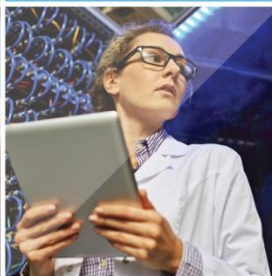




European
Commission



The Clean Energy Package: EED and EPBD – What's in for Energy Efficiency?

Paul HODSON, Head of the Energy Efficiency Unit, DG ENER, European Commission

EUFORES IPM18 on RE and EE (20 October 2018, Vienna)



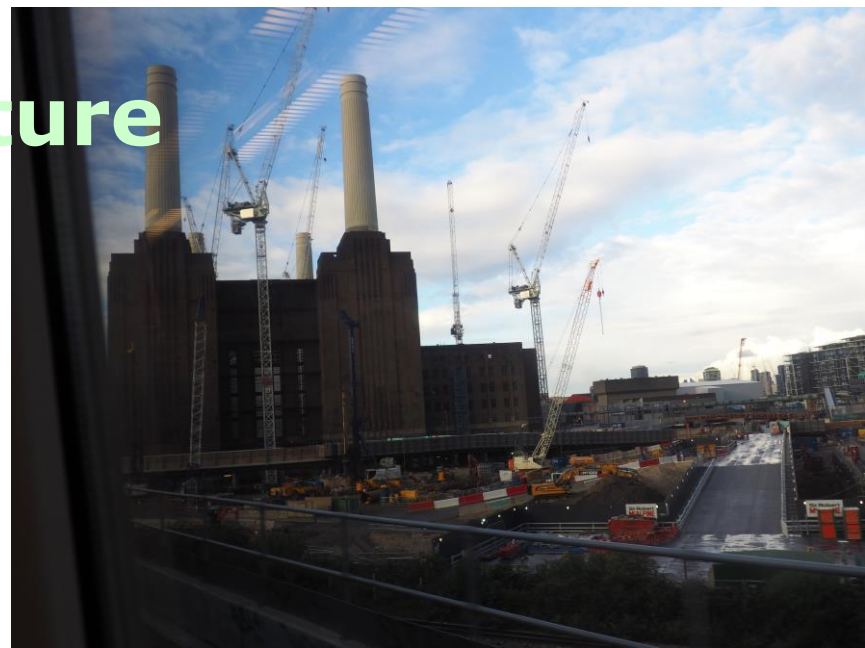
- 1. Why energy efficiency?**
- 2. The new framework**
- 3. Don't forget 2020!**
- 4. Issues for the future**

1. Why energy efficiency?

2. The new framework

3. Don't forget 2020!

4. Issues for the future



Why energy efficiency?

More energy savings mean:

- less GHG emissions
- less gas imports
- fewer people in energy poverty
- more jobs
- higher GDP
- better air quality
- buildings we love to be in...

(we have Member State estimates for most of these)

Energy efficiency and renewable energy complement each other:

- more wind and solar → less energy needed for electricity generation
- less final energy consumption → easier to have a high share of renewable energy
- faster and deeper building renovation → more efficiency and more on-building renewable energy

