



**TIRANA ENERGY CHARTER FORUM
13 June 2019 - Tirana**

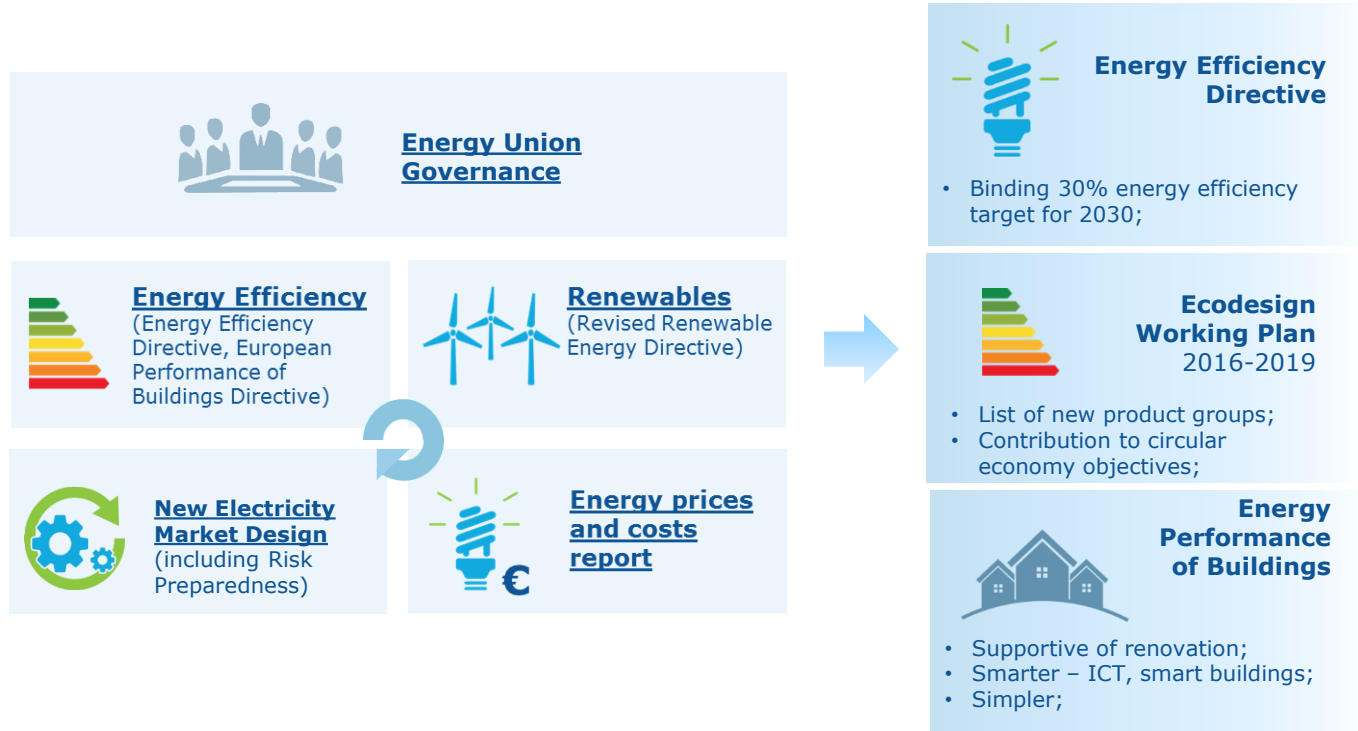
**Panel 1 – Linking Efficiency and Renewables to
Socio-Economic Benefits**

**The 'Clean Energy for All Europeans' package - an
important step towards the clean energy transition**

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Clean Energy for All Europeans Package (launched 30/11/2016)

THE RIGHT REGULATORY FRAMEWORK FOR POST – 2020



THE RIGHT REGULATORY FRAMEWORK FOR POST – 2020

- Revised **Energy Performance of Buildings Directive (EPBD)** entry into force – 9 July 2018.
- Revised **Energy Efficiency Directive (EED)** – entry into force 24 December 2018.
- Revised **Renewable Energy Directive (RED II)** – entry into force 24 December 2018
- New **Regulation on the Governance of the Energy Union and Climate Action** - entry into force 24 December 2018.
- In preparation/under negotiation - **revised** or **new ecodesign & energy labelling regulations**.

