



*European Federation of Intelligent
Energy Efficiency Services*

Romanian Energy Efficiency Forum 2018

Bucharest, 23 October 2018

EFIEES – About us (I)

EFIEES, the *European Federation of Intelligent Energy Efficiency Services*, is a EU trade association, representing private companies providing an **overall energy-management service to end-users (Energy Service Companies, ESCOs).**

- **EFIEES has members in 12 EU Member States, including Romania**
- Among them, **7 organisations are national trade associations representing ESCOs**. They share, in their country of origin, the same objectives as EFIEES.
- **5 Privately-owned Energy Efficiency Services Companies**, as an alternative to national trade associations in certain Member States, where no correspondent trade association exist yet.



EFIEES – About us (II)

The main activities of the companies we represent include:

- **Analysing clients' needs & consumption** in order to identify the required measures/actions to be implemented
- **Designing energy performant solutions** according to clients' specific needs
- **Maintaining and managing plant and equipment of end-users** (on industrial and commercial facilities, collective residential buildings, public premises)
- In some cases, **operating district heating networks**

Our members commit contractually to reach technical, financial and environmental performance targets, frequently through long-term solutions based on guaranteed savings, such as ***Energy Performance Contracts (EPCs)***.

EFIEES strives to promote the further development of EPCs at the EU level and is the **European Co-Administrator of the [Transparens Code of Conduct for EPCs](#)**, for which **ARPEE is National Co-Administrator in Romania**.

EFIEES – Our mission

EFIEES represents the interests of ESCOs towards the European Institutions, ensuring that their views and interests are duly taken into account throughout the EU decision making process. To this end, EFIEES:

- **carries out studies and analysis on relevant issues raised at the EU level** which may have an impact on the profession and on its companies' interests (economic, social, administrative, legal, technical as well as financial issues)
- **Engage in a constant dialogue** with EU institutions and other stakeholders
- **encourages the exchange of experiences and information** between the members of the Federation
- **raises awareness in the European Union about EE services and their role** in reaching the EU energy efficiency and environmental targets

Clean Energy Package

Huge legislative package launched on 30th November 2016 → 8 legislative proposals, thousands of amendments, for the **post 2020 EU climate and energy policies**– including:

- **Revised EPBD** (entered into force on 9th July 2018)
- **Revised EED and RED**
(informal institutional agreement reached in June 2018, to be approved by EP Plenary in November)
- New **Governance of the Energy Union Regulation**
(informal institutional agreement reached in June 2018, to be approved by EP Plenary in November)
- Proposals on **electricity market design** (currently under discussion)



Key Offensive & Defensive topics for EFIEES in the Package



1. Balance EE / RES
2. Role of EES and EPC
3. District Approach
4. Waste Heat



5. Right to disconnect from inefficient DH
6. Third-Party access to DH network

EFIEES' main interests and actions in the Package

EFIEES has mainly focused on the three following directives:

1. Energy Performance of Buildings' Directive (EPBD)



2. Energy Efficiency Directive (EED)



3. Renewable Energies Directive (REDII)



Revised EPBD: the way forward



- **December 2017:** informal agreement reached by EU co-legislators
- **19 June 2018:** revised EPBD published on **EU Official Journal**
- **9 July 2018:** revised EPBD **enters into force**



transposition period
(20 months, until March 2020)

MS to translate EPBD into national legislation

EU Commission to produce guidance by Q1 2019 to support MS in national implementation



Results and next steps (I)

□ Art. 2a on Long-Term Renovation Strategies (LTRS)

Member States are required to:

- provide an **overview of the national building stock**;
- identify **cost-effective approaches to renovation**;
- design policies and actions to stimulate cost-effective **'deep'** and **'staged-deep' renovations**, as well as targeted cost-effective measures to improve buildings' energy efficiency;
- provide an overview of **actions addressing the worst performing segments of the national building stock**;
- implement **policies and actions to target all public buildings**, making use of the Eurostat Rules for the accounting of EPCs, to support EE investments in the public sector.

Next steps for proper implementation:

- ensure **EE services** are duly considered in LTRS as a **complement or alternative to renovation actions**;
- EE services as complement in 2 ways: **before renovation** (lower up-front investment, shorter payback time, allowing the financing of heavier interventions at later stage); **after renovation** (to maintain the upgrades achieved through renovation);
- **Efficient energy management** (operation & maintenance) always needed, also for new buildings.

Results and next steps (II)

☐ Art. 6/7: High-efficiency alternative systems

- **MS** to ensure that the technical, environmental and economic feasibility of these systems (including efficient DHC and CHP) are duly taken into account when dealing with new buildings & buildings undergoing major renovation.

Next steps for proper implementation:

- **Ensure high efficiency systems are explicitly listed** in the national legislations (the full list should be there as a support to authorities);

☐ Art. 14/15: Regular inspections of heating, ventilation, and air conditioning

- New threshold for inspections set at 70 kW effective rating;
- Inspections to consider, where relevant, capabilities of the system to optimise performances under typical or average operating conditions;
- **New exemptions from regular inspections** → including: **1) systems explicitly covered by an agreed energy performance criterion** or contractual arrangement specifying an agreed level of energy efficiency improvement, such as **EPC**; **2) systems operated by a utility or network operator** (like **DHN**).

