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**Session 09**  
**2xEP: Making it happen**

*Monica Frassoni > presentation follows*

Lucy Arundell  
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*Chair: Rod Naylor*



*Doing more. Using less.*



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**MAKING IT HAPPEN**

# **REVISION OF EU ENERGY EFFICIENCY LEGISLATIONS**

**2XEP: ENERGY PRODUCTIVITY SUMMIT - SYDNEY, 4/5 APRIL 2017**

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# ABOUT EU-ASE



EUROPEAN ALLIANCE TO  
**SAVE ENERGY**

*Creating an Energy-Efficient Europe*

- **Established** United Nations Climate Change Conference in December 2010
- **Our objective** To make the case for the urgent need for stronger action on energy efficiency in Europe
- **Who we are** Some of Europe's leading energy efficiency advocates: companies, politicians and campaigners.

EU-ASE members have **operations across the**  
**28 Member States**, employ over **340.000** **people**  
in Europe and have an **aggregated** **annual turnover of**  
**€115 billion.**

# ABOUT EU-ASE



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## MEMBERS



## HONORARY MEMBERS

**Bendt Bendtsen**

Member of the European  
Parliament  
(Denmark, EPP)

**Bas Eickhout**

Member of the European Parliament  
(Netherlands, Greens)

**Morten Helveg Petersen**

Member of the European  
Parliament  
(Denmark, ALDE)

**Peter Liese**

Member of the European Parliament  
(Germany, EPP)

**Kathleen Van Brempt**

Member of the European Parliament  
(Belgium, S&D)



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**Position Papers**

Clean Energy for All  
Europeans package

Revision of the Energy  
Efficiency Directive (EED)

Revision of the Energy  
Performance of Buildings  
Directive (EPBD)

By the European Alliance to Save Energy  
March, 2017



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## CLEAN ENERGY FOR ALL EUROPEANS

In November 2016, EU institutions started a major revision of all EE legislations, including the Energy Efficiency Directive and the Energy Performance of Buildings Directives.



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## Challenges for EE in the EU

- EE is not fully perceived as a cost-effective solution to increase EU productivity and competitiveness. Costs rather than benefits are often highlighted.
- The European Commission's "Efficiency First" principle remains a motto: there is not a political certainty to make EE the pillar of EU's energy system.



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## STILL, WE KNOW THAT

1. we can double the rate of energy productivity with existing EE technology;
2. Household energy bills could be cut by a third;
3. Doubling the rate of energy productivity improvement from close to 1.5% to 3% per year could create more than 6 million jobs already by 2020;
4. The global fossil fuel bill could be cut by more than €2trillion by 2030;





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## Objectives 2017-2030

Double the current EU energy productivity rate from 1.5% to at least 3% in 2030 by securing an EU binding target and measures to achieve at least 40% savings in 2030 (current political discussions are around a 2030 target at 30%, this would halve the current energy productivity rate from 1.5% to 0.7%).

# CLEAN ENERGY FOR ALL EUROPEANS PACKAGE



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- The “Clean Energy for All Europeans” package proposed by the European Commission on 30 November 2016 is an **important step forward in implementing the EU’s Energy Union strategy** and in supporting the EU’s energy transition towards a carbon-neutral society by early mid 21st century.
- The most cost-effective way to achieve the objectives of the Energy Union strategy is to **place the “Energy Efficiency First” principle strategically across the various legislative dossiers** of the package.
- Both the **long-term horizons (2030 and 2050)** of some provisions and the proposal to draft “Integrated National Energy and Climate Plans” under the Governance 2030 Regulation can help in creating a holistic framework wherein energy efficiency is a key part of the energy transition.
- The proposed **EU binding target for energy efficiency** will provide a clear market signal to the industrial and financial community and ensure a long-term framework for investments.

# REVISION OF THE ENERGY EFFICIENCY DIRECTIVE (EED) 1/2



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## 2030 ENERGY EFFICIENCY TARGET (ART. 1 & 3)

### Keep the binding nature of the EU target to strengthen investor confidence

- Businesses need a clear and stable long-term framework at the European level to catalyse energy efficiency investments, which are a precondition to creating innovation. **A binding target provides investment certainty and increases investor confidence.**
- EU-ASE strongly supports a transparent definition of **national targets**. Such targets should take into account their national cost-effective potential, progress they have made in increasing energy efficiency thus far, and the Union's 2030 energy efficiency target, which must be **expressed both in primary and final energy consumption**.
- The EU target on energy efficiency must be **underpinned by dedicated policies and measures**, without which an optimal framework for enhanced energy efficiency cannot be created.