WHAT CAN WE EXPECT IN TERMS OF RESULTS?

THE RIGHT REGULATORY FRAMEWORK FOR POST – 2020

2016

2030



The package presents a **dual opportunity** to speed up **decarbonisation** and to speed up **growth and job creation**.



Investment:

- Extra 177bn EUR per year of investment from 2021 to meet 2030 climate & energy targets
- Crucial role for EFSI



Economic growth*:

- 1% increase in GDP
 - 190bn EUR into the economy
 - 900,000 new jobs
- *Upper end of estimates



Decarbonisation:

- Carbon intensity of the economy 57% lower in 2030 than in 2015
- **72%** share of non-fossil fuels in electricity generation in 2030

The amended Energy Efficiency Directive

An enhanced energy efficiency framework post-2020

- ✓ A **new energy efficiency target** for the EU for 2030 of **32.5%**, with an upwards revision clause by 2023.
- ✓ Extended **energy savings obligation** to achieve new annual energy savings of at least 0.8% (of final energy consumption) **during the next period 2021-2030** and beyond, coming from new energy efficiency renovations or other measures in end-use sectors (~13% more ambitious than in the period 2014-2020).
- ✓ Strengthened **rules on individual metering and billing of thermal energy** (better information for consumers).
- ✓ The updated Directive will tackle existing market, behavioural and regulatory barriers in order to increase security of supply, competitiveness of EU industries, reduce energy bills of consumers and health costs for society, thereby also **addressing energy poverty** and **exploiting the positive impacts on economic growth and employment.**

*The Member States shall **transpose the Directive into their national law by 25 June 2020**, except for the provisions on metering and billing, for which the deadline is 25 October 2020..*

Member States have the discretion to transpose the new elements earlier.

National energy efficiency contributions (Article 3 Energy Efficiency Directive & Governance Regulation)

An enhanced energy efficiency framework post-2020



Indicative national contributions to be set taking into account that the EU's consumption in 2030 has to be no more than 1273 Mtoe of PEC "and/or" no more than 956 Mtoe of FEC

- ✓ Member States shall set their **national contributions to the Union target** in their energy and climate plans (in the same way as before) with indicative trajectories from 2021 onwards (the form of the trajectory is not-defined)
- ✓ The Commission shall assess whether such contributions are sufficient to reach the 2030 target.
- ✓ The Commission has the faculty to assume the level of national contributions of those Member States that do not submit in time their draft plans
- ✓ In case of an **ambition gap** the Commission may issue recommendations to Member States whose contributions it deems insufficient and shall take EU measures if the contributions are insufficient in the final plans.
- ✓ In case of **collective delivery gap** the Commission may issue recommendations to all MS and if appropriate take EU measures. Any gap identified in one of the 3 assessment points: in 2022, 2025 and 2027, shall be filled solely by additional EU measures.

✓ **MS delivery gaps** shall be addressed by recommendations

Upcoming reviews under the Energy Efficiency Directive

An enhanced energy efficiency framework post-2020



- By the end of 2021, the Commission shall **assess metering, billing and consumer information for natural gas**. If appropriate, followed by legislative proposals.
- ✓ **Exemplary role of public buildings** – by 28 February 2024 and then every 5 years, the Commission shall, within the **general evaluation** of the EED, examine whether to adapt the requirements laid down in Article 5. If appropriate, followed by legislative proposals.
- ✓ **Energy audits** – by the end of 2019 the Commission shall assess the definition of small and medium sized enterprises for the purposes of Article 8(4), if appropriate, followed by legislative proposals.
- ✓ In the State of the Energy Union report, the Commission shall report on the functioning of the **carbon market**.
- ✓ The Commission will provide guidance, by the end of 2019, on how to unlock private investment for energy efficiency measures.



