The Coalition for ENERGY SAVINGS

BRIEFING

ASSESSMENT - Proposal for a General Approach on the Energy Efficiency Directive

June 2017

On the 26 June Energy Council, Energy Ministers will discuss the EU energy efficiency files currently under revision. The Maltese Presidency of the Council circulated a proposal for a general approach to be examined by ministers. This briefing provides an assessment of the text.

- The text makes the binding **30% target** proposed by the Commission **'indicative'.** This misses out on the potential to create certainty for investors and for the energy transition. Indicative targets have been so far ignored when planning for the energy system. The EU therefore runs the risk of driving investments into costly and redundant infrastructure.

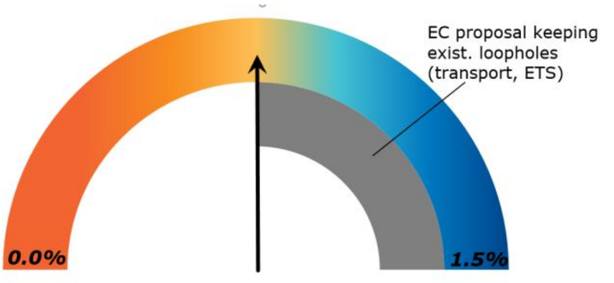
- Member States setting their national contributions would have the choice, under this new text, to only consider one of the two EU targets: the primary energy or the final energy target. This would allow them to have a **partial look at their energy system**.

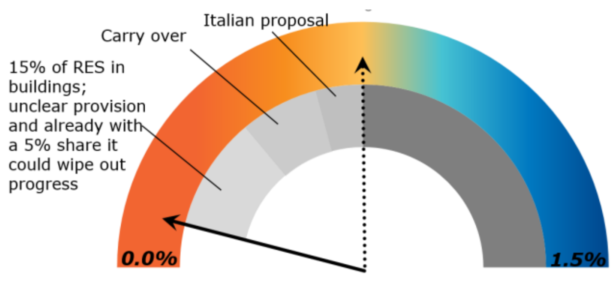
- The text removes the **2050 perspective for Article 7**, which is not aligned with long-term climate and energy imperatives and destroys the long term visibility for investors.

- While the Commission's proposals had already proposed to maintain existing loopholes – which means that only half of the 1.5% annual savings is secured, the new text proposes to **slow down energy efficiency markets** with the creation of additional loopholes in Article 7. More specifically, it proposes the following:

➔ Continuing the current Article 7 set-up but **lowering it to 1% annual savings from 2026**, unless the Commission proposes to maintain 1.5%, as proposed by the Italian negotiators;
➔ Allowing **carryover of excess savings** from first period to second period, which creates a risk of stop-and-go policies. The text also introduces **retroactive changes** about the eligibility of measures in the first period (new buildings), to legitimise a practice from some Member States;
➔ Counting up to 15% of the **"renewable energy generated in or on buildings for own use" as energy savings.**

This last provision lacks legal clarity, but the text would suggest that each year, parts of the renewable energy generated in or on buildings would count as if it would be new savings. Considering that around 40% of energy is consumed in buildings, this could mean that if for example 5% of the energy used in buildings would be supplied with on site RES, the requirement to save energy under Article 7 would be reduced to zero.





Comparison between the Commission's proposal (left) and the draft general approach (right)

- The text also weakens the requirement for Member States to demonstrate that the savings achieved in Article 7 are **additional** to what would have happened without the Member State's intervention, and to disclose how they have calculated the lifetime of the actions taken.

Energy efficiency markets need...

Outlook

...with a binding **40%** 2030 target based on the cost effective potential across sectors.

Certainty

...with a strong and credible commitment through a **binding** target broken down by Member State.

Growth

...with the full deployment of **1.5% annual savings** and a **2050** outlook for Article 7.

Consistency

...with a target expressed both in **primary and final** energy and a set of **complementary** legal tools.

The Coalition for Energy Savings (AISBL) strives to make energy efficiency and savings the first consideration of energy policies and the driving force towards a secure, sustainable and competitive European Union. Its membership unites businesses, professionals, local authorities, cooperatives, trade unions, consumer and civil society organisations in pursuit of this goal. Coalition members represent:

- more than 500 associations and 200 companies
- 15 million supporters and more than 2 million employees
- 2,500 cities and towns in 30 countries in Europe

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Position paper on The Clean Energy for All Europeans package

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