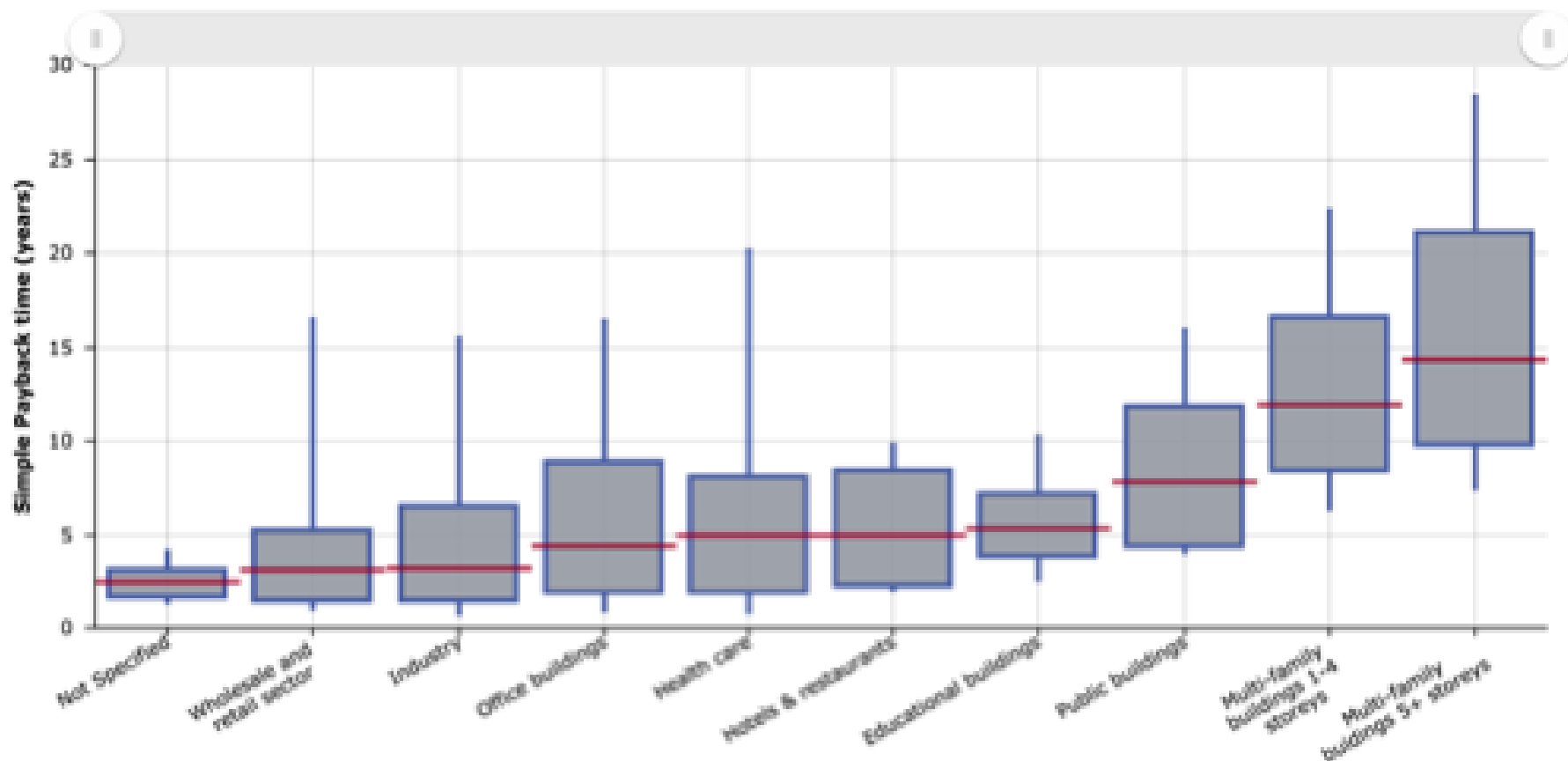
Why doesn't energy efficiency come automatically?

- (1) Energy efficiency needs investment...
- (2) ... energy efficiency investments offer attractive returns...

Saved from:

