

Eurogas Amendments to Energy Efficiency Directive & Energy Performance of Buildings Directive

Amendments to Energy Efficiency Directive

Recital 4

Commission proposal	Amendment
<p>The need for the Union to achieve its energy efficiency targets at EU level, expressed in primary and final energy consumption, in 2020 and 2030 should be clearly set out in the form of a binding 30 % target. <i>This clarification at Union level should not restrict Member States as their freedom is kept to set their national contributions based on either primary or final energy consumption, primary or final energy savings, or energy intensity.</i> Member States should set their national indicative energy efficiency contributions taking into account that the Union's 2030 energy consumption has to be no more than 1 321 Mtoe of primary energy and no more than 987 Mtoe of final energy. This means that primary energy consumption should be reduced by 23 % and final energy consumption should be reduced by 17 % in the Union compared to 2005 levels. A regular evaluation of progress towards the achievement of the Union 2030 target is necessary and is provided for in the legislative proposal on Energy Union Governance.</p>	<p>The need for the Union to achieve its energy efficiency targets at EU level, expressed in primary and final energy consumption in 2020 and in primary energy consumption in 2030 should be clearly set out in the form of a non-binding 27 % target. Member States should set their national indicative energy efficiency contributions taking into account that the Union's 2030 energy consumption has to be no more than 1378 Mtoe of primary energy. This means that primary energy consumption should be reduced by 20 % in the Union compared with 2005 levels. A regular evaluation of progress towards the achievement of the Union 2030 target is necessary and is provided for in the legislative proposal on Energy Union Governance.</p>
<p style="text-align: center;"><u>Justification</u></p> <p>Eurogas supports the achievement of the agreed 27% target. Consideration of the proposal to increase this target to 30% is very much contingent on the inputs, outcomes, and sensitivities of the impact assessment. There are several key elements within the impact assessment that require further reflection. For further elaboration on these elements see next page:</p>	

- a. The impact assessment would be greatly enhanced by including a sensitivity analysis of key factors, such as economic growth¹, cost of capital and fuel prices. The sensitivity of the impact of these parameters is demonstrated by looking to the past, where, as stated in the impact assessment, 35% of energy savings (2008-2012) were due to the economic downturn.
- b. The higher target has a very negative impact on the EU's power generation mix. According to the Impact Assessment (IA), the percentage of coal in Europe's energy mix actually increases, while all other energy sources, including natural gas and renewables, reduce. (The ETS price is projected to fall by 35% (from 42 – 27 EUR/tonne²), showing the impact of overlapping policies).

Gross Inland consumption	Solid Fuels	Oil	Nat Gas	Nuclear	Renewables
% change from EU 27%	+4	-2	-10	-1	-3

Based on Table 6, Energy Efficiency Impact Assessment

- c. It is often not very clear what the key input parameters and indicators in the IA are. For example, what is the renovation rate that delivers the target, and how does it compare with Europe's current rate of approximately 1%?
- d. A better explanation of the significant reduction in discount rates for energy investment decisions is needed. For example, the discount rate for the energy-intensive industry is now on par with that of a regulated monopoly grid operator. Household discount rates have dropped from 17.5% in the 2013 reference scenario to a range between 10-12% in this Impact Assessment.
- e. A factual assessment of the costs and implications of energy efficiency for consumers is needed. This assessment should be the basis for the definition of concrete targets.

The overall objective of reducing GHG emissions cost-effectively is affected as a binding energy efficiency target impacts other objectives and tools.

1. The European Council decision in October 2014 was to make the reduction of greenhouse gas emissions the cornerstone of EU policy. The proposal to make the target for energy efficiency binding undermines this decision. Europe is on track to reach its energy efficiency target of 20% by 2020 without it being binding. It would be more beneficial to focus on addressing barriers and obstacles to increase energy efficiency further since a binding target will not remove these. Due to the negative impact on the ETS, the uptake of renewable energy sources, gas demand, and consumer prices, Eurogas advocates a non-binding target that does not undermine the overall aim of the Union to reduce greenhouse

¹ Impact assessment assumes the average EU GDP growth rate is projected to remain relatively low at 1.2% per year for 2010-2020, down from 1.9% per year during 1995-2010. In the medium to long-term, higher expected growth rates (1.4% per year for 2020-2030 and 1.5% per year for 2030-2050) are assumed.

