

## Clean Energy Package

### EFIEES' key points and suggestions for the revision of the Directives on Energy Efficiency, Energy Performance of Buildings and Renewable Energy Sources

EFIEES supports the consistent implementation of the '**Energy Efficiency First**' principle across all the elements of the 'Clean Energy for All Europeans' Package and the following guiding principles:

- Efforts towards **more energy efficiency and more renewable energy** should be subject to obligations **with the same nature (binding or not, EU or national level)**
- More consideration to be paid to **energy efficiency services and energy efficient solutions**, such as **energy performance contracting**
- **Equal treatment of renewable energy sources**, whether produced on-site or supplied through a carrier
- **A territorial/district approach**, rather than an individual building's approach, should be introduced

### Energy Performance of Buildings Directive

- **Article 2a "Long-term renovation strategy"**, based on Article 4 of the current Energy Efficiency Directive, with a clear roadmap to be established by MS to decarbonise their national building stock.

**EFIEES is in favour of this provision**, and highlights that **energy efficiency services have an important role to play** in the decarbonisation of the building stock and therefore shall not be forgotten in the national roadmaps. Moreover, long-term renovation strategies should not just encompass 'deep renovations', but also **deep-staged renovations and all the set of possible alternative or complementary measures aimed at improving the energy efficiency of a building**. Hence, EFIEES supports a holistic approach to buildings' renovation and decarbonisation.

- **Article 6.1, second subparagraph (new buildings) + Article 7.5 (existing buildings)**: the European Commission proposes to delete the references to **high-efficiency technologies** to be taken into consideration in case of new buildings and existing buildings undergoing major renovation, **including high-efficiency cogeneration and efficient DHC**.

**EFIEES thinks that the initial wording of Articles 6 and 7 of the EPBD 2010/31/EU should be kept**. Such a list does not create any administrative burden and should thus not be deleted, as it usefully draws the attention to possible efficient technologies that are not enough used in the renovation process. **The cost-optimal assessment of viable solutions shall consider all possible, high-efficient, alternatives**.

- ▶ **Article 10.6a:** The database for registering Energy Performance Certificates shall track the actual energy consumption.

**EFIEES strongly supports this idea: accounting the real energy consumption is key.**

- ▶ **Article 14, paragraphs 2 and 3: obligation for regular inspections on heating and cooling installations**, with the alternative possibility for MS to set requirements to equip with building automation and control systems all non-residential buildings > 250 MWh (Article 14.2) primary energy use/year, and/or all residential buildings with centralised technical building systems > 100 kW (Article 14.3) of cumulated effective rated output.

**EFIEES’ view: Installations/buildings under commitment on energy consumption/savings, such as Energy Performance Contracting, shall also be exempted from regular inspections.** Contractual commitments to energy consumption/savings are an effective and long-term tool towards an improved energy efficiency in the building sector. Energy efficiency services, such as Energy Performance Contracting (EPC) and their long-term energy savings guarantees, are what “makes energy efficiency happen”. Therefore, **they should not be subject to additional administrative burden. Exempting systems covered by such contracts from regular inspections** will not only promote building automation and control systems, which are included when needed, but **will also contribute to enhance the role of these effective tools towards energy efficiency.**

- ▶ **Annex I.2:** The calculation of Primary Energy Factors per energy carrier shall discount the share of renewable energy so that **calculations equally treat the energy from renewable energy sources (RES) generated on-site and the energy from RES supplied through an energy carrier.**

**EFIEES strongly supports this approach: an equal treatment between the energy from RES produced nearby, and supplied through an energy carrier such as a DHC system, and the one generated on-site, is necessary in order to ensure a level playing field.**

## Energy Efficiency Directive

- ▶ **Articles 1 and 3**

**EFIEES supports a binding EE target**, to send a clear message to investors and ensure the ‘energy efficiency first’ principle is pursued. **It is essential that the nature of the obligations for energy efficiency are the same as of the one for the transition towards renewable energies (binding or not, EU or national level).**

- ▶ **Article 7**

**EFIEES agrees on the extension of EEOS at least until 2030, with the same level of ambition (1.5% annually).**

**The annual energy savings obligation should be ideally expressed in primary energy.** This would allow MS optimise their choice regarding the different possible options to improve energy efficiency, **taking into account their impact along the whole energy chain.**

In fact, improvements in primary energy should be duly taken into account throughout the whole Directive, to ensure energy is generated, converted, distributed and finally consumed by end-users in a more efficient way.

- **Annex IV:** The European Commission proposes **to reduce the default value of the Primary Energy Factor (PEF) from 2.5 to 2.0**, which could be used by MS for reporting purposes.

