

Proposal for a Directive of the European  
Parliament and the Council amending  
Directive 2012/27/EU on energy efficiency

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EURELECTRIC voting recommendations

October 2017

***EURELECTRIC is the voice of the electricity industry in Europe.***

*We speak for more than 3,500 companies in power generation, distribution, and supply.*

***We Stand For:***

***Carbon-neutral electricity by 2050***

We have committed to making Europe's electricity cleaner. To deliver, we need to make use of **all low-carbon technologies**: more renewables, but also clean coal and gas, and nuclear. Efficient electric technologies in **transport and buildings**, combined with the development of smart grids and a major push in **energy efficiency** play a key role in reducing fossil fuel consumption and making our electricity more sustainable.

***Competitive electricity for our customers***

We support well-functioning, distortion-free **energy and carbon markets** as the best way to produce electricity and reduce emissions cost-efficiently. Integrated EU-wide electricity and gas markets are also crucial to offer our customers the **full benefits of liberalisation**: they ensure the best use of generation resources, improve **security of supply**, allow full EU-wide competition, and increase **customer choice**.

***Continent-wide electricity through a coherent European approach***

Europe's energy and climate challenges can only be solved by **European – or even global – policies**, not incoherent national measures. Such policies should complement, not contradict each other: coherent and integrated approaches reduce costs. This will encourage **effective investment** to ensure a sustainable and reliable electricity supply for Europe's businesses and consumers.

Dépôt légal: D/2017/12.105/48

## Introduction

The electricity sector is committed to develop and deliver economic efficiency and energy services for European customers. Energy efficiency must play a critical role in reaching the European targets for decarbonisation. Activating the market potential for energy efficiency in the EU is therefore of critical importance to enable a strong, sustainable and competitive economy. The revision of the Energy Efficiency Directive (EED) must square the circle between strong ambitions which drive the energy efficiency market and cost-efficient measures which do not prevent progress in cost-efficient decarbonisation.

This document contains a more detailed list of voting recommendations, from the European electricity sector's perspective, concerning a selection of key amendments.

The following issues are particularly crucial:

- **Recognising and enabling the role of low carbon electricity in decarbonising the European economy**

While the electricity sector is decarbonising under an ever decreasing EU ETS cap, the sectors with enormous potential for energy efficiency improvements with real impact on climate, energy security and competitiveness lie outside of the ETS (such as buildings and transport). Achieving deep decarbonisation and efficiency through electrification provides a powerful pathway for these sectors. In the EED, the Primary Energy Factor plays a key role in setting out which energy carrier and technologies we want to use in our homes going forward – renewable & low carbon electricity - or fossil fuels.

- **Ensuring that each Member State can tackle its individual challenges by allowing flexibility**

The Energy Efficiency Directive has been largely successful because it allows Member States to address their national challenges and pursue tailored strategies. With the revision of the Directive, EURELECTRIC believes Member States must retain full flexibility as to how they set and meet energy efficiency targets, as is the case now. Flexibility must also be maintained in Article 7 of the Directive. As Member States struggle to meet the annual savings targets in a cost-efficient manner, a prolongation of the binding target (provided it is agreed), must not go hand in hand with less tools to meet it.

- **A cost efficient and ambitious energy efficiency target**

EURELECTRIC maintains its view that an indicative 2030 energy efficiency target at the EU level remains the best choice. This echoes the Commission's evaluation that the current indicative EU level target for 2020, together with the mix of binding EU measures and national action, including indicative targets set by Member States, has proved to be effective in driving strong progress by the Member States. However, more important than the target level itself, we believe that related policy instruments should not be negatively affected and sufficient flexibility must be ensured to achieve the set targets.

This paper complements [EURELECTRIC's position paper](#) on the European Commission legislative proposal to amend the Energy Efficiency Directive, available on the EURELECTRIC website.

Amendment	Article	Affected article in original Directive	EURELECTRIC recommendation	Justification
<b>Energy Efficiency Targets</b>				
96, 106, 107, 109, 110, 111, 116, 117, 119, 120, 122, 123, 124, 127, 157, 158, 159	Recitals		Reject	EURELECTRIC rejects the implementation of targets which do not represent cost-effective solutions according to the Impact Assessment. In this view targets beyond 30% are not supported. Targets proposed without impact assessment are equally rejected.
246, 248, 249, 250, 251, 252, 253, 254, 266	Art 1.1.1	Art 1.1	Reject	EURELECTRIC rejects the implementation of targets which do not represent cost-effective solutions according to the impact assessment. In this view targets beyond 30% are not supported. Further, targets proposed without impact assessment and binding national targets are equally objected.
328, 329, 332, 333, 336, 636, 637	Art 1.1.2 Annex 1.1.a	Art 3.4		
257, 262, 263	Art 1.1.1	Art 1.1	Support	EURELECTRIC supports the adoption of an indicative target for 2030 as in the current Directive.
334	Art 1.1.2	Art 3.4		
289, 295, 296, 297, 298, 299, 300, 301, 315, 316, 317, 318, 319, 322, 323, 324, 325	Recitals Art 1.1.2	Art 3.1.1 Art 3.1.2 Art 3.2 Art 3.3	Support	The Commission's proposal states that when setting indicative national energy efficiency targets for 2020, Member States shall take into account that the Union's 2020 energy consumption has to meet both a primary and a final energy target.  This represents a significant change and reduction of flexibility which EURELECTRIC seeks to retain from the current EED, allowing Member States to meet either of these targets. These amendments seek to defend this flexibility.
290	Art 1.1.2	Art 3.1.1	Reject	Changing the target for 2020 represents a significant change and reduction of flexibility for Member States which EURELECTRIC objects.
129, 132	Recitals		Support	These amendments support an indicative 30% target and maintain existing flexibility.
357, 360, 363, 366, 368, 373	Art 1.1.3	Art 7.1.1a Art 7.1.1b	Reject	These amendments increase the annual savings target beyond 1.5%. Evidence from national implementation has shown that pursuing even 1.5% annual level of energy savings is very challenging for some Member