² Table 10 EED Impact Assessment

gas emissions in a cost-effective way.

2. The proposals change the nature of the 2020 target considerably by basing it on both final and primary energy consumption and not either of them. This tightening of the target is a major change of direction at a late point, rather than a “clarification”. The current target, which is enshrined in law (option for Member States to address primary or final energy consumption), should not be amended, as retroactive changes reduce investor certainty.

Recital 12.a (new)

Commission proposal	Amendment
	All consumers should be able to achieve the highest cost-benefit yield for any energy efficiency measures taken and costs and benefits, including pay-back periods, should be fully transparent.
<i>Justification</i>	
<i>Self-evident. The cost and benefit of EE measures should be visible to consumers.</i>	

Article 3.4.

Commission proposal	Amendment
4. Each Member State shall set indicative national energy efficiency contributions towards the Union's 2030 target referred to in Article 1 paragraph 1 in accordance with Articles [4] and [6] of Regulation (EU) XX/20XX [Governance of the Energy Union]. When setting those contributions, Member States shall take into account that the Union's 2030 energy consumption has to be no more than 1 321 Mtoe of primary energy and no more than 987 Mtoe of final energy . Member States shall notify those contributions to the Commission as part of their integrated national energy and climate plans in accordance with the procedure pursuant to Articles [3] and [7] to [11] of Regulation (EU) XX/20XX [Governance of the Energy Union].’;	4. Each Member State shall set indicative national energy efficiency contributions towards the Union's 2030 target referred to in Article 1 paragraph 1 in accordance with Articles [4] and [6] of Regulation (EU) XX/20XX [Governance of the Energy Union]. When setting those contributions, Member States shall take into account that the Union's 2030 energy consumption has to be no more than 1 378 Mtoe of primary energy and no more than 987 Mtoe of final energy . Member States shall notify those contributions to the Commission as part of their integrated national energy and climate plans in accordance with the procedure pursuant to Articles [3] and [7] to [11] of Regulation (EU) XX/20XX [Governance of the Energy Union].’;
<i>Justification</i>	
The new target should be limited to primary energy consumption as this captures all forms of energy. Two targets not only cause unnecessary complexity, but are particularly challenging for cogeneration. This is a highly efficient means to deliver savings in primary energy, but this is not recognisable from the perspective of final energy consumption. The use of a final	

energy target also neglects the marginal supply principle, where additional electricity needed in the colder winter periods will most likely be provided from coal rather than gas or renewables, according to the impact assessment.

Amendment 1 above on Recital 4 also reflects this principle.

It should be noted, however, that we do not advocate a change to the 2020 target with respect to PEC v. FEC, as retro-active measures can be damaging to investment.

Article 7.1-3.

Commission proposal	Amendment
<p>For the purposes of point (b), and without prejudice to paragraphs 2 and 3, Member States may count only those energy savings that stem from new policy measures introduced after 31 December 2020 or policy measures introduced during the period from 1 January 2014 to 31 December 2020 provided it can be demonstrated that those measures result in individual actions that are undertaken after 31 December 2020 and deliver savings.</p> <p>2. Subject to paragraph 3, each Member State may:</p> <p>(a) carry out the calculation required by point (a) of paragraph 1 using values of 1 % in 2014 and 2015; 1.25 % in 2016 and 2017; and 1.5 % in 2018, 2019 and 2020;</p> <p>(b) exclude from the calculation all or part of the sales, by volume, of energy used in industrial activities listed in Annex I to Directive 2003/87/EC;</p> <p>(c) allow energy savings achieved in the energy transformation, distribution and transmission sectors, including efficient district heating and cooling infrastructure, as a result of implementing the requirements set out in Article 14(4), point (b) of Article 14(5) and Article 15(1) to (6) and (9), to be counted towards the amount of energy savings required under paragraph 1;</p> <p>(d) count energy savings resulting from individual actions newly implemented since 31 December 2008 that continue to have an impact in 2020 and beyond and which can</p>	<p>For the purposes of point (b), and without prejudice to paragraphs 2 and 3, Member States may count only those energy savings that stem from new policy measures introduced after 31 December 2020 or policy measures introduced during the period from 1 January 2014 to 31 December 2020 provided it can be demonstrated that those measures result in individual actions that are undertaken after 31 December 2020 and deliver savings. count energy savings resulting from individual actions newly implemented since 31 December 2008 that continue to have an impact in 2020 and beyond and which can be measured and verified towards the amount of energy savings referred to in paragraph 1; and exclude from the calculation of the energy savings requirement referred to in paragraph 1 the verifiable amount of energy generated on or in buildings for own use as a result of policy measures promoting new installation of renewable energy technologies, including cogeneration technologies.</p> <p>2. Subject to paragraph 3, each Member State may:</p> <p>(a) carry out the calculation required by point (a) of paragraph 1 using values of 1 % in 2014 and 2015; 1.25 % in 2016 and 2017; and 1.5 % in 2018, 2019 and 2020;</p> <p>(b) exclude from the calculation all or part of the sales, by volume, of energy used in</p>

