

Consultation on the Review of Directive 2012/27/EU on Energy Efficiency



Introduction

This consultation is launched to collect views and suggestions from different stakeholders and citizens in view of the review of Directive 2012/27/EU on energy efficiency (Energy Efficiency Directive or EED), foreseen for the second half of 2016.

This review plays a prominent role as the Commission called on Member States to treat energy efficiency as an energy source in its own right in its Energy Union Strategy of 25 February 2015.¹

The European Council of October 2014 agreed on an EU objective of saving at least 27% of energy by 2030 compared to projections and requested the Commission to review the target by 2020 *“having in mind an EU level of 30%”*. The existing policy framework should therefore be updated to reflect the new EU energy efficiency target for 2030 and to align it with the overall 2030 Framework for Climate and Energy.

Energy efficiency policies have been put in place by the EU for some time now and they have delivered tangible results. The Energy Efficiency Directive, Energy Performance of Buildings Directive², Energy Labelling Directive³ and EcoDesign Directive⁴ are the key building blocks of the current energy efficiency framework. Many climate policies, such as the CO₂ performance standards for passenger cars and light commercial vehicles, also make a major contribution to improving energy efficiency. Thanks to these instruments, significant progress has been achieved by Member States in terms of energy savings over the past (five) years, contributing to the overall 2020 energy and climate policy objectives.

Public funding has played an important role by supporting the implementation of energy efficiency policies at national and regional level. There has been an increase in financing over the last years due to greater importance of these policies in the context of the overall EU decarbonisation agenda. The European Structural and Investments Funds (ESIF) and the European Fund for Strategic Investments (EFSI) are key to unlocking the needed private

¹ COM(2015) 80 final

² Directive(2010) 31

³ Directive(2010) 30

⁴ Directive(2009) 125

investments for energy efficiency. On the other hand, the effectiveness and impact of energy efficiency investment funding strongly depends (*inter alia*) on the implementation of the energy efficiency legislation, including the Energy Efficiency Directive.

Many measures taken by Member States today will, in fact, continue contributing to the energy efficiency targets and to the broader energy and climate policy framework beyond 2020. Since the Energy Efficiency Action Plan⁵ was adopted in 2011, the situation has greatly improved: primary energy consumption has continued to fall across the Union, with steady economic growth, and many Member States have successfully strengthened their national energy efficiency programmes.⁶

In line with the requirement of the EED (Article 3(2)), an assessment was carried out by the Commission in 2014 to review progress towards the EU 20% energy efficiency target for 2020, the findings of which were presented in the Energy Efficiency Communication, adopted on 23 July 2014.⁷ An updated analysis of how Member States are achieving the 20% 2020 target on energy efficiency will be published as part of the State of the Energy Union package in November 2015.

Given the recent implementation date of the EED, this consultation focuses on examining the following elements of Directive:

- **Article 1 (subject matter and scope) and Article 3 (energy efficiency target):** As required by the European Council of October 2014, which agreed the EU objective of saving at least 27% of energy by 2030 compared to projections and requested the Commission to review the target by 2020 *“having in mind [a level of savings of] 30%”*.
- **Article 6 (purchasing by public bodies of energy efficient buildings, goods and services):** As required by the reporting obligation under Article 24(8) to review the effectiveness of implementation of Article 6.
- **Article 7 (energy efficiency obligation schemes):** As required by the reporting obligation under Article 24(9) on the implementation of Article 7 and the need to address the obligation period that will expire after 2020.
- **Articles 9 – 11 (metering, billing information and cost of access to metering and billing information):** Consumer related aspects touched upon in these Articles are also addressed in the Internal Market Design/Delivering a New Deal for Energy Consumers initiative launched in parallel.
- **Article 20 (energy efficiency national fund, financing and technical support):** The European Fund for Strategic Investments (Junker Plan) raises the importance to address the market gaps for energy efficiency investments.

⁵ COM(2011) 109 final

⁶ SWD(2014) 0255 final

⁷ COM(2014) 520 final

- **Article 24 (reporting and monitoring and review of implementation):** Given the new governance system to be introduced under the Energy Union in view of 2030 framework, currently being prepared in parallel to this exercise.

The questions of this consultation on the above articles are formulated so as to respect the requirements of the recently adopted Better Regulation Package⁸ and to ensure that the results of this consultation are fed into two parallel processes: first, to assess whether relevant measures are efficient, effective, and coherent with the broader EU legislative framework, and second, to identify the most appropriate policy options to be considered for reviewing specific aspects of the EED as part of the impact assessment.

