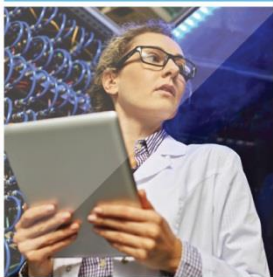




European
Commission



- EU Energy Efficiency Policies-

National Roundtable on Financing Energy Efficiency

Bucharest, 11 October 2018

Tudor Constantinescu
European Commission – DG ENERGY



Clean Energy for All Europeans Package

THE RIGHT REGULATORY FRAMEWORK FOR POST – 2020



Energy Union Governance



Energy Efficiency
(Energy Efficiency Directive, European Performance of Buildings Directive)



Renewables
(Revised Renewable Energy Directive)



New Electricity Market Design
(including Risk Preparedness)



Energy prices and costs report



Energy Efficiency Directive

- Binding 30% energy efficiency target for 2030



Ecodesign Working Plan
2016-2019

- List of new product groups;
- Contribution to circular economy objectives



Energy Performance of Buildings

- Supportive of renovation;
- Smarter – ICT, smart buildings;
- Simpler

Revision of the Energy Efficiency Directive

PROVISIONAL AGREEMENT REACHED IN JUNE 2018

- **2030 energy efficiency target: 32.5%** (upwards revision clause by 2023)
- **Extended annual energy saving obligation beyond 2020**
- **Better information to consumers** (individual metering and billing of thermal energy; transparent, publicly available national rules on the allocation of the cost of heating, cooling and hot water consumption in multi-apartment and multi-purpose buildings)

Review of the Energy Performance of Buildings Directive (EPBD)

KEY ELEMENTS



REINFORCED LONGER TERM BUILDING RENOVATION STRATEGIES

- 2050 vision for a decarbonised and highly efficient building stock
- Stronger financing component
- Enhanced transparency of national building energy performance calculation methodologies



SMARTER BUILDINGS, BETTER CONNECTED



SUPPORTING E-MOBILITY

CRITICAL FACTORS

- **Building renovation** has to do more
- **Financing** has a more important role to play
- **Digital/ICT** has a big potential to contribute

Annual investments needed⁽¹⁾

TO REACH EU ENERGY AND CLIMATE GOALS BY 2030

<i>Investment expenditures in billion EUR'10 (average annual 2021-30)</i>		REF2016 (BAU)	EUCO30	Financing challenge
Demand side	Industry	15	19	4
	Buildings - households	127	214	87
	Buildings - tertiary	23	68	45
	Transport	705	736	31
Supply side	Grid	34	36	2
	Generation and industrial boilers	33	42	9
TOTAL		937	1115	178

(1): Source: PRIMES, as quoted in table 22 (p. 66) of SWD(2016) 405 final (Impact Assessment accompanying the Proposal for a Directive of the European Parliament and of the Council amending Directive 2012/27/EU on Energy Efficiency; Part 1/3).

Transport figures include investments in transport equipment for mobility purposes (e.g. rolling stock but not infrastructure) and energy efficiency. They exclude investments in recharging infrastructure.

Long-term renovation strategies

- Roadmap **until 2050** (with **milestones**)
- Focus on **deep renovation** (building renovation passports could be used for staged deep renovation) -> min 60% energy savings
- Focus on **worst performing buildings**
- Actions targeting **all public buildings**
- Focus on **smart technologies** and connected buildings and communities
- **Provide support** (facilitate access to various supporting mechanisms)

Obligation for Member States to facilitate access to mechanisms to support mobilisation of investment

ARTICLE 2A(3)

Member States shall facilitate access to appropriate mechanisms for:

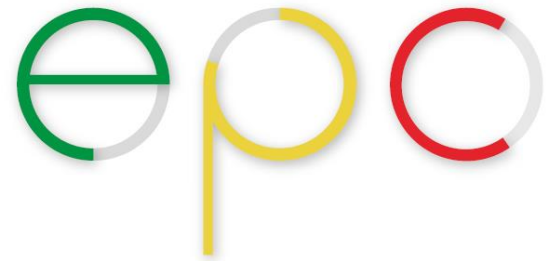
- (a) the **aggregation of projects**, ...*
- (b) the **reduction of the perceived risk** of energy efficiency ...*
- (c) the **use of public funding** ...*
- (d) guiding investments into an **energy efficient public building stock**, ...*
- (e) accessible and transparent **advisory tools**...*

Components of “Smart Finance for Smart Buildings”:

- guarantee facility (e.g. ESIF+EFSI+ other: EIB, EIF, NBP – if interested);
- Technical Assistance;
- capital grant.