RENEWABLES FRAMEWORK

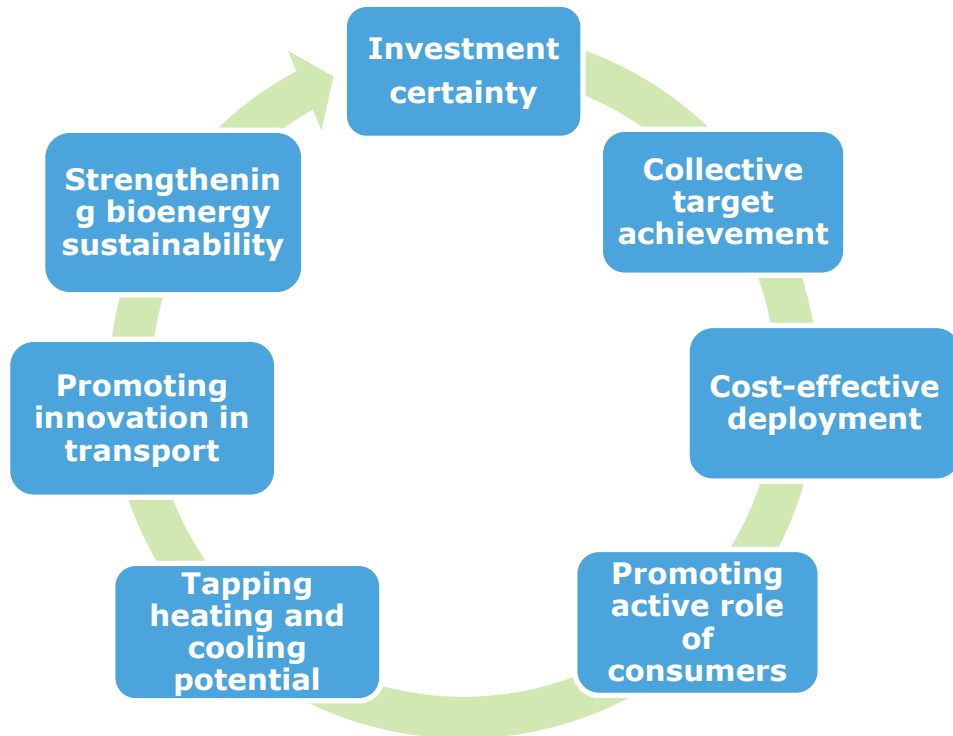
Setting the scene

- Falling costs of renewables worldwide
- EU first mover – today, 173 countries have renewable energy targets
- How to retain leadership?
 - Explore new areas for competitiveness: integrated systems, offshore, small-scale and decentralized solutions
- Domestic benefits:
 - ~ 1.4 million jobs
 - Reduced import dependency
- Looking ahead:
 - Increase efforts across sectors
 - Integrate high RES shares
 - Decentralize + empower consumers



