

European Directive 2012/27/EU : Transposition of article 7 Obligation schemes and alternative measures



Christian Laur & Jean-Luc Harnet

Beelas Group

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Christian.laur@beelas.eu

Jeanluc.harnet@beelas.eu

Abstract

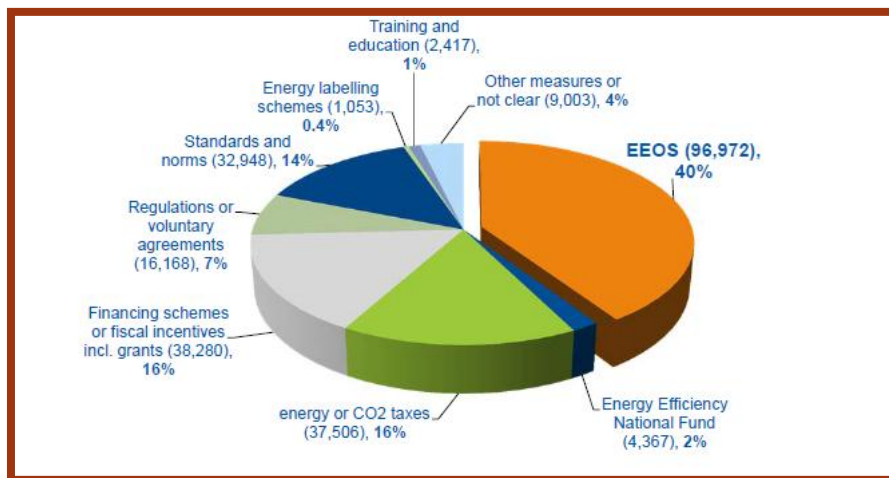
Under the [European Energy Efficiency Directive 2012/27/EU](#), EU countries should set up an energy efficiency obligation scheme. This scheme requires energy companies to achieve yearly energy savings of 1.5% of annual sales to final consumers.

In order to reach this target, companies have to carry out measures which help final consumers improve energy efficiency. This may include improving the heating system in consumers' homes, installing double glazed windows, or better insulating roofs to reduce energy consumption.

EU countries may also implement alternative policy measures which reduce final energy consumption. These measures could include:

- energy or CO₂ taxes
- financial incentives that lead to an increased use of energy efficient technology
- regulations or voluntary agreements that lead to the increased use of energy efficient technology
- energy labelling schemes beyond those that are already mandatory under EU law
- training and education, including energy advisory programs

The European Commission DG Energy indicated that "Energy Efficiency Obligation Schemes (EEOs) are the most important type of policy measure adopted by MS in terms of energy savings – 40% of the expected cumulative energy savings across all MS are expected to be generated from the implementation of EEOS, far more than any other type of policy measure".



Breakdown of energy savings based on notified savings by type of policy measure (ktoe)

Key highlights

Notified baselines/ targets and sum of savings at EU level

European Commission expect to reach under transposition of article 7, 240 Mtoe of energy saving.



EU-28	Adjusted baseline (Mtoe)	Transport excluded (Mtoe)	Energy production for own use (Mtoe)	Energy savings target (Mtoe)	Sum of expected savings (Mtoe)
Total	698	313	0.44	235	240

EEOS-Design features

Obligated parties

10 MS - obligation on energy suppliers

4 MS - on distribution companies and

2 MS - on both; an eligibility threshold applied (e.g.No of customers, energy sales etc.).

Sectors covered

Mostly residential sector, in general no limitations except a few cases (e.g. for transport).

Eligible measures

Majority have a standardized measure catalogue (deemed savings).

Third parties

8 Member States allow this option.

Social aims

4 MS have made this provision.

Trading provisions

3 MS allow bilateral trading, 4 MS allow bilateral and vertical trading.

Banking and borrowing

5 MS allow banking, in 1 MS borrowing (with 60% of target to be achieved).

Measurement & Vérification

14 Member States have set measurement, control and verification regimes. Out of those:

- 10 MS have ensured that verification is done independently from obligated parties.

- 8 MS have stated that a statistically significant proportion and a representative sample is verified.
- 9 MS have notified that audit protocols are in place.
- 5 MS have defined the level of penalties, 3 MS have penalties in place but no information on the level, 6 MS do not mention penalties at all.

