

EUROPEAN FEDERATION OF INTELLIGENT ENERGY EFFICIENCY SERVICES

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"Clean Energy Package" - EFIEES' key points on the proposals 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:

- More consideration to be paid to energy efficiency services
- Equal treatment of renewable energy sources, whether produced on-site or supplied through the energy 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.
- Article 6.1, second subparagraph (new buildings) + Article 7.5 (existing buildings): European Commission proposes to delete 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, on the contrary it usefully draws the attention to possible efficient technologies that are not enough used in the renovation process. The cost-optimal assessment shall consider all viable alternatives. Deleting some of them would be a wrong political signal, detrimental to the recognition of the virtue of such important, but sometimes forgotten, technologies.
- Article 10.6a: Database for registering Energy Performance Certificates shall track the actual energyconsumption.

EFIEES strongly supports this idea: accounting the <u>real</u> 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 nonresidential 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/energy savings, such as Energy Performance Contracting, shall also be exempted of regular inspections. This would result in promoting commitments on energy savings on the long term, where regular inspections nor building automation and control have no direct and guaranteed effects on energy efficiency improvements.

 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 career.

> **EFIEES supports this approach**, as it ensures a **level playing field** allowing that the energy from RES produced **nearby**, and **supplied through a DHC system**, is equally treated with the one generated onsite.

Energy Efficiency Directive

- Articles 1 and 3

EFIEES supports a binding 30% target at EU level.

- Article 7

EFIEES fully agrees with an extension of the EEOS to 2030 with the same level of ambition (1.5%).

- Annex IV: 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: it is inadequately low, as a result of 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 calculation shall ensure that the technical assessment for all fuels and sources is fair and comparable, and therefore should reflect the reality and not a forward-looking hypothetical energy mix. In the frame of a technical working group within CEN, under a mandate from the Commission, technical experts from various sectors and all MS have already agreed on a set of primary energy default values for all common fuels that include the upstream chain. In any case, the methodology behind the value must fit the purpose which differs from application to application: if a single PEF for products being put on the internal EU market could be an interesting idea, geographical and seasonal PEFs are needed for the implementation of the EPBD.

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 (GO) is extended to biogas, for instance in case of biomethane injection into the grid.

EFIEES' view: Some MS have already put in place GO 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 GO to be profitable.

EFIEES highlights that a too strict regulation on this topic could endanger the projects, so subsidiarity shall prevail.

- Article 22: Renewable energy communities

EFIEES' view: Renewable energy communities could be an interesting idea, provided that any DHC network operator is also possibly part of it, independently of its size or legal nature. **Otherwise it would be discriminatory**.

- Article 23:

EFIEES' view: Along with RES, waste heat or cold should be eligible to count towards the 1% target. EFIEES emphasizes that MS shall keep the flexibility to develop RES and waste heat or cold with policy measures other than obligations: grants, fossil fuel tax, low-interest loans...

- Article 24, paragraph 1: DHC operators shall provide information to end-consumers on the energy performance and RES share.

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 shall in any case follow the procedure defined in the contract (time limits, penalties, etc.).

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

EFIEES' view: This shall <u>only</u> be allowed if technical conditions are met, and if it does not result in a rise of total costs for the customers already connected to the DHC system. On the other hand, direct supply to customers by suppliers other than the operator of the DHC system should not be made possible at all, for operational reasons, including legal and technical aspects. The impact assessment has not shown evidence on the potential of success of such a measure, whereas in some MS (Sweden and Germany in particular) some analysis led to the contrary conclusions: that it leads to a new complex regulatory regime increasing the costs of heat production (compliance costs and sub-optimisation of the network). Technical and economical balance and optimisation of the production, transport and distribution of heat need the scale of the whole network: otherwise, there is a lack of synergies and costs for consumers increase. EFIEES encourages the use of RES/waste heat without the creation of a disproportionate burden for the operators, and thinks that the increase of RES/waste heat in DHC systems should be born at the level where collective benefits of it can be drawn.

EFIEES represents private companies ensuring an overall management of energy demand to end-user (Energy Efficiency Service Companies, EESCs). These companies provide operational maintenance and management of equipment of their industrial, tertiary and residential customers (collective or individual), public and private, particularly sports facilities, schools, and hospitals as well as District Heating Networks.