<p>be measured and verified, towards the amount of energy savings referred to in paragraph 1; and</p> <p>(e) exclude from the calculation of the energy savings requirement referred to in paragraph 1 the verifiable amount of energy generated on or in buildings for own use as a result of policy measures promoting new installation of renewable energy technologies.</p>	<p>industrial activities listed in Annex I to Directive 2003/87/EC;</p> <p>(c) allow energy savings achieved in the energy transformation, distribution and transmission sectors, including efficient district heating and cooling infrastructure, as a result of implementing the requirements set out in Article 14(4), point (b) of Article 14(5) and Article 15(1) to (6) and (9), to be counted towards the amount of energy savings required under paragraph 1;</p> <p>(d) count energy savings resulting from individual actions newly implemented since 31 December 2008 that continue to have an impact in 2020 and beyond and which can be measured and verified, towards the amount of energy savings referred to in paragraph 1; and</p> <p>(e) exclude from the calculation of the energy savings requirement referred to in paragraph 1 the verifiable amount of energy generated on or in buildings for own use as a result of policy measures promoting new installation of renewable energy technologies.</p> <p>(d) count energy savings resulting from individual actions implemented between 31 December 2001 and 31 December 2008 that continue to have an impact in 2020 and beyond and which can be measured and verified, towards the amount of energy savings referred to in paragraph 1</p>
<p style="text-align: center;"><u>Justification</u></p> <p>A. While Member State choice and decision making is welcomed for article 7, some caution and change is needed. The current proposal limits the possibility to use onsite renewables and to count energy savings made before 2020 which have an impact beyond 2020. As this group already includes the possible exclusion of the ETS sector, this is a strong and unnecessary limitation and should be removed. This limitation also discourages long-term measures.</p>	

Article 7.1.

Commission proposal	Amendment
Member States shall continue to achieve new annual savings of 1.5% for ten year	Member States shall continue to achieve new annual savings of 1.5% for ten year

periods after 2030, unless reviews by the Commission by 2027 and every 10 years thereafter conclude that this is not necessary to achieve the Union's long term energy and climate targets for 2050.	periods after 2030, unless A review by the Commission shall be conducted by 2027 in order to assess the best course of action for achieving reviews by the Commission by 2027 and every 10 years thereafter conclude that this is not necessary to achieve the Union's long term energy and climate targets for 2050.
<p style="text-align: center;"><u>Justification</u></p> <p>It is not appropriate to continue Article 7 beyond 2030 at this point, as the EU is establishing a package to deliver the 2030 targets. A separate impact analysis should be done to assess this in the future.</p>	

Article 7a.5.

Commission proposal	Amendment
5. Within the energy efficiency obligation scheme, Member States: (a) shall include requirements with a social aim in the saving obligations they impose, including by requiring a share of energy efficiency measures to be implemented as a priority in households affected by energy poverty and in social housing;	5. Within the energy efficiency obligation scheme, Member States: (a) may include requirements with a social aim in the saving obligations they impose, including by requiring a share of energy efficiency measures to be implemented as a priority in households affected by energy poverty and in social housing;
<p style="text-align: center;"><u>Justification</u></p> <p>Eurogas supports the targeted use of energy efficiency measures to combat energy poverty. Gas-fired technologies are well placed to contribute to this objective. However, the adoption of such energy efficiency measures should be determined by Member States, on a cost-benefit basis, and should not be mandatory.</p>	

Article 9a.4.