**EFIEES strongly opposes this value.** Indeed, even if the Primary Energy Factor (PEF) value needs to be revised and adjusted to better take into account the changes occurring in the energy system as well as in the energy sources used, **the value proposed by the Commission is inadequately low.**

First, **it is the result of arbitrary and inappropriate methodological choices made in the study** (exclusion of upstream energy losses, geographical resolution of the study, role of CHP in the electricity system, etc). The methodology and calculations chosen do not ensure that the technical assessment for all fuels is fair and comparable.

Second, **the value does not reflect the current energy mix, but a forward-looking hypothetical one, which does not correspond to reality**, and reduces the incentive to take actions to improve energy efficiency.

Finally, **the methodology behind the value must fit the purpose, which differs from application to application:** if a single PEF for products put on the internal EU market could be an interesting idea, geographical and seasonal PEFs are needed for the implementation, for instance, of the EPBD. **That’s why the application of a PEF value should apply only to the EED and be used as tool to reflect the efficiency and energy mix of the electricity system and not as an energy policy tool.**

However, any new value potentially inserted should be **not lower than 2.3.**

## Renewable Energy Sources Directive

- **Article 15:** The **national assessment by MS of their potential of RES and of the use of waste heat and cold for heating & cooling**, to be included in the assessment based on Art. 14 EED.

**EFIEES views it favorably.**

- **Article 19:** The mechanism of **guarantees of origin (GOs)** is extended to biogas, for instance in case of biomethane injection into the grid.

**EFIEES’ view:** Some MS have already put in place GOs for biogas, in addition to financial support or not. Contrary to electricity from RES, the biogas industry is only emerging, and most of the projects still need a financial support and GOs to be profitable. **EFIEES highlights that a too strict regulation on this topic could endanger the projects, so subsidiarity shall prevail.**

Moreover, in **Article 19 paragraph 2.3** the Commission indicates that MS shall ensure that no GOs are issued to a producer already receiving financial support from a support scheme for the same production of RES. However, **while the aim of this provision is reasonably to avoid possible windfall profits resulting from the production of the same unit of energy, the combination of GOs and support schemes should be kept possible, provided mechanisms such as deduction from the revenues of the support schemes are established.**

- **Articles 21 and 22:** Renewable self-consumers and renewable energy communities.

**As a general remark, if self-production and self-consumption of renewable energy should be encouraged, it would be misleading not to account the self-generated and self-consumed energy in the overall energy consumption and performance (see EED and EPBD).**

**As far as renewable energy communities are concerned, they could represent an interesting tool to further mainstream renewables, while involving local actors and players at the different levels.** Nevertheless, they should **not be discriminatory**. Therefore, EFIEES supports the development of renewable energy communities, provided that any DHC network operator is also possibly part of it, independently of its size or legal nature.

- **Article 23:** Mainstreaming renewable energy in the heating and cooling installations.

**EFIEES welcomes the proposal aimed at increasing the share of RES in the heating and cooling sector.** In this respect, the **effective use of waste heat also plays an important role, as it reduces the utilisation of additional fossil fuels, while improving energy efficiency.** The **recovery of waste heat should consequently be promoted**, by means of support mechanisms that should be the ones applicable to RES: support schemes, taxation, etc.

**The deployment and further development of efficient district heating, as defined in the Directive 2012/27/EU, should also be supported as the main vector for transition towards renewables in the H&C sector.**

- **Article 24, paragraph 1:** DHC operators shall provide information on the energy performance and energy mix (RES)

**EFIEES' view: Along with RES, the share of waste heat shall also be mentioned.**

- **Article 24, paragraphs 2 and 3:** Final consumers are given the **right to disconnect** from DHC that are not efficient district heating and cooling' within the meaning of Article 2(41) of the EED in order to produce heating and cooling from RES themselves or switch to an alternative supplier producing from RES.

**EFIEES' view: It should be made clear that the disconnection from inefficient DHC shall in any case follow the procedure legally defined in the contract (time limits, penalties, etc.), bearing also in mind that disconnections may affect the whole system, with potentially negative consequences on all customers supplied by the network.**

- **Article 24, paragraph 4:** Non-discriminatory access to DHC for alternative suppliers of RES or waste heat/cold.

**EFIEES' view: This access should be allowed only if technical conditions are met and if it does not result in a rise of total costs for the customers already connected to the system.** On the other hand, **direct supply to customers by suppliers other than the DHC operator should not be made possible at all, for operational reasons, including legal and technical aspects.** This may lead, indeed, to a new complex regulatory regime, eventually increasing the costs of heat production (compliance costs and sub-optimisation of the network).