

Workshop on

Applying common methods and principles for calculating the impact of energy efficiency obligations schemes or other policy measures under Article 7 of the Energy Efficiency Directive

**Bruxelles, Albert Borschette Conference Centre, Room 1C
Rue Froissart 36, 1040 Bruxelles, Belgium
10 June, 2015**

RATIONALE AND DESCRIPTION

Member States notified to the European Commission their implementation plans under Article 7 of the Energy Efficiency Directive (EED) to comply with the reporting deadline of 5 December 2013. They have introduced or are planning to introduce energy efficiency obligation schemes (EEOs) and/or alternative measures to reach their energy saving targets under Article 7. Four Member States intend to rely on EEOs alone, 12 will combine the EEOs with alternative measures and 11 Member States will use only alternative measures. One Member State has not decided yet on the approach.

Several Member States that are planning to introduce an EEO are still working on the design of their scheme, and it may well be that their schemes will take off only in end of 2015 or even in 2016. All existing and planned EEOs have differences in design as allowed by the EED: e.g. obligated parties (distributors or retailers), type of energy supplied (electricity, gas, heating oil, district heating, transport fuel), eligible sectors, eligible projects, monitoring and verification systems, financing mechanism, etc. Relevant differences exist also in the alternative measures considered and in the way in which associated energy savings will be evaluated. Member States that are putting in place their EEO and/or alternative measures can hence benefit from countries with knowledge and experience.

Recent studies¹ indicate that more or less all Member States have some issues with the energy saving calculation methodology and a number of Member States provided in their notifications very little or no information on specific requirements. The same studies also indicate that only a few Member States have provided sufficient evidence that shows they have robust monitoring, verification, control and compliance regimes for implementing Article 7 of the EED. Nevertheless, it has to be considered that introducing a new EEO or alternative measures is generally a challenging process. The already established EEOs have developed and changed over time, with the energy saving targets increasing as the obligated parties and regulators gained greater experience with this policy mechanism.

While countries can learn from others' experience, inevitably each country will face unique issues and has its own policy priorities. EEOs or alternative measures have to fit into the existing national

¹ Final report by RICARDO-AEA/ CE Delft: "Study evaluating the national policy measures and methodologies to implement Article 7 of the Energy Efficiency Directive"

policy landscape and are often used to meet multiple goals, rather than only delivering energy savings. Concerning EEOs, it has also to be observed that existing EEOs are, in some cases, at a time of transition. Many of the lower cost, mass-market efficiency opportunities in the buildings sector have either already been taken, or can no longer be counted as 'additional' under Article 7 and Annex V of the EED, due to the requirements of other EU legislation. This implies that Member States might need to introduce measures with higher costs or look into other sectors, e.g. industry, transport which implies a rather different scenario in terms of distributional impacts and cost per kWh saved.

This workshop will be an opportunity to exchange experience among Member States on how to better implement the Article 7 requirements with a focus on planned or adopted energy saving calculation and monitoring methodologies. The presence of acknowledged experts will be an additional advantage as they can explain the issues at stake and try to offer possible solutions to address remaining challenges.

It has, for example, to be considered that some EEOs and alternative measures put in place before the EED implementation may have to undergo a revision of their current national energy saving calculation methodologies in order to comply with the requirements of Annex V of the EED. One central question in these cases may relate, for example, to the necessity of modifying the reference consumption baseline to be considered to calculate the energy savings². Another general issue may be then represented by the corrections to be possibly introduced in energy saving calculation methodologies due to the need to address and to avoid double counting of energy savings in countries where same energy efficient installation types have been incentivised by multiple measures (e.g. by tax credits in addition to an EEO).

In summary this workshop will serve to:

- Discuss energy savings calculation methodologies and identify the pluses and the minuses of the different options chosen;
- Highlight in which cases pre-existing calculation methodologies have to be modified or adapted in order to comply with Article 7 requirements;
- Ensure that more transparency is achieved concerning the way in which energy savings are claimed from measures notified under Article 7;
- Allow that more robust monitoring, verification, control and compliance regimes for the EED Article 7 are put in place by Member States;
- Increase the harmonisation on the way in which information concerning energy savings calculation methodologies is reported in Member States notifications.

² Some countries might for example have to lower their reference consumption baselines for products like energy efficient space heaters because the EED establishes that credit can be given only for savings exceeding the minimum requirements set by existing eco-design regulations.

Draft Agenda

8:30 – 9:00 Registration & coffee

9:00 – 9:15 Introduction of the main objectives of the Workshop
JRC – IET

9:15 – 9:30 Compliance with EED Article 7 Requirements Concerning Methodologies for Energy Savings Calculation – Overview of Member States' Notifications
Jan Rosenow – Ricardo-AEA Ltd, UK

General requirements and key principles to be taken into account for energy savings calculation methodologies (Moderator: N. Labanca – JRC-IET)

9:30 – 10:00 Materiality & Additionality
W. Eichhammer, Fraunhofer ISI, DE

10:00 - 10:20 Lifetimes of savings and their contribution to Article 7 target achievement
D. Osso, EDF, FR

10:20 -10:40 Rebound effects, free-riders
E. Lees, Eoin Lees Energy, UK

10:40 – 11:10 Group discussion

11:10 – 11:30 Coffee Break

How to define a catalogue of standard measures and calculate associated deemed savings (Moderator: V. Oikonomou, Joint Implementation Network, GR)

11:30 – 11:50 Presentation of the approach adopted in France
E. Trauchessec, ADEME, FR

11:50 – 12:10 Presentation of the approach adopted in Austria
H. Adensam, Federal Ministry of Science, Research and Economy, AT

12:10 – 12:30 Presentation of the approach adopted in Denmark
J. Høgh Danish Energy Association, DK

12:30 – 13:00 Group discussion

13:00 – 14:00 Lunch break

14:00 – 14:30 How to develop cost-effective and reliable methods for assessing energy savings generated by measures through metered savings, scaled savings, surveyed savings

D. Di Santo, FIRE, IT

Difficulties with calculating savings from taxation and transport measures, and information measures (Moderator P. Bertoldi, JRC-IET)

14:30 – 14:50 Issues at stake with the evaluation of energy savings generated by taxation measures

R. Holmberg, Swedish Energy Agency, SE

14:50 – 15:10 Methodologies for the calculation of energy savings from measures targeting energy efficient transport systems

P. Boonekamp, ECN, NL

15:10 – 15:30 Methodologies for the calculation of energy savings from measures related to information and advice on energy efficiency

K. Gaffney, DNV GL, UK

15:30-16:00 General Discussion

16:00 – 16:15 Coffee Break

16:15 – 16:45 Implementation of monitoring, verification, sanctions and compliance regimes

C. Sutherland, Ofgem, UK

16:45 – 17:45 General Discussion and Workshop Conclusions