Commission proposal	Amendment
4. For the purposes of this Article, as of 1 January 2020 meters and cost allocators installed shall be remotely readable devices. Meters and cost allocators that have already been installed but which are not remotely readable shall be provided with this capability or be replaced with remotely readable devices by 1 January 2027, except where the	4. For the purposes of this Article, as of 1 January 2020 meters and cost allocators installed shall be remotely readable devices where technically feasible and cost-effective . Meters and cost allocators that have already been installed but which are not remotely readable shall be provided with this capability or be replaced with remotely

Member State in question shows that this is not cost-efficient.’;	readable devices by 1 January 2027, except where the Member State in question shows that this is not cost-efficient.’;
<p style="text-align: center;"><u>Justification</u></p> <p>The requirements of this Article would apply to gas heating in dwellings in multi-purpose buildings heated from a central source, not using individual gas boilers. Similar to the requirements in Article 9, any obligation to install remotely readable meters and cost allocators from 2020 should be subject to cost-benefit analyses as foreseen for the obligation in 9a4. In some cases, it could be technically impossible to refit all installations for remote reading. Other options exist to ensure fair allocation of costs, including cost allocators mentioned in Annex VII a.</p>	

Annex IV.a.

Commission proposal	Amendment
Annexes IV and V are amended as follows: (a) in Annex IV, footnote 3 is replaced by the following: ‘(3) Applicable when energy savings are calculated in primary energy terms using a bottom-up approach based on final energy consumption. For savings in kWh electricity Member States may apply a default coefficient of 2.0 . Member States may apply a different coefficient provided they can justify it.’.	Annexes IV and V are amended as follows: (a) in Annex IV, footnote 3 is replaced by the following: ‘(3) Applicable when energy savings are calculated in primary energy terms using a bottom-up approach based on final energy consumption. For savings in kWh electricity Member States may apply a default coefficient of 2.26 . Member States may apply a different coefficient provided they can justify it.’. The default primary energy factor shall be updated every 5 years.
<p style="text-align: center;"><u>Justification</u></p> <p>Eurogas supports the use of primary energy factors (PEFs), but care is needed in their calculation. This is and should remain a reflection of the conversion of primary energy to final energy. It should not be turned into a tool to promote the use of electricity because this could compromise the EU’s targets for greenhouse gas emissions reductions and energy efficiency. The PEF should therefore be based on the existing fuel mix, not on what that fuel mix could be in 2020, and then updated every five years. Against this background, it should be at least 2.26 for electricity (For further technical review please see Marcogaz / GERG Position Note on the Impact Assessment SWD (2016) 405 Final).</p>	

Amendments to Energy Performance of Buildings Directive

Article 8.2

Commission proposal	Amendment
2. Member States shall ensure that in all new non-residential buildings and in all existing non-residential buildings undergoing major renovation with more than ten parking spaces, at least one of every ten is equipped with a recharging point within the meaning of Directive 2014/94/EU on the deployment of alternative fuels infrastructure ¹⁰ , which is capable of starting and stopping charging in reaction to price signals. This requirement shall apply to all non-residential buildings, with more than ten parking spaces, as of 1 January 2025.	2. Member States shall ensure that in all new non-residential buildings and in all existing non-residential buildings undergoing major renovation with more than ten parking spaces, at least one of every ten is equipped with a recharging or refuelling point within the meaning of Directive 2014/94/EU on the deployment of alternative fuels infrastructure ¹⁰ . Charging / refuelling installations may also be capable of reacting to price signals. This requirement shall apply to all non-residential buildings, with more than ten parking spaces, as of 1 January 2025.
<p style="text-align: center;"><u>Justification</u></p> <p>Alternative refuelling points for gaseous energy, such as CNG and hydrogen, should be encouraged (not just e-mobility refuelling points).</p>	

Article 2.6 of 2010 Directive

Commission proposal	Amendment
6. 'energy from renewable sources' means energy from renewable non-fossil sources, namely wind, solar, aerothermal, geothermal, hydrothermal and ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas and biogases;	6. 'energy from renewable sources' means energy from renewable non-fossil sources, namely wind, solar, aerothermal, geothermal, hydrothermal and ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas and biogases, including hydrogen and synthetic gas from gasification and renewable power-to-gas;
<p style="text-align: center;"><u>Justification</u></p> <p>The definition of 'energy from renewable sources' should include renewable synthetic gas, e.g. from power-to-gas processes.</p>	