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Article 7 EED State of play / way forward

**4th Workshop meeting of the White Certificate Club
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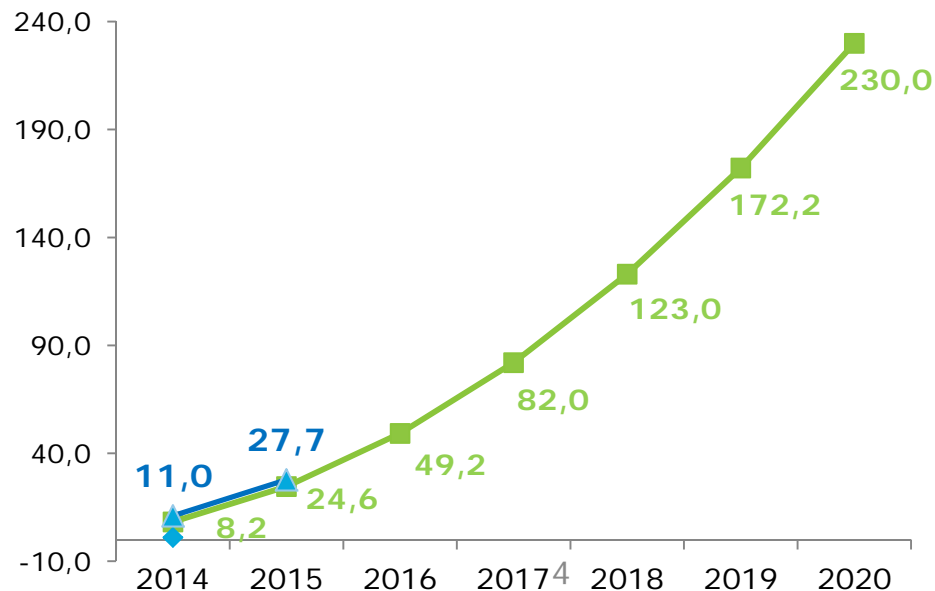
Agenda:

- Implementation status
- Reported savings for 2015
- Review of Article 7 post 2020
- Negotiations - overview