Against this background, questions of a general nature for the general public are included in Part I. A set of questions of a technical nature for a more expert public is included in Part II. Respondents are invited to reply within the two parts to all the questions they consider relevant.

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⁸ Better Regulation Package (2015)

Information about the respondent

***Are you answering on behalf of an organisation or institution?**

- ☒ Yes, I am answering on behalf of an organisation or institution
☐ No, I am answering as an individual

***If you are answering as an individual, please enter your full name.**

NA

***If you are answering on behalf of an organisation or institution, please enter the full name of your organisation or institution:**

Energy Efficient Buildings Platform EEBCZ (www.eebcz.eu)

***If you are answering on behalf of an organisation or institution, please enter your full name and position title:**

Tereza McLaughlin Váňová, Project Coordinator

***Please enter your email address:**

mclauter@eebcz.eu

***If you are answering on behalf of an organisation or institution, please specify which category best describes your organisation or institution from the list below.**

- ☐ Central public authority
☐ Local public authority
☐ Private company
☐ Utility
☐ International organisation
☐ Workers organisation/association/trade union
☐ Non-governmental organisation (NGO)
☐ Industry/business association
☒ Other interest group organisation/association
☐ Consultancy
☐ University
☐ Think Tank/research institute
☐ Political party/organization
☐ Other (please specify)

***Does your organisation or institution primarily deal with energy issues?**

- ☒ Yes
☐ No

***Please indicate your principal country or countries of residence or activity:**

- | | | |
|---|---|--|
| <input type="checkbox"/> Austria | <input type="checkbox"/> Belgium | <input type="checkbox"/> Bulgaria |
| <input type="checkbox"/> Croatia | <input type="checkbox"/> Cyprus | <input checked="" type="checkbox"/> Czech Republic |
| <input type="checkbox"/> Denmark | <input type="checkbox"/> Estonia | <input type="checkbox"/> Finland |
| <input type="checkbox"/> France | <input type="checkbox"/> Germany | <input type="checkbox"/> Greece |
| <input type="checkbox"/> Hungary | <input type="checkbox"/> Ireland | <input type="checkbox"/> Italy |
| <input type="checkbox"/> Latvia | <input type="checkbox"/> Lithuania | <input type="checkbox"/> Luxembourg |
| <input type="checkbox"/> Malta | <input type="checkbox"/> Netherlands | <input type="checkbox"/> Poland |
| <input type="checkbox"/> Portugal | <input type="checkbox"/> Romania | <input type="checkbox"/> Slovakia |
| <input type="checkbox"/> Slovenia | <input type="checkbox"/> Spain | <input type="checkbox"/> Sweden |
| <input type="checkbox"/> United Kingdom | <input type="checkbox"/> Other (please specify) | |

***How would you prefer your contribution to be published on the Commission website, if at all?**

- ☒ Under the name indicated (I consent to publication of all information in my contribution and I declare that none of it is under copyright restrictions that prevent publication)
- ☐ Anonymously (I consent to publication of all information in my contribution and I declare that none of it is under copyright restrictions that prevent publication)
- ☐ Not at all – keep it confidential (my contribution will not be published, but it will be used internally within the Commission)

Part I – General questions

1. Article 1: Subject matter and scope and Article 3: Energy efficiency target

Article 1 provides the general framework for the promotion of energy efficiency within the Union in order to ensure the achievement of the EU 20% energy efficiency headline target by 2020. In addition and more specifically, **Article 3** requires that each Member State sets an indicative national energy efficiency target based on either primary or final energy consumption, primary or final energy savings or energy intensity. In setting the targets, Member States should take into account a number of provisions set out in Article 3(1).

As regards the EU energy efficiency target for 2030, the European Council agreed in October 2014 on an indicative target at the EU level of at least 27% (compared to projections) to be reviewed by 2020 having in mind an EU level of 30%. Therefore, the existing policy framework should be updated to reflect the new EU energy efficiency target for 2030 and to align it with the overall 2030 Climate and Energy framework.

1.1. What is the key contribution of the EED to the achievement of the 2020 energy efficiency target?

The principal contribution has been the introduction of widely accepted targets, energy performance contracting, and metering and billing improvements. These have been influential in creating some consensus in regard to public need among relevant agencies. This has in turn, to some extent, influenced construction projects and encouraged energy savings.