<https://deep.eefig.eu/viewcharts/buildings/>

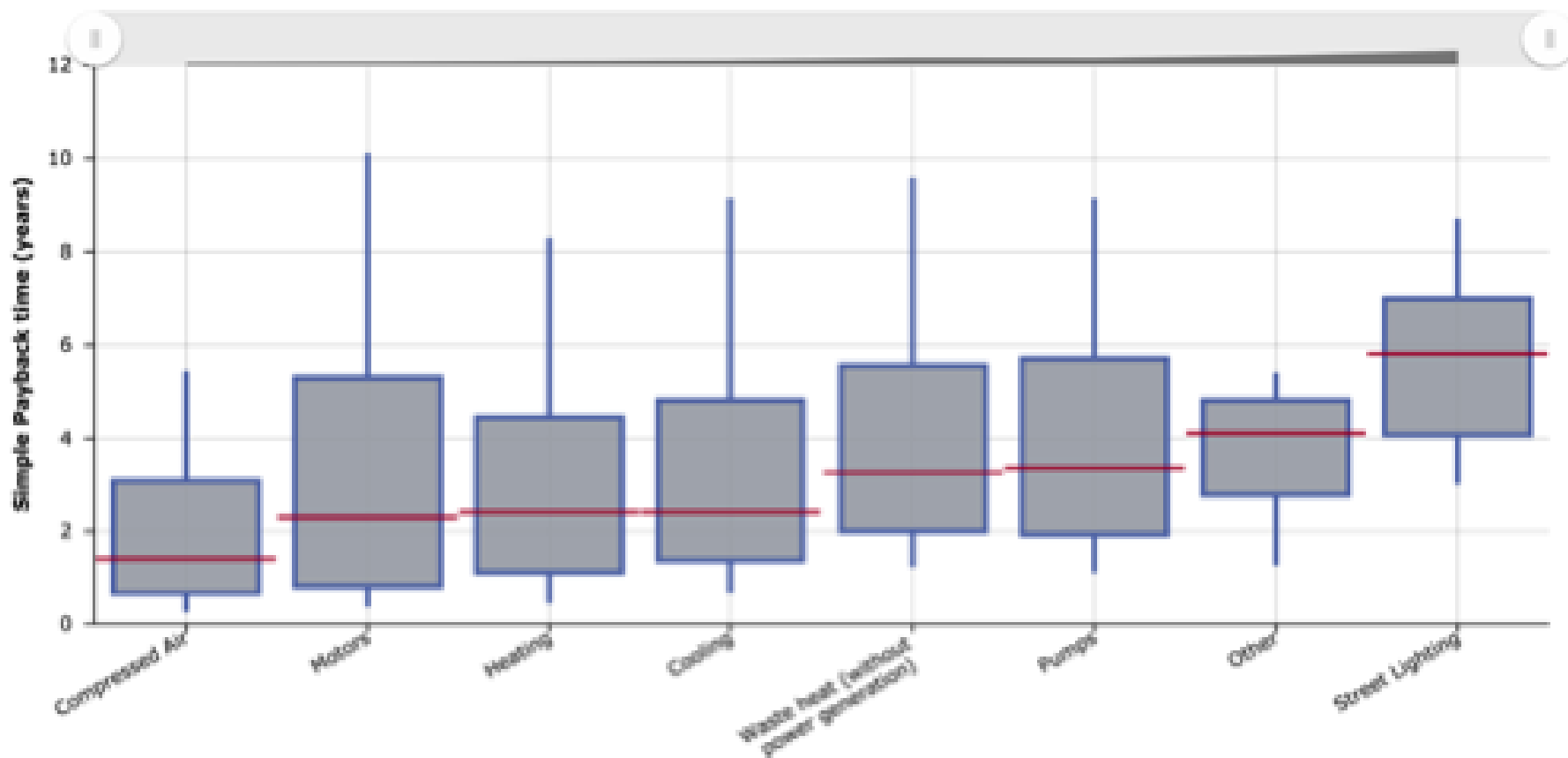
Distribution of payback time on 10%, 25%, 75% and 90th percentiles - Building types



Saved from:

<https://deep.eefig.eu/viewcharts/industry/?country=EU>

Distribution of payback time on 10%, 25%, 75% and 90th percentiles - Measure types



...but...

(3) ... the literature on behavioural discount rates shows that these returns are not seen as enough:

- Consumers – average demanded payback time: 2-3 years (discount rate 43%)
- Industry – average demanded payback time 2-3 years (discount rate 46%)

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... SO...