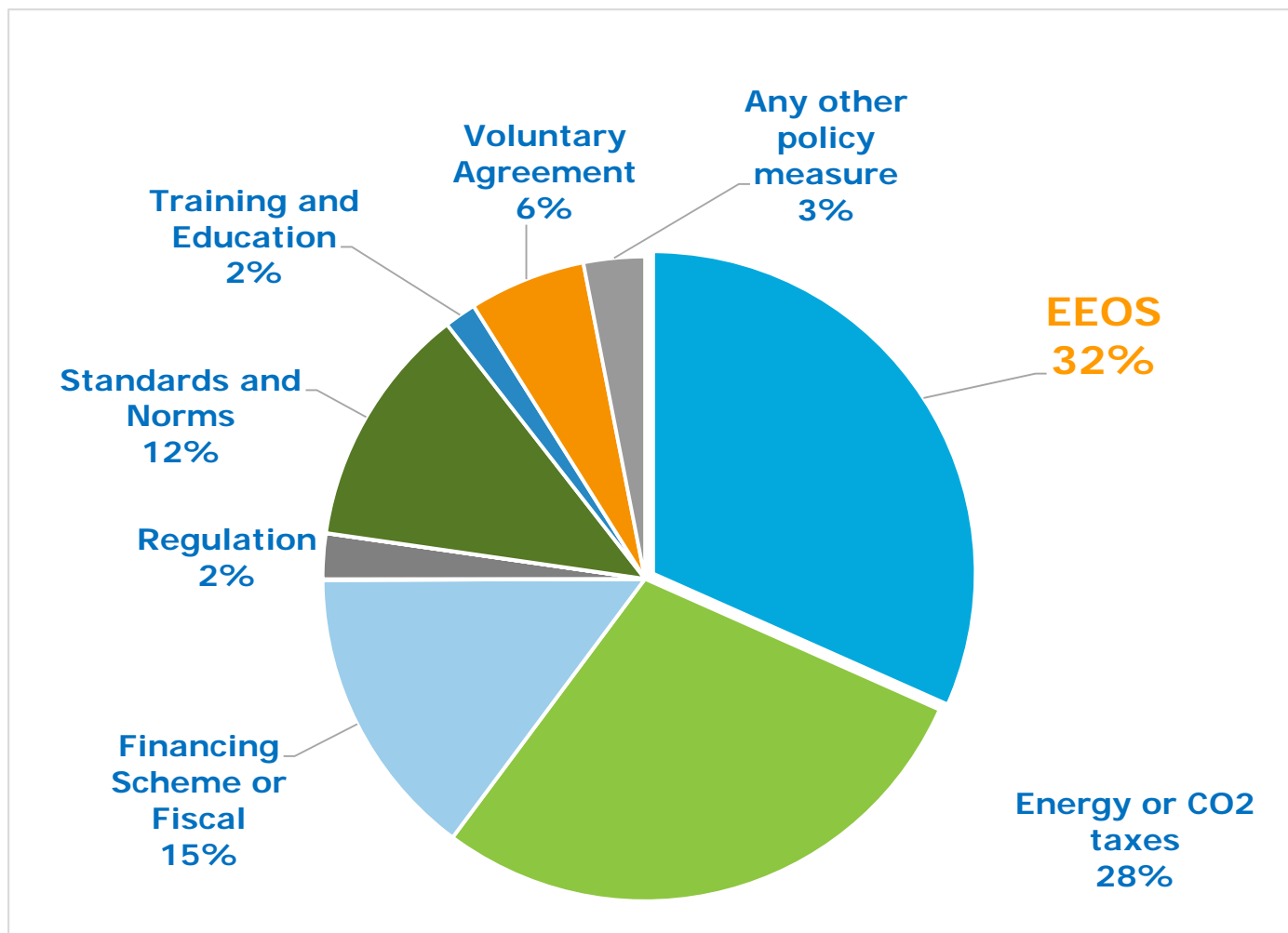
Implementation status

Achieved energy savings in 2015

- In total **28.5 Mtoe** reported as achieved savings in 2015 (16% more than estimated average for that year).
- **15 MS** reported more savings than estimated (AT, BE, DK, EE, FI, FR, DE, IE, MT, RO, SK, SI, SE, UK).
- 5 MS were close to the target for 2015; while 8 MS significantly underachieved.
- 9 countries have reported savings for 2016 of **6 Mtoe**.



Achieved share of savings per type of measure (%)



Changes notified in the Annual Reports/ NEEAPs 2017

2 MS have notified changes to their national savings requirements (MT and LT).

8 MS have notified changes in expected savings from the policy measures which result in:

- an increased overall amount of savings for BE, EE, FI, MT
- a reduced overall amount of savings for SE, SK, UK

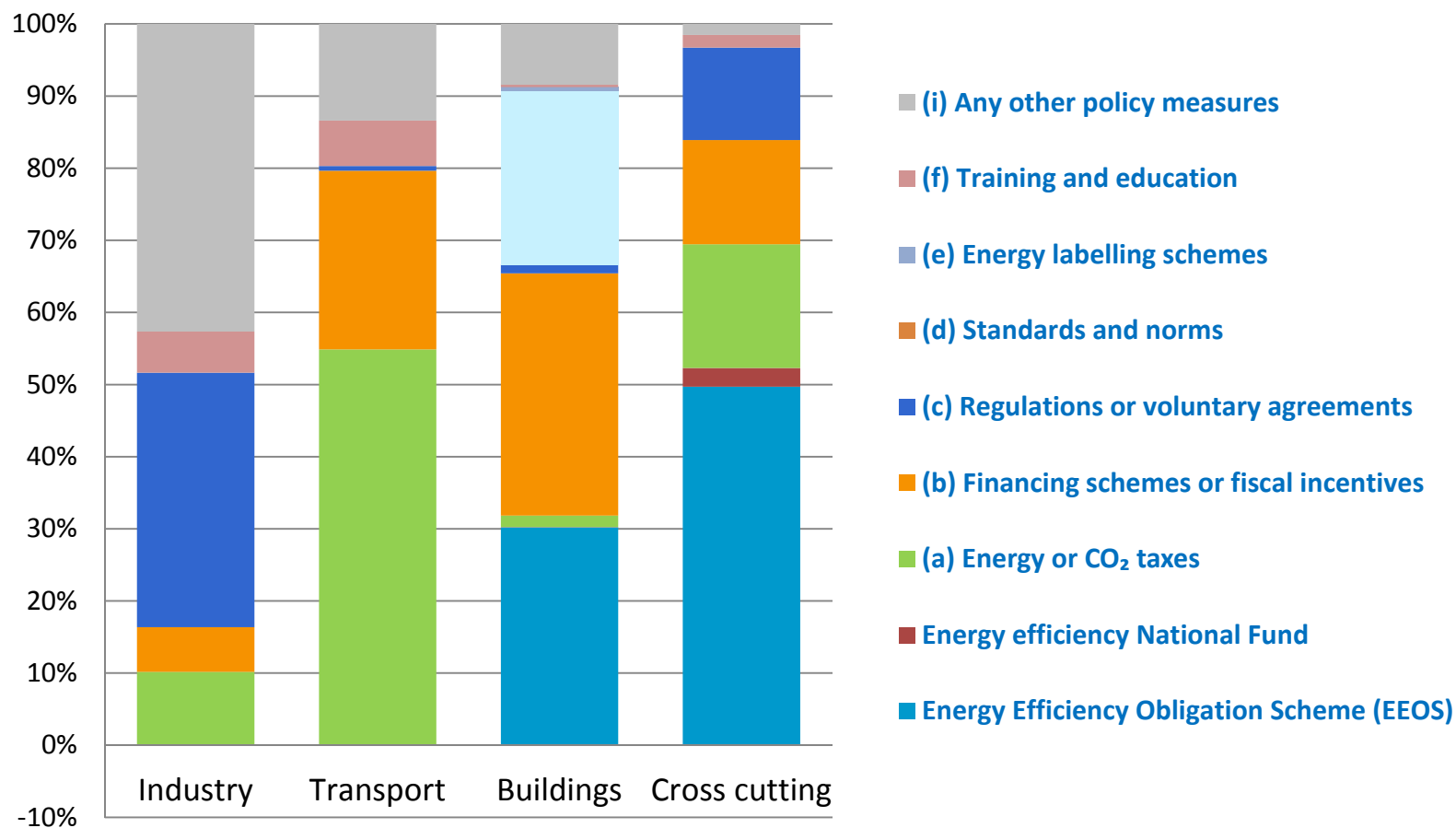
6 MS have made changes in their policy packages, for example:

- new policy measures added for BE, CZ, ES
- MT, HR regrouped the measures

Share of savings expected from 15 EEOs:

Member State	Share (%)	Member State	Share (%)
Austria	42%	Latvia	10%
Bulgaria	100%	Luxembourg	100%
Croatia	41%	Malta	14%
Denmark	100%	Poland	100%
France	87%	Slovenia	33%
Greece	10-15%	Spain	44%
Ireland	48%	United Kingdom	24%
Italy	62%		

Overview of policy measures per sector:



Amended Article 7 – What has changed?

ENERGY SAVING OBLIGATION (Article 7 EED)



Extended energy
saving obligations
post 2020 (1.5% per
year)



Simplified and
streamlined rules



Coherence with
the EPBD and
strengthened
social dimension



Will allow attracting private investment and boosting the renovation rate of buildings, and will contribute to all climate and energy targets for 2030

EXTENDED OBLIGATION FOR 2021-2030 PERIOD

- **New savings of 1.5%** each year from energy sales to final customers.
- Possibility to exclude from the baseline energy sales in **transport** and
- Use of **exemptions**: (b) – exclude sales to ETS, (c) –savings from supply side, (d) –savings from early actions, and (e) - RES produced on/in buildings.



All exemptions under article 7(2) taken together may not exceed 25% of the total amount of savings calculated under article 7(1)

SIMPLIFIED AND STREAMLINED RULES

Clarified rules in Article 7/ annex V:

- ✓ Eligible policy measures that trigger "**end-use**" energy savings (except for exemptions).
- ✓ Policy measures that result in **new individual actions** that take place after 2020 and generate new energy savings (Article 7(1)).
- ✓ Savings should be **additional** to those that would have occurred in any event - without the activity of the obligated, participating party.
- ✓ Savings resulting from the **implementation of EU law** cannot be claimed except for renovation measures and early replacement for more efficient appliances and vehicles.

SOCIAL DIMENSION/ NEXT STEPS



Strengthened social dimension:

- ❑ Member States shall consider **energy poverty** in designing their energy efficiency obligation schemes post 2020 (article 7a(5.a)) and this is extended also to alternative measures (article 7b(2)).



Next steps:

Notification of Member States' plans on policy measures and methodologies in the 1st integrated national energy and climate plans under the Governance (article 4 and annex II)

Reporting on progress every two years under the Governance (article 19(b)3))

Guidance to be updated – explaining the changes and providing examples of best practice

Overview of the negotiations

COUNCIL GENERAL APPROACH (26/06/2017)

The ambition level lower than proposed by COM

- ❑ Headline rate of 1.5% retained, but more flexibilities added:
 - reduced rate of 1% from 2026 (unless COM review shows insufficient progress - should be increased back to 1.5%);
 - Special exception for small islands with a saving rate of 0.8% starting 2021;
 - excess savings from the current period 2014-2020 can count towards the next period 2021-2030 (not capped);
 - Cap for all the exemptions (in paragraph 2) increased from 25% to 35% containing:
 - a) on building RES production for own use and
 - b) long term measures implemented in 2018 – 2020.

EUROPEAN PARLIAMENT

(ITRE) Rapporteur Gierak (S&D/PL), draft report presented on 22/06:

- ☐ Primary energy savings of 1.5% covering also transport sector
- ☐ Focus on energy generation and transformation (supply side)
- ☐ Strong focus on energy poverty - significant share of measures to be achieved in households affected by energy poverty
- ☐ Removal of the "additionality" principle in Annex V

(ENVI) Rapporteur Guteland (S&D/SE), draft report (opinion) presented 8/06:

- ☐ Transport is included in baseline
- ☐ Obligation on transport fuel distributors / retailers
- ☐ Increased emphasis on energy poverty

NEGOTIATIONS TIMETABLE - EED

Council:

- ☐ Discussions in the Council Energy Working (started in Jan. 2017, last Energy Working Party on 30 May for the EED).
- ☐ Energy Council on 26 June (general approach on the EED).

European Parliament:

- ☐ Exchange of views in ITRE - 23 March
- ☐ Presentation of the draft report - 22 June
- ☐ Deadline for amendments – 28 June
- ☐ Consideration of amendments – 4 Sept.
- ☐ Vote in ITRE – 11/12 October
- ☐ Vote in plenary – Nov. 2017 (tbc)



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Thank you!

Please consult: <https://ec.europa.eu/energy/en/news/commission-proposes-new-rules-consumer-centred-clean-energy-transition>