1.2. How has the EED worked together with the Effort Sharing Decision, other energy efficiency legislation (on buildings, products and transport) and ETS? Could you describe positive synergies or overlaps?

Overall, there have been several examples of positive synergies. These have been mostly in respect to products and services in the Czech Republic. Having defined targets allows potential partners to be aware of potential overlaps. There is some experience in the Czech context of the legislation's implementation being successful in new build construction. There is also some experience, however, of limited public acceptance of the EED, which some experts have attributed to a lack of governmental and ministerial support.

1.3. How has the EED worked together with existing national legislation? Could you describe any positive synergies or overlaps?

The EED generally compliments what is on the whole comprehensive legislation. In practical terms the EED forms a base upon which the Czech legislation provides more detail. There are some concerns however as to the extent which the legislation has been adhered to in practice by Czech industries. Overall, however, the EED and

Czech legislation complement each other well, particularly in the area of products and services.

1.4. What are the main lessons learned from the implementation of the EED?

The importance of the planning process of energy saving concepts is a pertinent lesson. Also notable is that state support for energy efficiency (in buildings, industry and transport) contributes to fulfilling targets set by the EED. This, however, can be problematic when there is a perceived distrust of governmental authorities. This can make the implemental stage of the planning process more challenging.

1.5. Which factors should the Commission have in mind in reviewing the EU energy efficiency target for 2030?

Some examples include the long term analysis of; energy supply, energy sources, demographic changes, fuel supply security, clean energy and local availability of biomass. Targets should also be based on detailed analysis of the local instruments that can realistically be used to achieve goals. It is also necessary to coordinate energy efficiency policies with RES and climate policies to reach the overall targets in the most economic and efficient way. It should also be minded that the targets do not place onerous bureaucratic burdens on all relevant agencies.

1.6. What should the role of the EU be in view of achieving the new EU energy efficiency target for 2030?

The EU has a key role in determining the tools required to achieve its strategic objectives. These tools must be universally applicable but should also respect local differences. Practical ways in which the EU might act include; communicating on successful best practice projects in different countries across Europe, BAT implementation, supporting/facilitating/providing finance, coordinating actions in different member states and effectively helping member states address challenges in achieving energy efficiency for existing buildings while having an emphasis on local architectural traditions and aesthetics.

1.7. What is the best way of expressing the new EU energy efficiency target for 2030:

- ☐ Expressed as energy intensity
- ☐ Expressed in an absolute amount of final energy savings
- ☒ Expressed in both primary and final energy consumption in 2030
- ☐ Expressed only in primary energy consumption in 2030
- ☐ Expressed only in final energy consumption in 2030
- ☐ Other (please specify)

1.8. For the purposes of the target, should energy consumption be:

- ☒ Expressed as energy, regardless of its source (as now)

- ☐ Expressed as avoided non-renewable energy
- ☐ Expressed as avoided fuel-use (but including biomass)
- ☐ Other (please specify)

2. Article 6: Purchasing by public bodies of energy efficient buildings, goods and services

One of the objectives of the EED is to improve and strengthen energy efficiency through public procurement. **Article 6** of the Directive states that Member States shall ensure that central governments purchase only products, services and buildings with a high energy-efficiency performance. The central governments of the Member States should “lead by example” so that local and regional procurement bodies also strengthen energy efficiency in their public procurement procedures.

The Commission is carrying out an assessment of Article 6 of the EED and the preliminary findings show a rather limited experience in the Member States so far in implementing the requirements of Article 6. One of the main barriers to implementing the requirements is the lack of clarity and guidance across the existing EU rules on public procurement. On the other hand, experiences in some Member States indeed demonstrate that the measures required by the EED on public procurement have helped to educate and involve procurement bodies in the use of energy efficiency criteria, spreading the exemplary role of central governments also at regional and local levels.

2.1. In your view, are the existing EU energy efficiency requirements for public procurement sufficient to achieve the needed impact of energy savings?

No opinion. There is somewhat of a lack of information/knowledge to make a judgement in this area in the Czech context.

2.2. How could public procurement procedures be improved in the future with regard to high energy efficiency performance?

