Romanian member is ARPEE**

★ 5 companies, as an alternative to national trade associations

Privately-owned Energy Efficiency Services Companies (EESCs), based in a country that does not have a national trade organisation for ESCOs that could be a member of EFIEES

EFIEES' mission



- ★ studying the economic, social, administrative, legal, technical, financial, tax or other issues raised in the European Union, which have a potential effect on the profession
- ★ fostering exchange of experiences and information between members of the Federation
- ★ representing its members' common interest **before the European Institutions**
- ★ raising **awareness in the European Union about Energy Efficiency Services Companies activities**

Package “Clean Energy for All Europeans”

30 November 2016

Clean Energy Package: more than 4000 pages...

Clean energy for all Europeans



Clean Energy Package (1)

A general Communication on Clean Energy For All Europeans

Electricity market and consumers: a set of revised/new texts

(Electricity Regulation, Electricity Directive, Regulation on Cooperation of Energy Regulators (ACER), Regulation on a European Agency, Regulation on risk preparedness in the electricity sector, rules for electricity markets)

Evaluation of the electricity market design and security of supply: reports

(Capacity mechanisms: impact assessment, working document)

Clean Energy Package (2)

Energy Efficiency Directive : Proposal for a revised Energy Efficiency Directive

(Impact assessment of the EED, Evaluation of the EU framework for metering and billing, evaluation of Art 6 and 7 of the EED, good practices in EE)

Energy efficiency of buildings: Proposal for a revised EPBD

(evaluation of the EPBD, Impact assessment of the revised EPBD)

Clean Energy Package (3)

Ecodesign

(Communication on a eco-design Working plan 2016-2019, Regulations on eco-design for H&C products and chillers, on verification procedures for eco-design measures and for energy labelling procedures, Decisions on labelling standardisation for solid fuel boilers and for local space heaters)

Renewables & bioenergy sustainability: Proposal for a revised Renewable Energy Directive

(Evaluation of the RED, Impact assessment of the revised renewable energy Directive-sustainability of bioenergy)

Clean Energy Package (4)

Governance

(Regulation on the Governance of the Energy Union Impact assessment on the Governance of the Energy Union Fitness check of existing EU energy legislation)

Energy prices and costs, Energy funding, Innovation

(Reports on energy prices and costs, Report on the implementation of the European Energy Programme for Recovery (EPR) and the European Energy Efficiency Fund, Communication on accelerating clean energy innovation)

Transport

(Communication on a European strategy on cooperative, intelligent transport systems)

In a nutshell

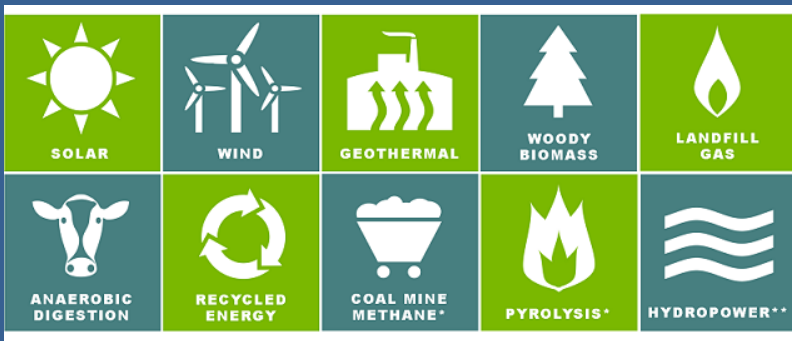
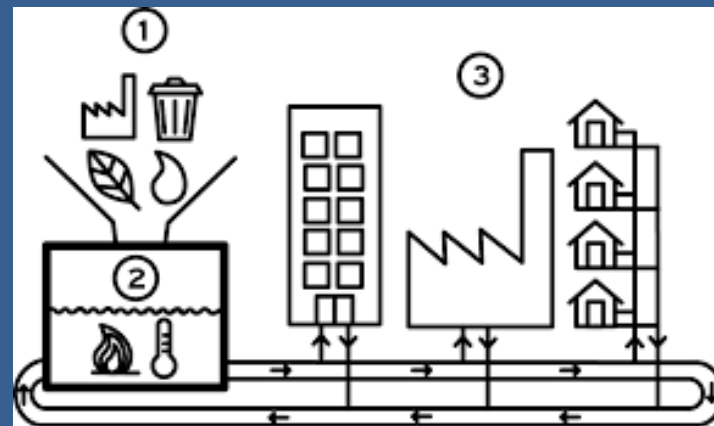
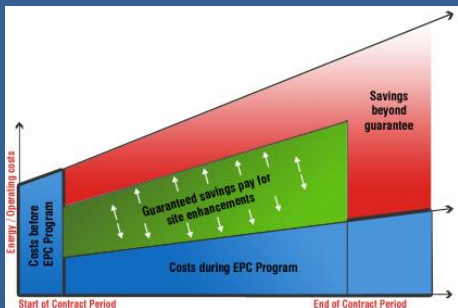
Clean Energy package: EED, EPBD, RED in short

- 30% EE gains by 2030 at EU level
- 27% renewable share at EU level
- EEOs: 1,5% / year energy savings up to 2030
- Share of renewable energy in the heating & cooling sector :+ 1%/year
- Role of Energy Efficiency services mentioned
- Right for disconnecting consumers producing own renewable energy from « non efficient » district heating & cooling networks /direct sale to other consumers of DHC
- A PEF for electricity reduced from 2.5 to 2.0

**EED, EPBD, RED:
EFIEES' major stakes**

In short...

