

EFIEES' meeting

Paris, 26th November 2015



Agenda

- Roundtable discussion - current situation in MS and topics relevant for EFIEES' members
- Legislative and policy update: Strategy on H&C, EU-ETS, Cogeneration, Recent/current/upcoming public consultations: EPBD, EED, RES + biomass (2016)
- Other topics and EFIEES' activities
- On-going/finished projects and studies of interest
- Any other business
- Next steps
- *EFIEES has already 10 years!*

EU Strategy for Heating & Cooling

- Consultation Forum on 09/09/2015, Brussels
- EFIEES' position (17 July 2015) – main ideas:
 - Measuring energy consumption and savings in primary energy
 - Cost-effective solutions and energy prices - key considerations for consumers
 - Barriers to a more efficient heat system and energy-efficiency services: Eurostat rules on public debt and deficit, rules on VAT and public procurement, discriminations resulting from the EU ETS (for DHN > 20 MW)
 - Energy performance of buildings: operation and maintenance
 - Promotion of guaranteed energy savings through Energy Performance Contracting and “white certificates”
 - No offset between buildings' energy consumption and (on-site) energy production
 - Buildings and DHC are in the heart of heat mapping/planning
- Strategy to be published by the EC in January/February 2015
 - Possible new idea: linking Art. 7, EED with incentivising renewable energy production
- + Expected in 2016: Communication on Waste-to-Energy

Public Consultation on the EPBD (2010/31/EU)

- Public consultation closed on 31/10/2015, EFIEES submitted its reply
- Main messages:
 - Priority should be given to cost-effective actions throughout the overall energy chain
 - Cost-effectiveness does not necessarily lead to giving up deep renovation, but rather to enroll in programs of “staged deep renovation”
 - “On-site” energy production from RES cannot replace or compensate for low energy efficiency buildings
 - Measuring the actual energy consumption and promotion of EPC in buildings
 - Vision at a district scale for buildings
 - “No” to discriminations resulting from the EU ETS mechanism for installations above 20 MW

Post-2020 revision of the EU ETS (1)

- **Context:** request of the EP and the Council to consider using unallocated allowances from Phase 3 (2013-2020) in Phase 4, whereas estimated unallocated allowances that are to be put in the Market Stability Reserve from the end of the decade: 550 - 700 million allowances.

Proposal published by the EC on 15th July 2015

- EU ETS cap to decrease by 2.2% annually, compared to 1.74% in Phase 3 (2013-2020) to achieve 43% reduction from 2005 levels by 2030
- From 2021, 57% of total allowances will be auctioned, 2% of allowances between 2021 and 2030 will be auctioned to establish the Modernisation Fund to help lower – income MS (GDP per capita below 60% of the EU average): BG, CR, CZ, EE, HU, LV, LT, PL, RO, SK.
- 10% of allowances to be sold in Phase 4 will be distributed amongst low-income MS for solidarity, growth and power interconnections (GDP per capita below 90% of the EU average) – October Council 2014 agreement
- Continuation of Art. 10c derogation programme for lower-income MS (GDP per capita below 60% of the EU average): transitional free allocation in exchange for modernisation of the sector, max. 40% of allowances that MS will receive for Phase 4

Post-2020 revision of the EU ETS (2)

Specific provisions:

- 250 million unallocated allowances from MSR to establish **a reserve for new and growing installations** + further 145 million EUAs from Phase 3 not previously captured by MSR/not allocated for free
- 400 million allowances from Phase 4 to support an **innovation fund for investments in low-carbon technologies**, such as renewables and CCS + 50 million unallocated Phase 3 allowances from MSR will be allocated for innovation to start investments before 2021
- Revenues from sale of 310 million allowances from **Modernisation Fund**

Question: impact on the carbon price?

– Analysis by Thomson Reuters Point Carbon:

- Reshuffling the amount of free allowances vs. auctioning rather than a real change for the overall supply of allowances
- Expected European carbon price in 2017: 17 euro, in 2030: 30 euro.

European Parliament: Ian Duncan (Conservatists/UK) was chosen a rapporteur, Calendar (indicative): 18-19 April 2016: consideration of a draft report, 26 April 2016: deadline for amendments, November 2016: vote in plenary

Review of reference values for separate production of electricity and heat

- **12 June 2015: EFIEES sent its position on the draft Regulation proposal and the final report by the consultant Ricardo-AEA:**
 - Classification of “solid biomass”/wood fuels needs to be improved
 - Efficiency reference values for separate production of electricity from solid biomass – proposed increased values are based not on operational, but design data from 2 plants only (!)