These procedures should be rounded and take the complexity of building projects into account. A sustainability building assessment tool should be built into procurement procedures, but the procedures should not only focus on energy efficiency. The cost future maintenance and environmental damage are examples of other factors that are relevant. On a general note, the focus of public procurement procedures should be on quality management rather than seeking out the cheapest option. A relevantly qualified professional independent of public bodies might help ensure procurement processes have a high quality focus while taking energy efficiency into account as part of the process.

2.3. Do you think that there is sufficient guidance in your country to characterise "energy efficient products, services and buildings"?

No – there is a lack of good practice examples in the public sector, and as mentioned above, a tendency for public sector organisations in the Czech Republic to seek the most immediately cost –effective option. There is some good guidance but there are issues with its dissemination to industry and individuals in practice. The Ministry could do more to increase awareness and knowledge of existing guidance. Currently guidance in terms of, for example, Environmental Impact Assessments, can be seen as an administrative burden rather than something that assists actors in the construction industry.

2.4. Have you seen information campaigns or other public initiatives in your or in another EU country that explain public procurement of energy efficient products, services and buildings?

No

If yes, how useful have they been to increase awareness? Please describe.

[Free choice: max. 1000 characters]

3. Article 7: Energy efficiency obligation schemes

Article 7 together with Annex V requires that Member States set up an energy efficiency obligation scheme to ensure that obligated parties (energy distributors and/or retail energy sales companies that are designated by each Member State) achieve a given amount of energy savings (1.5% annually) from annual energy sales to final customers over the period 2014 to 2020. As an alternative to setting up an energy efficiency obligation scheme, Member States may opt to take other policy measures to achieve energy savings among final customers to reach the same amount of savings.

The Commission is required to assess the implementation of this Article and submit a report by 30 June 2016 to the European Parliament and the Council, and, if appropriate, to supplement the report with a legislative proposal for amendments.

In line with the EED, Member States had to notify the measures and methodologies on implementation of Article 7 by 5 December 2013. Further information from Member States was received in the notified National Energy Efficiency Action Plans (due by April 2014).

According to the latest available information from the notifications received from Member States⁹, 16 Member States notified an energy efficiency obligation scheme by putting an obligation on utilities to reach the required cumulative energy savings by 2020 under Article 7. Four Member States out of these (Bulgaria, Denmark, Luxembourg and Poland) will use it as the only instrument to achieve the required energy savings. 12 Member States (Austria, Croatia, Estonia, France, Ireland, Italy, Latvia, Lithuania, Malta, Slovenia, Spain and United Kingdom) will use the obligation scheme in combination with alternative measures. On the

⁹ <http://ec.europa.eu/energy/en/topics/energy-efficiency-directive/obligation-schemes-and-alternative-measures>

other hand, 12 Member States (Belgium, Cyprus, Czech Republic, Germany, Greece, Finland, Hungary, Netherlands, Portugal, Romania, Slovakia and Sweden) have opted to only use the alternative measures to reach the required savings instead of putting obligations on utilities.

3.1. Are you aware of any energy efficiency measures that have been carried out or are planned in your country, by the utilities or third parties in response to an energy efficiency obligation scheme?

Yes – Energy distributors and suppliers are active in energy efficiency technologies promotion for households. However, these measures are not as widely known as they could be.

3.2. In your view, is Article 7 (energy efficiency obligation scheme or alternative measures) an effective instrument to achieve final energy savings?

No – It makes sense if it is taken as an opportunity to introduce energy efficiency modernisation and reconstruction. In the Czech Republic the Alternative Scheme can support consumer savings.

[Please explain your answer:]

3.3. What are, in your view, the main challenges or barriers to implementing Article 7 effectively and efficiently in your country? Please select up to 5 options from the list.

- ☐ To select or introduce the right set of measures for achieving 1.5% energy savings (annually)
- ☒ Too great flexibility to use wide range of measures: energy efficiency obligation scheme and alternative measures
- ☐ Strong opposition from energy suppliers and distributors to set up an energy efficiency obligation scheme
- ☒ Lack of effective enforcement
- ☐ Lack of sufficient knowledge and skills of involved parties
- ☐ Lack of awareness (by the end-users) of the energy efficiency obligation schemes or alternative measures
- ☒ Developing the calculation methodology in line with the requirements of Annex V
- ☒ Ensuring sound and independent monitoring and verification of energy savings
- ☐ Avoiding double counting
- ☐ High administrative burden
- ☐ Ensuring consistent application of the requirements with other energy efficiency legislation (e.g. building codes)

- ☐ Limited timeframe (2014-2020) that makes it hard to attract investment for long term measures
- ☐ Other (please specify)

3.4. Do you believe that the current 1.5% level of energy savings per year from final energy sales is adequate?

- ☐ Strongly agree
- ☒ Agree
- ☐ Disagree
- ☐ Strongly disagree
- ☐ No opinion

From the Czech perspective it seems a reasonable and achievable target and it is already included in the National Action plan for Energy Efficiency (2014 revision).