Energy Efficiency services, DHC, Renewable Energy, Waste Heat, Primary Energy Factor



Policy should be based on facts



Use a science based Primary Energy Factor

In the EU Energy Efficiency Directive, electricity savings are multiplied by a factor 2.5. This promotes burning fossil fuels directly rather than using electricity - even when the electricity is based on renewables.

EPBD

Article 2a

“Long-term renovation strategy”, with a clear roadmap by MS to ‘decarbonise’ their national building stock.

⇒ *EFIEES*: energy efficiency services/ESCOs have an important role to play in the ‘decarbonisation’ of the building stock and therefore should not be forgotten in the national roadmaps.

Article 6.1.2 (new buildings) + Article 7.5 (existing buildings)

European Commission proposes to delete references to high-efficiency technologies including high-efficiency cogeneration and efficient DHC, to be taken into consideration in case of major renovation

⇒ *EFIEES*: Initial version should be kept, in order to draw the attention to possible efficient technologies that are not enough used in the renovation process !

EPBD (1)

Article 10.6a

Database for registering Energy Performance Certificates shall track the actual energy consumption

Article 14, par. 2 and 3

Regular inspections on heating and cooling installations, with the alternative possibility for MS to set requirements to equip with building automation and control systems all non-residential buildings > 250 MWh primary energy use/year, and/or all residential buildings with centralised technical building systems > 100 kW of cumulated effective rated output.

=> EFIEES: Installations/buildings, whose owners/operators are committed to energy consumption/energy savings, for instance through signing Energy Performance Contracts (EPC), shall also be exempted from regular inspections.

EPBD (2)

Annex I.2

The calculation of Primary Energy Factors per energy carrier shall discount the share of renewable energy so that calculations equally treat the energy from renewable energy sources (RES) generated on-site and the energy from RES supplied through an energy carrier.

⇒ *EFIEES*: It ensures a level playing field allowing that the energy from RES produced nearby, and supplied through a DHC system, is equally treated with the one generated on-site.

Annex 1.point 4c

A nearly zero-energy building“ means a building that has a very high energy performance, as determined in accordance with Annex I. The nearly zero or very low amount of energy required should be covered to a very significant extent by energy from renewable sources,

⇒ *(suggestion by EFIEES) or from district or block heating and cooling systems“*

EED

Articles 1 and 3

A binding 30% target at EU level.

Article 7

Extension of the EEOS to 2030 with the same level of ambition (1.5%).

Annex IV:

EC proposes to reduce the default value of the Primary Energy Factor (PEF) from 2.5 to 2.0, which could be used by MS for reporting purposes.

=> *EFIEES*: strongly opposes this value: inadequately low, result of wrong methodology choices (exclusion of upstream energy losses, geographical resolution, role of CHP in the electricity system, double counting of renewable sources, etc). Methodology and calculation should ensure that the technical assessment for all fuels and sources is fair and comparable

RED (1)

Article 15:

MS to assess of their potential of RES + use of waste heat and cold for heating & cooling, to be included in the assessment based on Art. 14 EED.

⇒ *EFIEES*: an interesting first step for promoting waste heat/cold to be used in DHN and CHP.

Article 19

GO extended to biogas, for instance in case of biomethane injection into the grid. **MS to choose between GO or financial support.**

⇒ *EFIEES*: the biogas industry is only emerging, and most of the projects **still need both financial support + GO** to be profitable.

Article 22: Renewable energy communities

⇒ An interesting idea. Criteria should be amended so that any DHC network operator/ESCOs (if not SMEs) may also possibly be part of them, independently of its size or legal nature. **Proposed criteria should not only include SMEs!**

RED (2)

Article 23: obligation for heating and cooling to raise by 1% each year its share of renewable energy

=> Along with RES, waste heat or cold should be eligible to count towards the 1% target. MS shall keep the flexibility to develop RES and waste heat or cold with policy measures other than obligations: grants, fossil fuel tax, low-interest loans... **23.3: actions for developing RES “indirectly” taken by ESCOs account towards the targets.**

Article 24, paragraph 1: DHC operators shall provide information to end-consumers on the energy performance and RES share.

⇒ Along with RES, the share of waste heat shall also be mentioned.

RED (2)

Article 24, paragraphs 2 and 3

Final consumers can disconnect from DHC that are not 'efficient district heating and cooling' in order to produce heating and cooling from RES themselves or switch to an alternative supplier producing from RES.

⇒ *EFIEES*: the disconnection should in any case follow the procedure defined in the contract (time limits, penalties, etc.), and under technical/economical conditions

Article 24, paragraph 4

Non-discriminatory access to DHC for alternative suppliers of RES or waste heat or cold.

⇒ *EFIEES*: This should only be allowed if technical conditions are met, and if it does not result in a rise of total costs for the customers already connected to the DHC system.. Technical and economical balance and optimisation of the production, transport and distribution of heat need the scale of the whole network: otherwise, there is a lack of synergies and costs for consumers increase.

Thank you for your attention

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