(4) ... public action is needed

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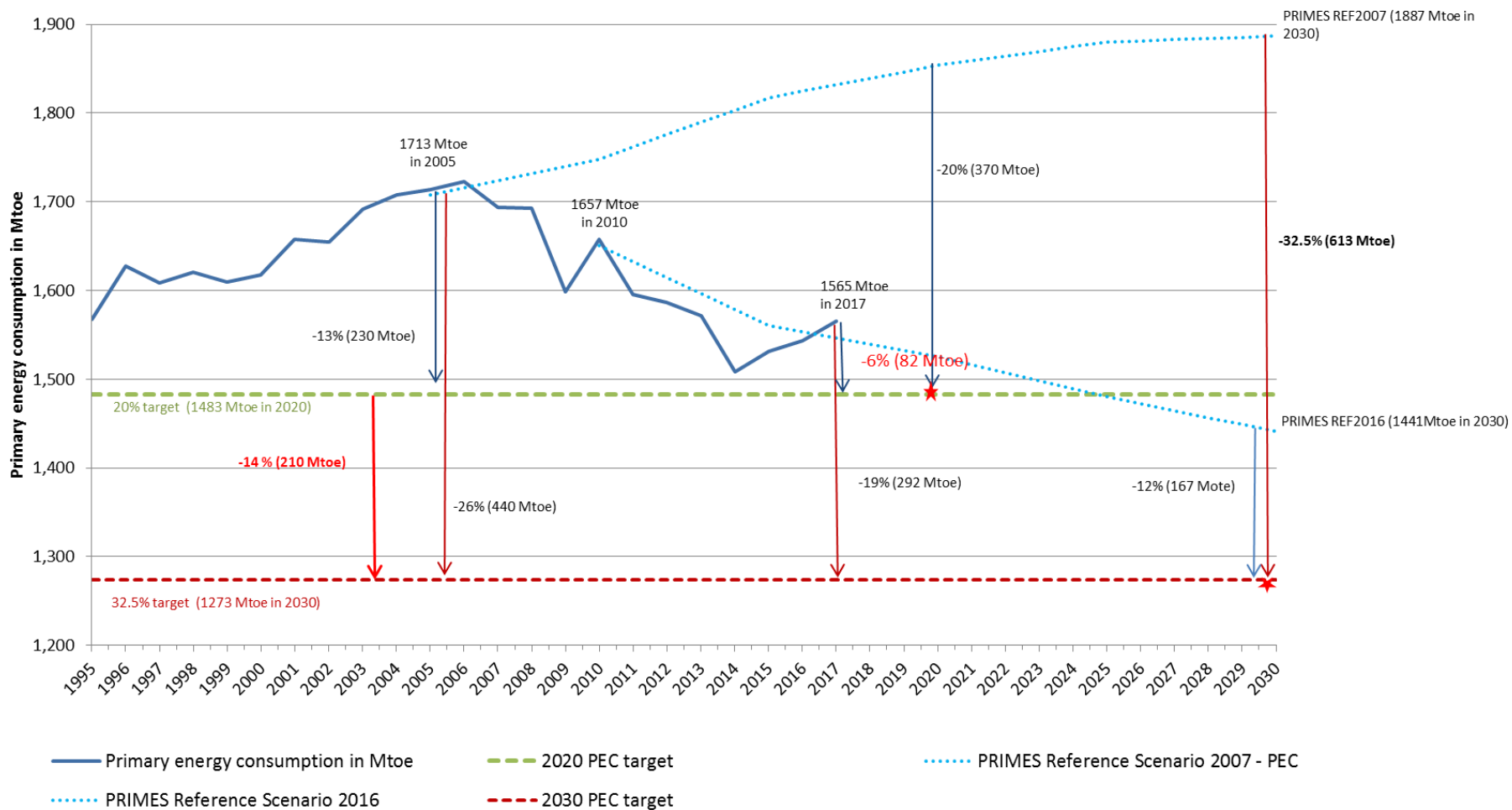
4. Issues for the future



Themes of EU energy efficiency policy

- 1) Set a **framework** for action: EU *target*
- 2) **Information** - so that *when* a household or business decides to buy/renovate/replace a product/system/building, they are able to compare the efficiency of different choices
- 3) **Minimum requirements** – so that the available choices all *make sense*
- 4) **Incentives** to *speed up* decisions to invest

Framework for action: EU target: 32.5%



EED and EPBD - new actions for Member States

- (1) Decide **national contribution** to the EU's 32.5% target - include it in draft National Energy and Climate plan, December 2018 (EED Art. 3)

- (2) National strategy for **decarbonising buildings** by 2050, including finance plan & energy poverty (EPBD Art. 2a)

- (3) Strengthen **Energy Efficiency Obligation Schemes** (or alternatives) & include energy poverty (EED Art. 7)

- (4) Express national **standards for building performance** in a way that allows cross-country comparison (EPBD Annex I)
- (5) Remote reading of heat meters and monthly billing information for **customers of district heating and residents of multi-apartment buildings** (EED Art. 9-11)
- (6) Electric vehicle **charging points** in buildings with 10 or more parking spaces (EPBD Art. 8)

Meanwhile: action at EU level

- (1) Labels and performance requirements for **products**
- (2) Performance requirements for **vehicles** (cars & CO2 – now also lorries)
- (3) **Capacity building** for Member States and cities (new sub-programme under LIFE from 2021)
- (4) **Smart readiness indicator** for buildings (EPBD Art. 8)