3.5. Should energy efficiency obligation schemes have specific rules about energy savings amongst vulnerable consumers?

No – The specific position of vulnerable customers should be managed within the framework of national social security schemes where they can reflect national specifics. National legislation should allow flexibility to protect clearly defined vulnerable customers.

4. Articles 9-11: Metering, billing information and cost of access to metering and billing information

Articles 9-11 deal with consumer empowerment, by asking Member States to put in place requirements about metering, access to billing information and cost of access to metering and billing information, allowing consumers to make decisions about their energy consumption. These issues are also currently being looked at within the Electricity Market Design/Delivering a New Deal for Energy Consumers initiative. It may be relevant to consider certain aspects of these Articles in the EED review. The same is true for the subject of "demand response" (as set out in paragraph 8 of Article 15, but on this topic explicit questions were already included in the Market Design consultative communication published in July 2015).

4.1. Overall adequacy: Do you think the EED provisions on metering and billing (Articles 9-11) are sufficient to guarantee all consumers easily accessible, sufficiently frequent, detailed and understandable information on their own consumption of energy (electricity, gas, heating, cooling, hot water)?

Yes – Perhaps this answer would be better phrased as 'it should be' but it is most necessary to implement this provision in effective ways. Billing can be complex, particularly in regard to district heating systems and apartment buildings. Objective

measuring of heat consumption is limited. Some methodology of allocation of common consumption is required and should include a mechanism to incorporate consumption accurately in different flats. It should also be noted that overly detailed billing could lead to confusion among some customers.

- 4.2. Do you think it appropriate that the requirement to provide individual metering and frequent billing (Articles 9(1), 9(3) and 10(1)) is subject to it being technically feasible and/or cost effective?**

No – In older buildings (particularly blocks of flats) there is usually no thermal insulation between flats and pipe corridors are general not insulated. Heat transfer between flats is significant and looked at in the whole; these factors make heating cost allocation very complex.

Additionally, cheaper heating meters are generally fairly inaccurate, whereas precise meters can be very expensive. It is questionable whether new rules regarding individual metering would bring sufficient effect.

- 4.3. Should such conditions of being technically feasible and/or cost effective be harmonised across the EU?**

No – Strict harmonisation would be unlikely to bring sufficient effects. Even on the very local level common rules are difficult to define, see for instance the response above regarding the billing of blocks of flats. This complexity would be likely to significantly multiply when geographical/climatic/architectural changes in different regions/member states are taken into account.

- 4.4. How would these conditions of being technically feasible and/or cost effective affect the potential for energy savings and consumer empowerment?**

Yes – Building energy consumption is a significant part of total energy consumption in the Czech Republic. The Czech Republic potentially has high savings to make in energy consumption (for instance through improved heat insulation of facades, windows etc.) compared to some other member states. EU policy should in this field only defines general rules and targets. Concrete measures and instruments would be defined only at the country level in order to reflect the individual conditions of countries.

Additionally, energy consumption metering can have significant influence on end user behaviour, and in turn can influence the potential for energy savings and consumer empowerment.

- 4.5. Smart meters: Do you think that A) the EED requirements regarding smart metering systems for electricity and natural gas and consumption feedback and B) the common minimum functionalities, for example to provide readings**

directly to the customer or to update readings frequently, recommended by the Commission¹⁰ together provide a sufficient level of harmonisation at EU level?

No opinion (or undecided) – It is questionable to what extent smart metering will empower energy consumers. There is still something of a cultural aversion to smart meters in the Czech Republic, although over the past decade some systems have been installed. To date, however, this appears to have reaped greater benefits for energy suppliers and distributors than customers.

If no, do you think the common minimum functionalities should be the basis for further harmonisation?