Overview of measures under Article 7

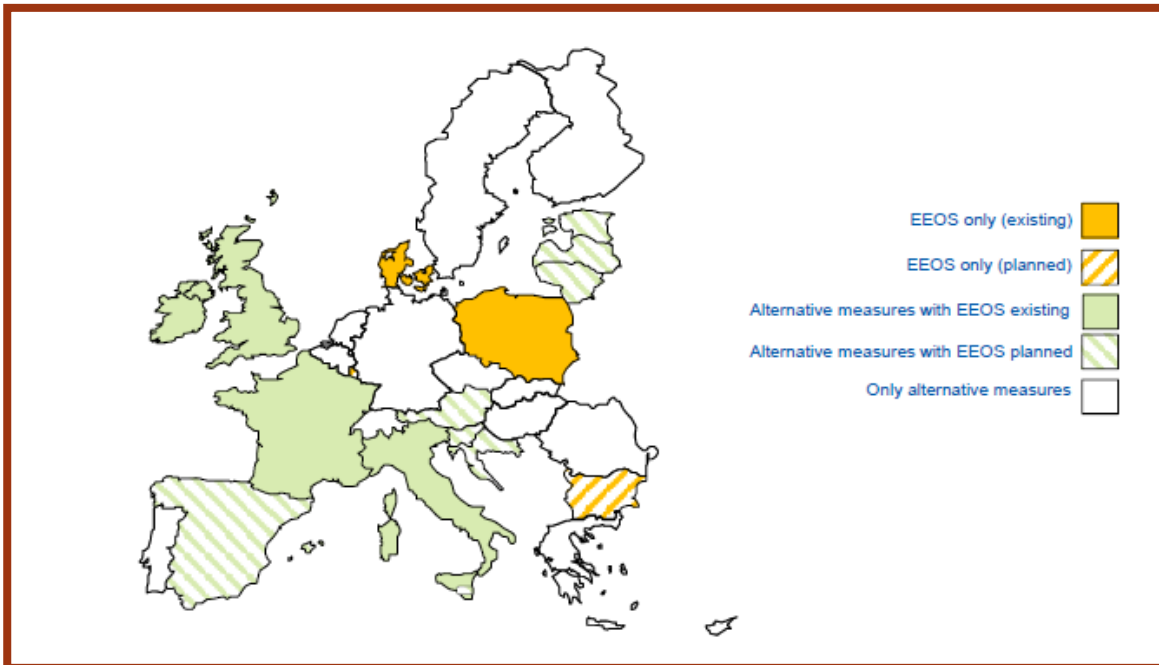
Denmark, Luxembourg, Poland and Bulgaria selected energy efficiency obligation scheme EEOS as a single pathway to comply with requirements of article 7. When others, combined this path with alternative policies to reach this objective.

Type of measure	Number of member states(*)
EEOS (default instrument)	16
Energy Efficiency National Fund	7
Energy or CO2 taxes	12
Financial schemes or fiscal incentives	19
Regulations or voluntary agreements	9
Standards and norms	10
Energy labelling schemes	3
Training and education	10
Other measures	9

(*)One Member State has not yet decided on the approach

Overview of EEOS SCHEME in Europe

The map below summarizes the key situation of this important policy instrument in December 2014 around Europe. Few updates are expected by the end of 2015.



Share of saving expected from EEOS

Country	Target (%)	Country	Target (%)
	100		63
	89		15
	100		51
	17		71

Key features of regulation in countries having already transposed article 7



Came into force on

2002

Saving objectives till 2017

18.4 Mt CO₂ and 3.7 B£

Obligated parties

Energy suppliers (11 obligated parties)



Came into force on

2005

Saving objectives till 2016

25 Mtep

Obligated parties

Energy suppliers (63 obligated parties)



Came into force on

2015

Saving objectives till 2020

159 Pj

Obligated parties

Energy sellers with a capacity upper to 25 GWh (4500 obligated parties)

**Came into force on**

2006

Saving objectives till 2017

700 TWh

Obligated parties

Energy suppliers (1983 obligated parties)

**Came into force on**

2013

Saving objectives till 2017

14.7 Mtep

Obligated parties

Energy suppliers

References

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