Results:

- Continuation with the majority of the current reference values (+)
- The only significant increase regards biomass (electricity production) (-)
- An improved definition of biomass fuels: clear distinction between high-quality fuels (wood fuels: wood pellets, dried woodchips, ...) and other biomass fuels (+)
- Raw woodchips: today 33%, starting from next year: 30% reference value (+)
- Increased values for correction factors for avoided grid losses (+)

- **Oct-Nov 2015: end of the consultation process (MS, EP); December 2015: publication in the Official Journal**

Reviews of EU energy directives - new and upcoming public consultations, EP report

- **PC on Energy Efficiency Directive (2012/27/EU) open until 29/01/2016**
 - Consultation on the chosen articles: 1, 3, 6, 7, 9-11, 20, 24
 - Organisation of EFIEES' work
 - Contribution to a common reply by the Coalition for Energy Savings
- **Review of a Primary Energy Factor (PEF)**
- **PC on Renewable Energy Directive (2009/28/EC) open until 10/02/2016**
 - ways to achieve 27% RES target by 2030, support schemes, consumers-led renewable energy sources
- **PC on Bioenergy including Biomass Sustainability Criteria: 1Q 2016**
- **Own-Initiative Report by MEP Marcus Pieper (Christian-Democrats/DE) on implementation of EED**
 - draft report expected in March/April 2016, adoption before summer 2016

EFIEES' activities

- EFIEES became an official European co-administrator of the European Code of Conduct for EPC, together with eu.esco (Transparens project)
- Finalised study “Outsourcing. Potential in the EU: benefits and barriers” by Copenhagen Economics, commissioned by E3PO, EU-level association of private service suppliers on public infrastructures, EFIEES is a member

EFIEES' actions

- Eurostat rules on public debt and deficit
 - Conference in Prague on 12th November 2015 – presence of Javier Siguenza, AMI
 - Workshop by Deloitte on 16th November 2015 in Brussels
 - Survey within a network of national EPC Code of Conduct Administrators - deadline for replies: 08/01/2016
- Follow-up of the Energy Efficiency Financial Institutions Group, main topic: standardisation of procedures for EPC
 - Smart Financing for Smart Buildings Initiative (start in 2016)
 - Investor Confidence Project funded by Horizon 21020 – ongoing

Projects : Code II

- Focus: potential for cogeneration across the EU
 - 27 National Cogeneration Roadmaps for EU MS plus a roadmap for the EU as a whole
 - The roadmaps highlight the barriers still remaining for CHP in Europe. They look at the policy framework, market conditions and awareness regarding cogeneration in Europe and propose a way forward for the CHP sector.

<http://www.code2-project.eu/>

Projects : Stratego

- The STRATEGO project aims at helping national and local authorities develop enhanced Heating & Cooling plans
- Development of a Pan-European thermal atlas and deep assessment of energy efficiency potential for 5 targeted countries: Croatia, Czech Republic, Italy, Romania and the UK
- Making a reference for national authorities responsible for drafting National Heating and Cooling Plans.
- Support of at least 23 cities/regions in mapping their energy potential including identification of priority areas for intervention and concrete projects (at least 45 regional/local projects) that should be implemented + one-to-one coaching for 23 cities/regions together with one-to-one meeting with national authorities responsible for drafting National Heating and Cooling Plans.

<http://stratego-project.eu/>

Projects: ENSPOL

- Effective and proper implementation of Article 7 of the Energy Efficiency Directive in all MS
- Aim: the establishment, revision and implementation of robust Energy Efficiency Obligation Schemes or alternative policy measures to each Member State
 - Assess the relative strengths and weaknesses of EEOs and alternative measures based on the existing experiences and plans of MS and make recommendations for the most appropriate approaches against different criteria and under different conditions
 - Improve the knowledge and capabilities of MS (both within and outside of the project) with regards to the different options available for implementation of Article 7 (EEOs and alternative measures);
 - Ensure the effective engagement of a broad range of stakeholders with an interest in the implementation of Article 7 and promote a wide consultation

<http://enspol.eu/>



Thank you!