[Yes/No/No opinion; please explain your answer:]

- 4.6. What obstacles have national authorities/actors faced in introducing on a large scale individual meters that accurately reflect the final customer's actual energy consumption? Do you have any good experiences to share on how to overcome these obstacles?**

Approximately 40% of households in the Czech Republic are supplied by district heating systems. As explained in answers to previous questions, this is clearly an obstacle. Another issue is that meters can often be positioned outside houses or apartment buildings without remote functions. This could potentially be overcome by placing a penalty or additional surcharge when an owner does not reasonably provide access to read the meter.

5. Article 20: Energy efficiency national fund, financing and technical support

The analysis of the July 2014 Energy Efficiency Communication and the recent EEFIG Report¹¹ showed that the energy efficiency investment market is still relatively small scale compared to its potential or the volumes needed to meet the EU's 2030 objectives. The European Structural and Investments Funds address the market gaps related to investment projects including those in energy efficiency, and the European Fund for Strategic Investments provides EU guarantee for investment projects – including those for energy efficiency. The European Energy Efficiency Fund carries relevant lessons.

Moreover, significant funding for energy efficiency comes from national public sources and the private sector. The effectiveness and impact of energy efficiency investments funding strongly depends (*inter alia*) on the implementation of the energy efficiency legislation, including the EED.

¹⁰ C(2012)1342

¹¹ EEFIG - Energy Efficiency Financial Institutions Group Report: Energy Efficiency – First fuel for the EU economy, 2015, www.eefig.eu

5.1. What should be the most appropriate financing mechanisms to significantly increase energy efficiency investments in view of the 2030 target?

Direct investment subsidies and grant subsidy schemes were validated as effective mechanisms in the Czech Republic. Looking industry-wide general support for energy management might be an effective way of directly supporting individual eligible projects. Soft long term loans could also be an effective way of financing energy efficient projects.

Generally a mix of funding should be utilised, potentially including; Zelena Usporam, ERDF and national-level financing.

5.2. Should there be specific provisions aimed at facilitating investment in specific areas of energy efficiency?

Yes

If yes, specify your answer from the below list:

- ☒ Building renovation
- ☐ Efficient appliances and equipment in households
- ☒ District heating and cooling network development
- ☐ Energy use by industries
- ☐ SMEs
- ☒ Companies
- ☒ City and community infrastructures in relation to transport, waste heat recovery, waste-to-energy
- ☐ Other (please specify)

5.3. Do you agree that one way to increase the impact of energy efficiency investments could be through making the energy performance/savings monitoring mandatory under Article 20 whenever public funds/subsidies are used for EE investments? Such monitoring could be done, for example, via on-line platforms, by users in the regular intervals.

- ☐ Strongly agree
- ☐ Agree
- ☐ Disagree
- ☐ Strongly disagree
- ☒ No opinion

6. Article 24: Reporting and monitoring and review of implementation

The Energy Union Strategy foresees an integrated governance framework for EU energy and climate policies to ensure that agreed climate and energy targets are reached and to enable Member States to better coordinate their policies at a regional level.

6.1. Do you think that the existing reporting and monitoring system under the EED is a useful tool to track developments with regard to energy efficiency in Member States?

No opinion

If yes, why is it a useful tool?

[Free choice: max. 1000 characters]

If no, how do you think it could be improved in the future?

[Free choice: max. 1000 characters]

6.2. Do you think that the reporting of national indicators (for example, value added/energy consumption, disposable income, GDP etc. for year (n-2)¹² under Annex XIV (1)(a)) of the EED should be simplified?

Yes

6.3. Do you think additional indicators (in addition to those referred to in Annex XIV (1)(a) – (e)) are needed to improve monitoring to assess Member States' progress towards their energy efficiency targets?

No opinion

¹² In the year before last [year X(1) – 2], where "X" is the current year.

Part II – Technical questions (on Articles 6 and 7)

7. Article 6: Purchasing by public bodies of energy efficient buildings, goods and services

7.1. Do you believe that measures on public procurement of energy efficient products, services and buildings should become mandatory also for public bodies at regional and local levels?

Yes – This, however is qualified in 7.2 below.