THE REVISED RENEWABLES DIRECTIVE – KEY OBJECTIVES

An enhanced renewables framework post-2020



Contributing to the EU political priority of world leadership in renewables

&

Achieving the at least 32 % EU-level binding renewables target cost-effectively

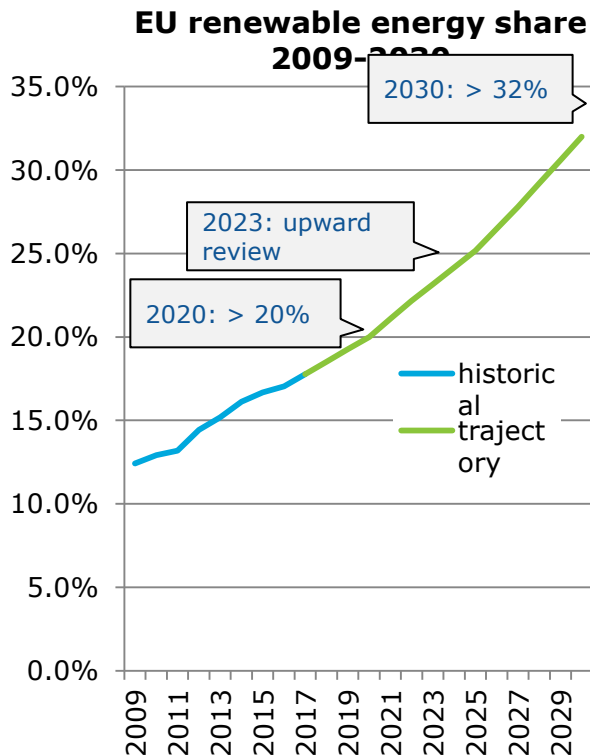
The recast of the Renewable Energy

An enhanced renewables framework post-2020 – Main outcomes

- ✓ A **binding 32 % renewables target** to be achieved collectively by the EU in 2030, with a possible revision upwards in 2023.
- ✓ A **transport target of 14 %** has been set with a sub-target to promote advanced biofuels.
- ✓ A specific indicative target to increase the share of renewables by 1.3 percentage point a year has been defined for the **heating and cooling** sector.
- ✓ Measures to facilitate the participation of citizens in the energy transition through **self-consumption** and **energy communities** and to enhance the sustainability of bioenergy.
- ✓ Establishment of the **right to disconnect from inefficient district heating and cooling systems**. Suppliers have to **allow third parties to connect** and sell renewable energy and waste heat or cold through their network - or otherwise endeavour to increase the share of renewable energy and waste heat or cold by 1 percentage point in district heating and cooling every year from 2021 to 2030.

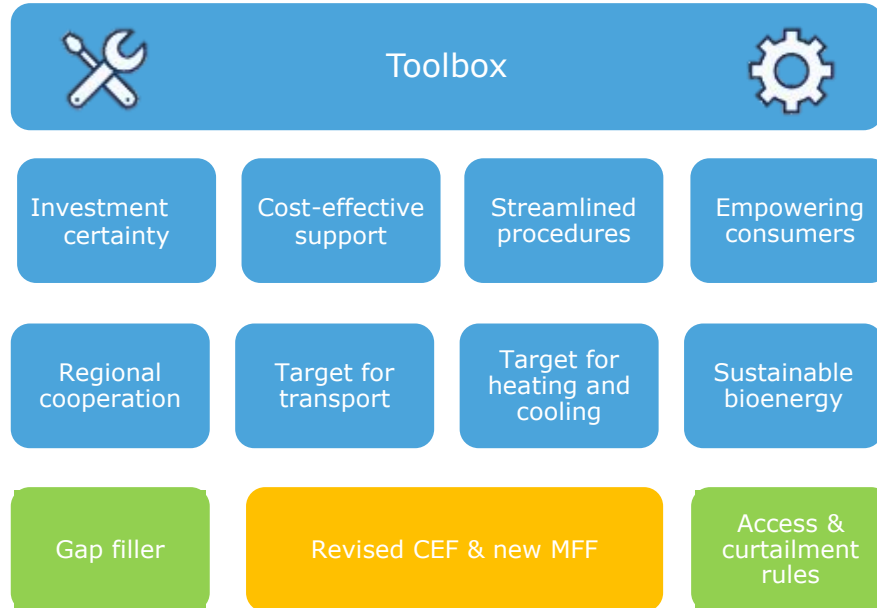
A NEW EUROPEAN APPROACH TO RENEWABLES

An enhanced renewables framework post-2020

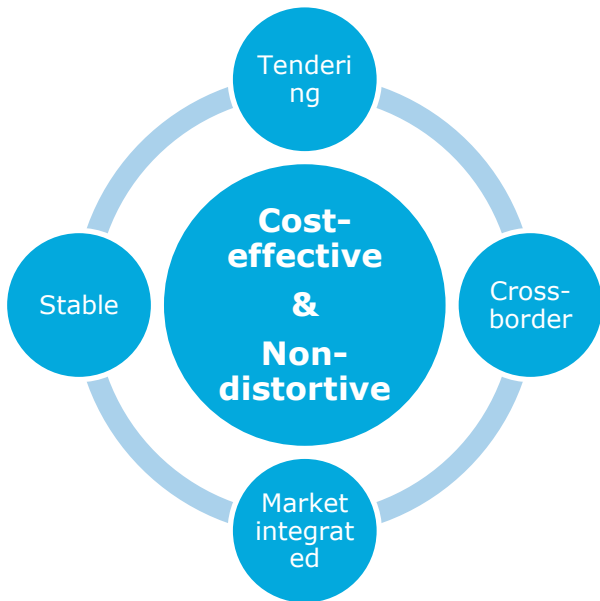


- Binding EU-target of at least 32% (upward review in 2023)
- Underpinned by national contributions
- Formula to assess contributions (in case of ambition gap)
- Collective responsibility of target achievement
- Joint measures (EU financial platform)