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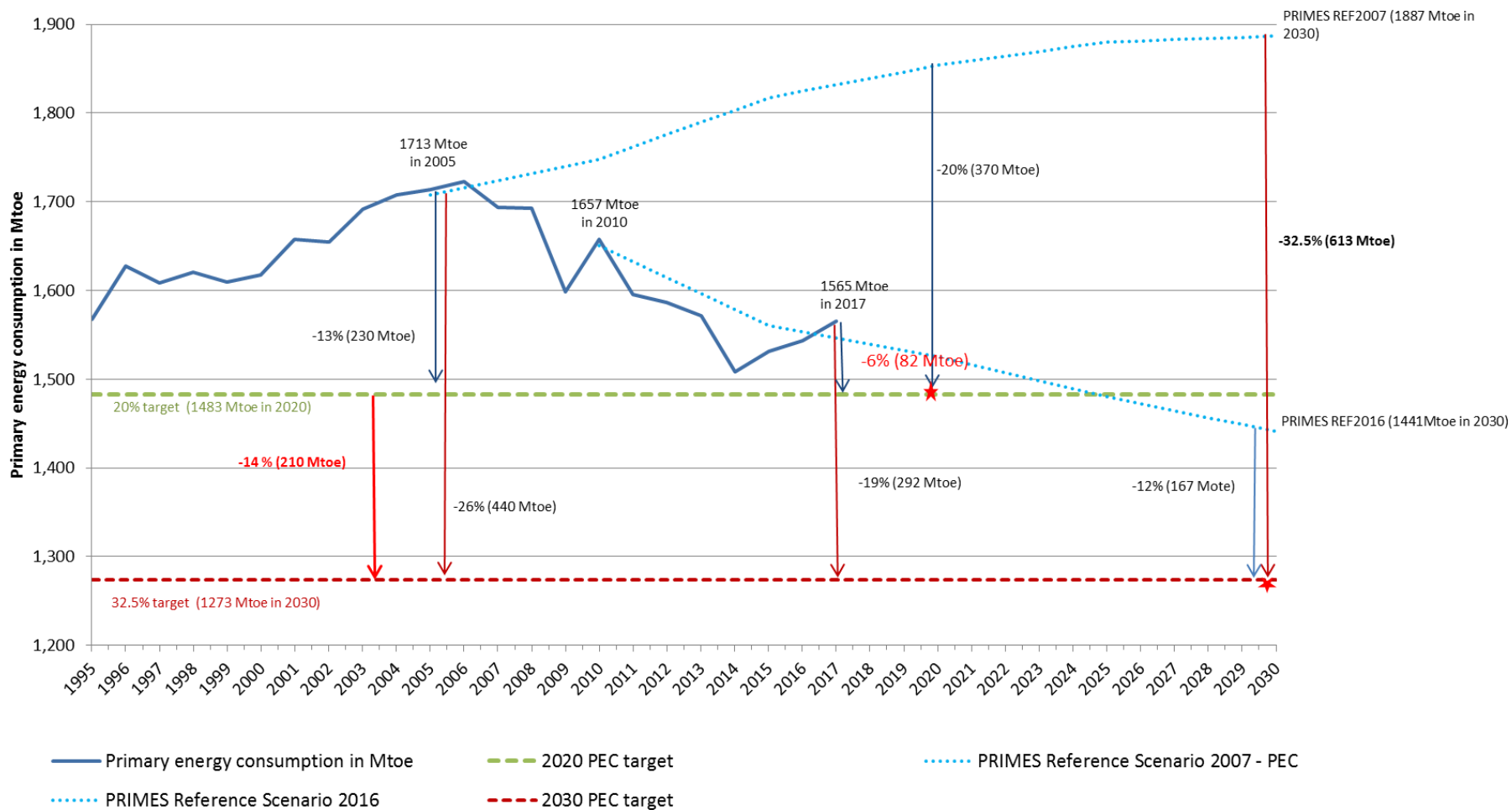
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2020 – Need to mobilise more efforts



Mobilising more efforts for 2020:

(1) Good legislative implementation:

- **Market surveillance** of product standards (EU can support)
- **Energy performance certificates for buildings** sold or rented (EPBD)
- Minimum standards for **building renovation** (EPBD Art. 7)
- **Monitoring and verification** of energy savings (EED Art. 7)
- Opportunities from **energy audits** of big companies (EED Art. 8)

(2) New actions? (Member States Task Force)

(3) Invest in public buildings (revision of Eurostat accounting rules)

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Julie Powell, cookery writer, Julie and Julia, **2005**:

It's always nice to go back to the folks' house [in Texas, from her flat in New York]. There's no mildew in the bathtub... There's a queen-sized bed to sleep in, no roaring semitrucks passing in the night, a hundred channels on the television, and broadband on the computer. On Christmas Eve we jack up the air-conditioning so we can light a fire.

Alain Prost, racing driver, interview in Le Soir, 25 August **2018**:

- Do you think that young people are less interested in Formula 1 today?

- Certainly... In my day, everyone was interested in cars. The car was a symbol of freedom and of status... It's a bit different today. My 22-year old daughter passed her test last year, but she isn't specially interested in cars.

CHALLENGES

- Must we try to change **behaviour**? (are technical changes not enough?)
- Is **transport** *a monster that cannot be beaten* – Prof. Werner Brog, 1996 - ?
- **Finance**: why is no-one knocking on my door trying to sell me energy efficiency?

OPPORTUNITIES

- **Cities as partners**
- **Internet of things/big data**



Thank you - paul.hodson@ec.europa.eu