Next steps for proper implementation:

- **Ensure that equivalence between EPCs and inspections is fully acknowledged (+ they guarantee savings!) and results in the application of the exemption allowed by the Directive** → EC now drafting guidelines to facilitate this.

Results and next steps (III)

☐ Art. 19: Next review and district approach

- The review of the directive is set at the latest by 01/01/2026 with the EU Commission to examine how MS “***could apply integrated district or neighbourhood approaches in Union building and energy efficiency policy***”

Next steps for proper implementation:

- **Showcase benefits of district-level solutions** for both current and future EPBD.

☐ Annex I: Calculation of buildings’ performances and role of RES

- When calculating buildings’ performances, MS have now the **possibility to consider energy from RES, either produced on-site or nearby** (and delivered through DHN for instance), provided this applies on a **non-discriminatory basis**.

Next steps for proper implementation:

- Ensure the **right balance between EE and RES** → in line with **Energy Efficiency First** principle;
- Ensure the **non-discriminatory treatment is fully applied** (e.g. no support for on-site RES only, especially where district energy can be key);
- Consequently, ensure **the use of any form of renewable energy, on-site as well as delivered, is encouraged**, in line with the definition of NZEBs.



RED: main elements of interinstitutional agreement

- Overall RES binding target at 32% (article 3), with upward review clause for 2023;
- RES in H&C (articles 23 and 24): annual target for the RES increase in the sector set at 1.3% (indicative) with the inclusion of max 40% waste heat. In MS where waste heat is not used, annual target lowered to 1.1%.
- DHN to actively contribute to mainstreaming RES in H&C, using one of the following options:
 - Endeavour to increase the share of RES and waste heat/cold in DHC by at least 1% as yearly average for the periods 2021-2025 and 2026-2030 (MS with share of RES and WH in DHC > 60% to count any such share as fulfilling the yearly increase);

or

- Ensure existing DHN provide TPA when they need to:
 - i) meet demand from new customers;
 - ii) replace existing heat and cold generation capacities;
 - iii) expand existing heat and cold generation capacities.

***TPA to be refused by DH operator when:**
(a) the system lacks the necessary capacity;
(b) the heat or cold supplied from the TP does not meet technical criteria;
(c) Total costs increase compared to the previous situation.

****From TPA obligation, are exempted efficient DHC, DHN that will become efficient by 2025; small networks (below 20 MW).**

- In Article 24, possibility to switch deleted;
- Possibility to “disconnect by terminating the contract or modify it” limited to inefficient networks or networks that will be inefficient by 2025 based on plan approved by authority;
- With physical disconnection, contract termination may be made conditional on compensation for costs and undepreciated assets;

EED: main elements of interinstitutional agreement



- Overall EE “headline” target at **32.5% (article 3)**, with upward review clause for 2023;
- National contributions by MS to be expressed in **primary and/or final energy consumption**;
- **Real annual energy saving rate in Article 7** no lower than **0.8% from 2021 until 2030 and for ten-year periods after 2030**, unless in 2027 the Commission concludes this is no longer necessary;
- **The baseline has changed from energy sales to final energy consumption** (this might include or exclude transport);
- MS allowed to make use of the following **flexibilities/options** to cover up to **35% of the required amount of annual energy savings**:
 - exclude from the calculation all or part of sales or final energy consumption of energy used in **industrial activities under the ETS**;
 - **allow energy savings achieved in transformation, distribution and transmission, including efficient DHC**, to be counted towards the amount of energy savings required;
 - count energy savings resulting from individual **actions implemented after 2008 that continue to have an impact after 2020**;
 - count energy savings resulting in individual **actions undertaken after 1 January 2018 and before 31 December 2020 which deliver savings after 2020**;
 - **exclude from the calculation of the energy savings requirement, 30% of the verifiable amount of on-site RES for own use**;
 - **count excess savings from the previous period**, provided that those savings result from individual actions undertaken under policy measures notified by Member States in their National Energy Efficiency Action Plans.
- **Default PEF for electricity at 2.1** (MS to use their own values, provided they can justify it). This value to be reviewed every 4 years, considering effects on energy labelling and eco-design.

What's next?

RED



EED



- ❖ Provisional deal now needs formal approval by EP (November Plenary - tbc)
 - ❖ Publication on EU Official Journal will follow in early 2019 and entry into force 20 days afterwards;
 - ❖ MS to transpose the Directive into national law by **30 June 2021**.
- ❖ Provisional deal now needs formal approval by EP (November Plenary - tbc)
 - ❖ Publication on EU Official Journal will follow in early 2019 and entry into force 20 days afterwards;
 - ❖ MS to transpose the Directive into national law by **18 months following entry into force**.

Thank you for your attention! Mulțumesc!

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