More effective use of public funds

- **Making more use of financial instruments, to achieve high leverage ratios.**
- **Flexible financing platforms at national level**, mixing different strands of public financing (i.e. **ESIF, EFSI**).
- **On-line EU mapping tool** to understand how public funds can be used to support energy efficiency in Europe.
- An initiative to make **the use of Energy Performance Contracting** more accessible to the public sector
- **Sustainable Energy Investment Forums**



A Guide to the Statistical Treatment of
Energy Performance Contracts

May 2018

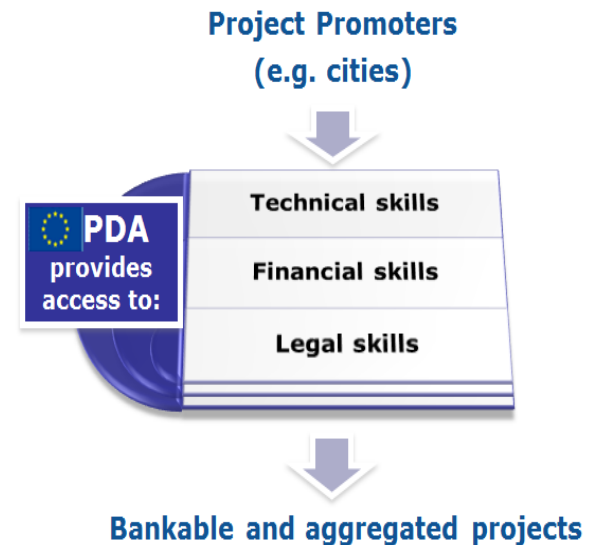
Providing aggregation and assistance for project development

Reinforce Project Development Assistance (PDA) facilities at the EU level to help project promoters bring their ideas to maturity.

- **ELENA**, via EIB (PDA facility funded through the European Commission's Horizon 2020 programme)
- **PDA calls** launched by EASME for smaller projects

Development of dedicated local or regional one-stop-shops for project developers.

➤ EU Project Development Assistance (PDA)