A SET OF WELL-BALANCED MEASURES TO GET TO AT LEAST 32%



MAKING SUPPORT SCHEMES MORE COST-EFFECTIVE



"Getting best value for money"

- ~320 GW of net additional RES-E needed to reach 32%
- Support needs to be cost-efficient and non-distortive
- New design principles will foster:
 - More competition
 - More market integration
 - More coherence across MS

Some interesting facts for the building sector

Buildings responsible for
**40% of energy
consumption and 36%
of GHG emissions** in EU

Buildings to contribute significantly
to **GHG emission reductions** of
around 90% compared to 1990 by
2050

75% of the housing stock is energy inefficient

Construction rates / worse economic conditions

- low demolition rates (0.1-0.2% per year)
- limited new construction activities (0.4-1.1% per year)
- very low refurbishment rates (0.4-1.2% per year)

Problems and drivers

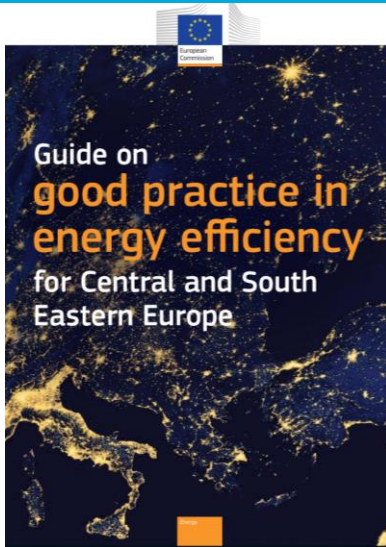
- structural
- market failures
- regulatory failures

The revised Energy Performance of Buildings Directive

An enhanced framework for the performance of buildings

- ✓ Stronger long term renovation strategies for Member States, aiming at decarbonisation by 2050 and with a solid financial component.
- ✓ An optional 'Smart Readiness Indicator' for buildings
- ✓ Targeted support to electromobility infrastructure deployment in buildings' car parks.
- ✓ Enhanced transparency of national building energy performance calculation methodologies.
- ✓ Reinforcement of building automation: additional requirements on room temperature level controls, building automation and controls and enhanced consideration of typical operating conditions.

An enhanced framework for the performance of buildings



Main lessons learnt for the energy performance of buildings

- The building sector needs to use **more innovative design and construction methods** to build for high energy performance
- Large-scale building renovation requires **holistic and attractive packages** to be developed
- Collaboration of **all players and stakeholders** from the construction, energy and education sectors
- Training is necessary tailored to the needs of construction companies, workers and home owners
- **Support from national authorities** will now be key in the long-term roll out of existing and new energy efficiency training schemes in the construction sector

<https://ec.europa.eu/easme/en/news/new-guide-good-practice-energy-efficiency-central-and-south-eastern-europe>

LINKING EFFICIENCY AND RENEWABLES TO SOCIO-ECONOMIC BENEFITS

An enhanced energy efficiency framework post-2020

- ✓ Long-term strategy sends clear signals to trigger the necessary investments to **transform our economy**, make it **more sustainable** and **reduce our carbon footprint**.
- ✓ **Empowers European consumers** to become fully active players in the energy transition
- ✓ Ambitious targets will stimulate Europe's
 - **industrial competitiveness**
 - **boost growth and jobs**
 - **reduce energy bills**
 - **help tackle energy poverty**
 - **improve air quality**
 - **increased property value**
 - ...



Thank you!

**Energy Efficiency Unit
DG ENER, European Commission**

<https://ec.europa.eu/energy/en/news/commission-proposes-new-rules-consumer-centred-clean-energy-transition>