				States in view of increasing marginal costs. EURELECTRIC therefore does not support an increase in this target.
149, 374, 375, 376, 377, 378, 379, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 403, 404	Recitals, Art 1.1.3	Art 7.1.1b Art 7.1.2	Reject	EURELECTRIC does not support the automatic continuation of the savings obligation beyond 2030 or even up to 2050. A regular review is sufficient to decide at a later date if a continuation is needed after 2030.
382, 383, 384, 385, 386, 387	Art 1.1.3	Art 7.1.2	Support	These amendments seek to remove the automatic continuation of the savings obligation beyond 2030.
408, 410, 413	Art 1.1.3	Art 7.1.3	Support	It is important that energy savings stemming from existing or new policy measures, whether introduced after 31 December 2020 or before may be counted toward the 2030 goal, provided it can be demonstrated that those measures deliver savings after 31 December 2020.
<b>Flexibility for Member States</b>				
414, 415, 416, 417, 418, 421, 424, 425, 438	Art 1.1.3	Art 7.1.4	Reject	As in the current EED it is important to ensure that sales of energy, by volume, used in transport may be partially or fully excluded from target calculations. Removing this flexibility would drastically increase the target levels in Article 7, which are already very hard to achieve cost-efficiently in many Member States.
428, 430, 432, 433, 434, 440, 453, 454, 456, 457, 458, 461, 463, 464, 466, 467, 468, 469, 471, 472	Art 1.1.3	Art 7.2 Art 7.3	Reject	The framework conditions for the calculation of Article 7 targets should retain their proven flexibility. Amendments seeking to remove this flexibility are not supported.
473	Art 1.1.3	Art 7.4a	Support	This amendment adds a vital flexibility on overachieving targets under Article 7.

Amendment	Article	Affected article in original Directive	EURELECTRIC recommendation	Justification
648, 649, 650	Annex. 1.1.b	Annex. 5.2.a	Support	These amendments remove the requirement to establish a baseline in Annex 5. Allowing Member States to apply their implemented energy use and demand analysis tools will prevent additional bureaucracy. Setting a baseline scenario that leaves all previous efforts undertaken by Member States out of the equation would create a big administrative burden and potentially punish those countries which have already established and implemented an ambitious energy efficiency framework.
651	Annex. 1.1.b	Annex. 5.2.a	Reject	This amendment increases administrative burden of the proposed Annex 5 even more.
677	Annex.1 .b	Annex V.5.g	Support	EURELECTRIC supports this amendment with the intention to remove the requirement to show direct causality as it might not always be possible for this to be proven. Instead it is fully sufficient for Member States to show materiality, which would not cause this problem.
<b>Enabling the role of low carbon electricity</b>				
90, 91	Recitals		Support	Energy Efficiency and electrification will remove many sources of air pollution in the downstream sectors, improving air quality and public health.
143	Recital		Reject	The amendment seeks to delete the crucial reference to the decarbonisation of buildings – an important sector in the EUs pursuit of a decarbonised economy by 2050.
486, 489, 490	Art 1.1.4	Art 7a.2	Reject	Transport represents an important area for energy efficiency measures. Amendments which seek to remove transport fuel distributors from the list of potential obligated parties are therefore objected.
488, 491	Art 1.1.4	Art 7a.2	Support	Transport represents an important area for energy efficiency measures. Amendments properly including transport fuel distributors from the list of obligated parties are therefore welcomed.

Amendment	Article	Affected article in original Directive	EURELECTRIC recommendation	Justification
<b>Primary Energy Factor</b>				
638, 641, 642, 643, 644,	Annex.1. a	Annex IV footnote 3	Reject	<p>As currently massive renewable generation capacity is added to the electricity system, an increased coupling of the electricity and heat sectors could greatly help accommodate the related integrating challenges. Relying on a methodology which rewards fossil fuels and punishes renewable and carbon free electricity will act as a critical barrier for the decarbonisation of the heating sector.</p> <p>These amendments seek to either remove or increase the PEF for electricity above the Commission proposal of 2.0, despite the fact that already 55% of EU power generation is carbon neutral.</p>
639	Annex.1. a	Annex IV footnote 3	Support	<p>This amendment realises that the share of carbon-neutral power generation is making electricity a key vector for decarbonisation of buildings. The declining PEF reflects the fact that the share of renewables in the power mix is increasing over time.</p>
<b>Energy Poverty</b>				
498, 500, 501, 502, 503, 504, 507	Art 1.1.4	Art 7a.5a	Reject	<p>Given the constraints on resources across Member States, we agree that available assistance for energy efficiency should be focused on those who are most in need. However, supplier obligations or alternative policy measures are not the best way to fund and deliver energy efficiency measures. Making this requirement obligatory for Member States is therefore not supported.</p>
526, 527, 528, 530, 531,	Art 1.1.4	Art 7b.2		
499, 506, 508	Art 1.1.4	Art 7a.5a	Support	<p>Member States should have full freedom to include individual aspects (such as energy poverty) in their schemes for energy efficiency support. Alleviation of energy poverty is an issue of social policy, as is other kinds of poverty alleviation, and EED shall not include general and mandatory provisions.</p>

EURELECTRIC pursues in all its activities the application of the following sustainable development values:

Economic Development

▶ Growth, added-value, efficiency

Environmental Leadership

▶ Commitment, innovation, pro-activeness

Social Responsibility

▶ Transparency, ethics, accountability



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