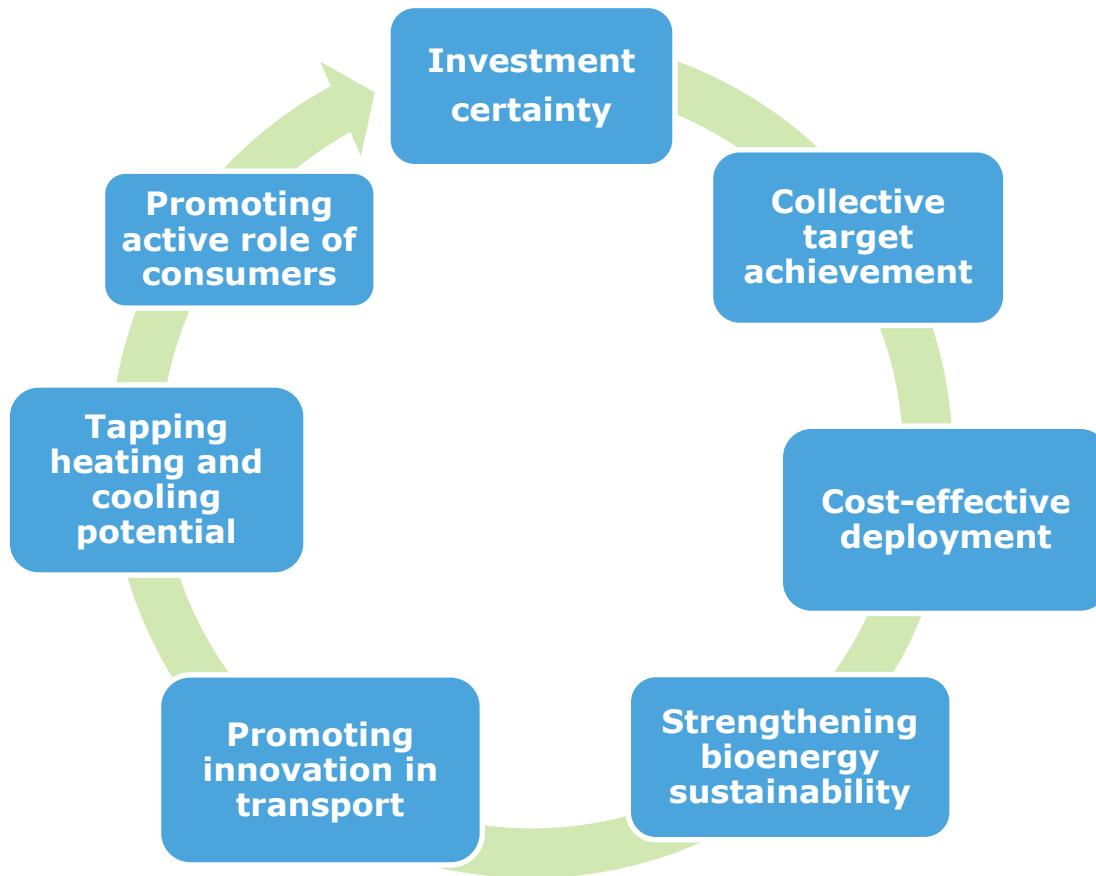
European Local ENergy Assistance

ELENA

- **Grant of $\leq 90\%$ for preparation** (not implementation) of investment programmes
- **More than EUR 139m awarded** to projects supporting approx. EUR 4.9bn investments
- Managed by the **EIB**
- **Minimum investment of EUR 30m**
- Budget allocation: **first come, first served** principle; in range of up to EUR 50m per year
- Obligation of investment implementation - **leverage factor required:**
 - **20** for sustainable energy projects
 - **10** for residential buildings and urban transport

Recast of the Renewable Energy Directive

KEY OBJECTIVES



- **Binding EU target of at least 32%** (with a clause for an upwards revision by 2023)
- **Underpinned by national contributions**
- **Formula to assess contributions** (in case of ambition gap)
- **Collective responsibility of target achievement**
- **Joint measures** (EU financial platform)

Energy Union Governance

GOVERNANCE PROCESS – REPORTING AND MONITORING

Co-legislators confirmed the proposed architecture of the Governance allowing its objectives to be met through a:

1) **Governance process** (dialogue Member States- COM, Member States-stakeholders and among Member States)

based on the

2) **National energy and climate plans** (NECPs) covering national targets and objectives as well as planned policies and measures to achieve these, across all 5 dimensions of the Energy Union

- Draft NECPs covering 2021 – 2030 to be ready by 31/12/2018
- Final NECPs by 31/12/2019
- National progress report every 2 years from 2023
- European Commission monitoring (annual State of the Energy Union report)

Cohesion policy 2021-2027

POLICY OBJECTIVES

11 objectives simplified and consolidated to 5:

1. A smarter Europe (innovative & smart economic transformation)
2. A greener, low-carbon Europe (including energy transition, the circular economy, climate adaptation and risk management) *with a target of **25% of EU expenditure contributing to climate objectives**, incl. clean energy transition*
3. A more connected Europe (mobility and ICT connectivity)
4. A more social Europe (the European Pillar of Social Rights)
5. A Europe closer to citizens (sustainable development of urban, rural and coastal areas and local initiatives)

2 horizontal objectives:

- Administrative capacity building
- Co-operation between regions and across borders (embeds co-operation in mainstream)



ENERGY UNION

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Thank you!

Tudor Constantinescu
Principal Advisor

DG ENER, European Commission

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