### Increase the level of ambition

- **The EU should head towards a 40% energy efficiency target.** This ambition is based on an in-depth evaluation of the aggregated savings potentials in key sectors (residential: 61%; transport: 41%; tertiary: 38%; industry: 26%). It is also in line with the position expressed on several occasions by the European Parliament and with the 2015 IEA estimate that, in Europe, approximately 70% of emissions cuts to stay below two degrees (2°C) will need to come from energy efficiency.

# REVISION OF THE ENERGY EFFICIENCY DIRECTIVE (EED) 2/2



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## ENERGY SAVINGS OBLIGATIONS (ART. 7)

### Support the extension beyond 2020 of the 1.5% national savings obligation

- The **extension of the obligation period beyond 2020 to 2030 (and further)** will create greater stability for investors and businesses working in the energy efficiency market, including ESCO business models, and support the emergence of new market actors. Cumulative saving periods will encourage investments with longer payback times.
- The definition and implementation of measures under art. 7 should have a **strong alignment with art. 2.a EPBD** (the Member States' long-term building renovation strategies aimed at achieving a highly energy efficient, decarbonised building stock by 2050).

### Promote actions to increase cost-effective energy savings

- The new formulation of art. 7 is much more straightforward and offers **Member States the ability to better adapt to different contexts and traditions while ensuring that the cumulative annual end-use energy savings target of 1.5% is maintained and actually achieved by Member States.**
- It is important that art. 7 EED promotes energy savings both in terms of primary and final energy.
- With the current revision, any statistical tricks that might reduce this annual goal should be avoided. New savings achieved from 1 January 2021 to 31 December 2030 must be **additional to business as usual and must be evaluated against a transparently defined baseline.**



# REVISION OF THE ENERGY PERFORMANCE OF BUILDINGS DIRECTIVE (EPBD) 1/2



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## LONG-TERM RENOVATION STRATEGY (ART. 2A)

### Focus on the cost-effective potential of building renovation

- Meeting the 2030 energy efficiency target requires a clear **focus on renovation**; therefore, EU-ASE calls on EU institutions to seize the opportunity provided with this revision to put existing buildings at the centre of the EU's energy efficiency strategy.

### Set a reliable and coherent EU framework for the definition of national long-term renovation strategies

- The Commission fittingly proposed to move art. 4 EED on building renovation to this Directive. However, the formulation of this new art. 2a EPBD is vague and must be strengthened with real **Key Performance Indicators (KPIs)**:
  - the long-term 2050 goal to “decarbonise” the national building stock must be clarified to ensure that priority is given to measures and actions that reduce the energy demand of the EU building stock by 80% by 2050 compared to 2005 levels in the most cost-effective way;
  - Member States shall identify a reliable renovation roadmap with **intermediary mandatory milestones (renovation targets)** to achieve mid-term and long-term objectives (2030, 2040, and 2050);
  - The national strategies must cover the renovation of the entire national stock of residential and commercial buildings (both private and public). A **differentiated approach and targets for buildings categories must be identified**;
  - **Trigger points** for building renovation shall be also introduced by Member States in line with their legal framework and local conditions.

### Unlock the needed private investments in the building sector

- Making energy efficiency of (residential and non-residential) buildings an **infrastructure priority** would contribute to attract the estimated €60–100 billion needed to be invested annually.

# REVISION OF THE ENERGY PERFORMANCE OF BUILDINGS DIRECTIVE (EPBD) 2/2



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## TECHNICAL BUILDING SYSTEMS (ART. 2.3/8/14/15)

Encourage the deployment of smart technologies and optimisation of technical building systems to ensure buildings operate efficiently

- The **enlarged scope of “Technical Building System” (TBS) in art. 2.3 is a step in the right direction** and EU-ASE welcomes:
  - The **re-inclusion of lighting systems in the definition of TBS and requests that consistency is given to implementing articles.**
  - The **inclusion of building automation and control**, although it shall also include energy monitoring systems.

To accelerate renovation and enable building connectivity to the energy system, key functionalities shall be prescribed in non-residential buildings over 250 MWh/a and in residential buildings with central technical building systems of over 100kW power.

Promote Smart Buildings that can ensure interaction and communication between on-site intelligent connected technologies, the owner, and the grid in order to improve their overall energy performance

- The introduction of a “smartness indicator” (SI) is an interesting proposal. EU-ASE welcomes **efforts to provide reliable, useful, accurate, simple information to building users regarding the energy performance of their buildings**, which should be the ultimate objective of the SI and of the existing Energy Performance Certificate (EPC).
- The SI must be improved, however. As proposed by the Commission, this new indicator should rate the readiness of the building to adapt its operation to the needs of the occupant and of the grid. EU-ASE believes **its scope should be enlarged to cover also enhanced energy saving capabilities.**

THANK YOU!



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