7.2. In your view, what are the main barriers that preventing the use of energy efficiency requirements in the existing public procurement procedures (please select from the list and explain your reply:

- ☒ There is a lack of awareness about the use of energy efficiency requirements in public procurement
- ☒ There is insufficient expertise and/or knowledge on the use of energy efficiency requirements in public procurement
- ☐ Thresholds are too high which is why energy efficiency requirements do not apply to many contracts
- ☒ Incompatibility of energy efficiency requirements with other procurement criteria (sustainable requirements, low price, safety requirements, technical requirements)
- ☐ Higher energy efficiency criteria in public procurements may imply higher prices
- ☒ Lack of clarity of the energy efficiency requirements for public procurement
- ☐ Energy efficiency requirements for public procurement are not very clear and difficult to check

Public procurement of energy efficient products, services and buildings is obviously important and increases awareness and enables inclusion of more complex views of specific offers and projects. It is recommended for regions and cities with sufficient resources to carry out detailed procurement processes. There should, however, also be scope for smaller municipal bodies, such as small towns and villages to have some exception to these rules.

Due to issues such as complex and imperfect legislation and a lack of experienced staff, expertise and confidence in some public bodies, there is a focus on attaining the least costly rather than the highest quality option. Projects of high efficiency measures/buildings require more sophisticated analyses and searching variants that are generally taking place in the Czech Republic. Some of these issues might be addressed by hiring in expertise directly or on a consultancy basis.

7.3. In your view, should all EU public procurement rules relating to sustainability (including in particular energy efficiency in buildings, the use of renewable energy sources, etc.) be gathered into a single EU guidance framework?

Yes – Preparation of EU guidance can significantly increase the effectiveness of public procurement and evaluation and can increase the transparency of the process. This guidance document or documents might also incorporate reference to other documents/tools, such as the CESBA sustainability building assessment tool for the CE region. The guidance should also take into account the different climatic and legislative conditions in different member states.

7.4. Do you think that there is sufficient guidance/framework to know what is meant by "energy efficient products, services and buildings"?

No – In some sectors, such as seen on appliance labels, guidance can commonly be seen in the Czech Republic. However, general awareness of energy labels for buildings is still very low.

7.5. While energy efficient products will be cheaper to operate, their initial cost might be higher and a longer period of time will be needed to "pay back" this higher cost. Is this a problem and if so, how can public authorities overcome it?

Yes- This is a problem. As mentioned previously there is a tendency in the Czech Republic to go with the lowest cost rather than the highest quality option. Investment costs should be calculated including projected future costs and savings. These might include; realisation costs, depreciation, energy usage savings, operating/maintenance costs and disposal costs. More generally, public authorities must avoid increasing public debt as it could potentially negatively impact on many areas of public life, especially at the local level.

8. Article 7: Energy efficiency obligation schemes

8.1. Emerging evidence suggests that most of the measures introduced under Article 7 have long lifetimes (20-30 years) and will continue have an impact beyond 2020. Do you share this view?

Yes- This is particularly the case for measures aimed at improving heat insulation and power/gas production and distribution. Such projects are highly likely to have impacts far after 2020.

8.2. What is your view on the potential benefits (listed) of energy efficiency obligation schemes?

	Strongly agree	Agree	Disagree	Strongly disagree	No opinion
Lower energy bills for consumers					x

Better awareness of energy efficiency potential by consumers		x			
Better relationship between energy suppliers, distributors and customers					
Lower energy generation (and transmission) costs for the utilities			x		
Improved business and administrative environment for up-coming innovative energy services		x			
Aggregation of small-scale investments (pooling/bundling)					x
Development of new financing models – e.g. energy performance contracting		x			
Stimulation of energy efficient renovation of buildings	x				
Increased competitiveness in the energy markets		x			
Other					

- 8.3. Are you aware of any developments in the energy services markets that have benefited particular actors (e.g. service providers, suppliers, distributors, etc.) in Member States having an obligation to define the obligated parties under the energy efficiency obligation scheme?**

Yes – One example is the system of ecological building certification (BREEAM) in the United Kingdom. A significant part of BREEAM is concerns energy efficiency.

- 8.4. If you think that some requirements of Annex V need more precise guidance please list those requirements and specify briefly what further information you think would be useful.**

[Free choice: max. 1000 characters]

- 8.5. **As you might know, the current framework of Article 7 is set until 2020, linked to the energy efficiency target for 2020, which will expire at the end of 2020. In your view, should the Article 7 obligations continue beyond 2020 in view of the new energy efficiency target for 2030?**

Yes

If yes, what factors should be considered for the future Article 7 (please select up to 5 options from the list, and explain your reply if possible):

- ☒ The amount of savings to be achieved should be set at a more ambitious level for post 2020 (exceeding the existing 1.5%)
- ☒ The energy efficiency obligations scheme should be kept as the only possible instrument to achieve the required savings
- ☒ The possibility to choose between the energy efficiency obligations scheme and/or alternative measures should be retained
- ☐ The possibility to exclude sales in transport from the baseline should be removed
- ☒ The possibility to exclude sales in transport from the baseline should be kept but restricted to the fixed amount to ensure the level playing field
- ☐ The exemptions under paragraph 2 – applying a lower calculation rate (for the first years), and excluding sales in ETS industries, as well as allowing savings from measures targeting energy generation and supply – should be removed altogether
- ☐ The exemptions under paragraph 2 should be retained but the level and number of exemptions should be reviewed
- ☐ The possibility for 'banking and borrowing' energy savings from different years should be removed (paragraph 7(c))
- ☒ The possibility for 'banking and borrowing' energy savings should be kept with a possibility to count savings towards the next obligation period (paragraph 7(c))
- ☐ Other (please specify)

- 8.6. **Do you think that the scope of eligible measures allowed under Article 7 should be clarified?**

Yes – A detailed clarification of scope would potentially help implement more measure and achieve energy savings.

If yes, please explain your answer further:

- ☐ The scope of eligible measures should only be end-use energy savings (as it is at the moment)
- ☒ The scope of eligible measures should be expanded
- ☐ Other (Please specify)

[Free choice: max. 1000 characters]

If the scope should be expanded, please specify which of the following possibilities would be appropriate:

- ☒ Measures to switch fossil fuel heating and cooling fully or partially to renewable energy (e.g. through individual appliances, district heating and cooling, centralised distributed units supplying larger building complexes or groups of buildings)
- ☒ Measures to increase efficiency of district network infrastructure and generation, including through thermal storage facilities
- ☒ Measures to make energy generation from small scale generation more efficient, below the ETS threshold
- ☒ Switch to self-consumption, auto-generation and energy positive buildings
- ☒ Participation in demand response, including from providing storage capacities
- ☒ Primary energy savings from the utilisation and recovery of waste heat (e.g. in district networks)
- ☒ Savings from energy management systems
- ☒ Energy savings from better organisation of activities
- ☐ Other (please specify)

8.7. Would there be benefits in greater harmonisation of some of the requirements of Article 7 to allow more consistent implementation across Member States?

Provision of Article 7/Annex V	Strongly agree	Agree	Disagree	Strongly disagree	No opinion
Calculation methods	x				
Materiality					x
Additionality		x			
Lifetimes		x			

Price demand elasticities ¹³ for taxation measures in real terms	x				
Indicative list of eligible energy saving measures	x				
Monitoring and verification procedures	x				
Reporting		x			
Other					x

8.8. What role should the EU play in assisting the Member States in the implementation of Article 7?

The role would mainly be centred around coordination of work on the likes of; harmonized rules, calculations, monitoring and verification procedures. The EU can also prepare guidance, disseminate best practice examples/information sharing from different member states and prepare public educational programmes

8.9. Please state which best practice examples could be promoted across the EU and how?

Perhaps the EU is best equipped to answer this.

8.10. Would it be appropriate and useful to design a system where some types of energy savings achieved in one Member State would count towards obligations carried out either by governments or by economic operators in another country, just as the option to cooperate on greenhouse gas emissions reductions already exists?

In principle, this is a good idea which could increase the efficiency of the process. There are great differences in cost to achieve energy savings. The introduction of this idea could lead to energy savings across member states. It would, however, have to be carefully planned and have buy-in from all member states,

8.11. Would it be appropriate and useful to design a system where energy efficiency obligations would also include elements aiming at gradually increasing the

¹³ Price demand elasticity is a measure used in economics to show the responsiveness, or elasticity, of the quantity demanded of a good or service.

minimum share of renewable energy applicable to energy suppliers and distributors?

Generally, yes.

8.12. Could the option of establishing an EU wide 'white certificate' trading scheme be considered for post 2020?

- ☐ Strongly agree
- ☒ Agree
- ☐ Disagree
- ☐ Strongly disagree
- ☐ No opinion

An EU wide certificate scheme could potentially facilitate investment into energy savings and could enable a more effective allocation of investment. The details of this certificate, however, would have to be consulted on in its own right.