



European
Commission



Latest state of play on energy efficiency policy and financing

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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;

Energy efficiency policy update: towards 2030 and beyond

PROGRESS TO DATE

Revised EPBD agreed and published – 19 June, entry into force – 9 July

- Long-term renovation strategies: towards decarbonisation by 2050 with a strong focus on financing
- Targeted support to e-mobility infrastructure deployment in buildings' car parks
- Promotion of smart technologies: e.g. smart readiness indicator

Revised EED – provisional agreement – June 2018

- New energy efficiency target of 32.5%, with an upwards revision clause by 2023
- Extended energy savings obligation for the next period 2021-2030
- Strengthened rules on individual metering and billing of thermal energy

In preparation - revised and new Ecodesign & Energy Labelling regulations

- household and commercial fridges, dishwashers, washing machines, electronic displays, lighting...

EPBD revision: long term renovation strategies

A MAJOR INSTRUMENT PART OF THE ENERGY UNION GOVERNANCE

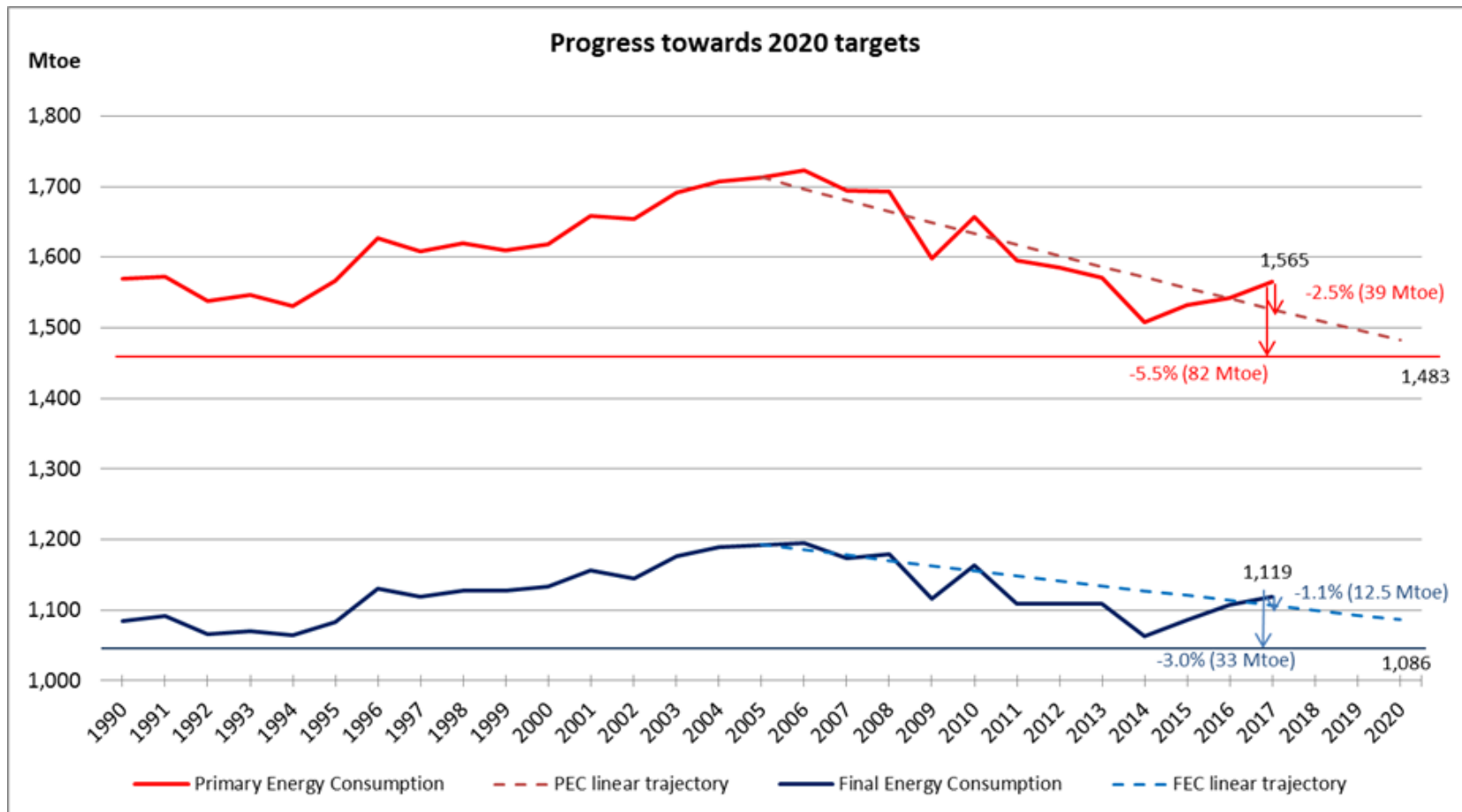
Long term renovation strategies:

- Establish comprehensive strategies aiming at a highly efficient and **decarbonised building stock by 2050** and at a cost-effective transformation of existing buildings into nearly zero-energy buildings (NZEBs).
- Set up a roadmap with **measures**, measurable **progress indicators** and indicative **milestones** for 2030, 2040 and 2050.
- Carry out a **public consultation** on the strategies prior to submission to the Commission, and **consultation in an inclusive way** during implementation.
- Stronger reference to **energy poverty** and **solid financial component** (effective use of public funding; aggregation; de-risking).

Under the provisional agreement on the **Governance** regulation:

- The LTRS must be part only of the **final** integrated national energy and climate plans and the first LTRS must be submitted to the Commission by 10 March 2020.
- **Energy efficiency experts** should be involved in the drafting phase. There is a common interest to include the contribution of the building sector in the achievement of the national plans' objectives on energy efficiency.

On the energy efficiency front: the 2020 challenge

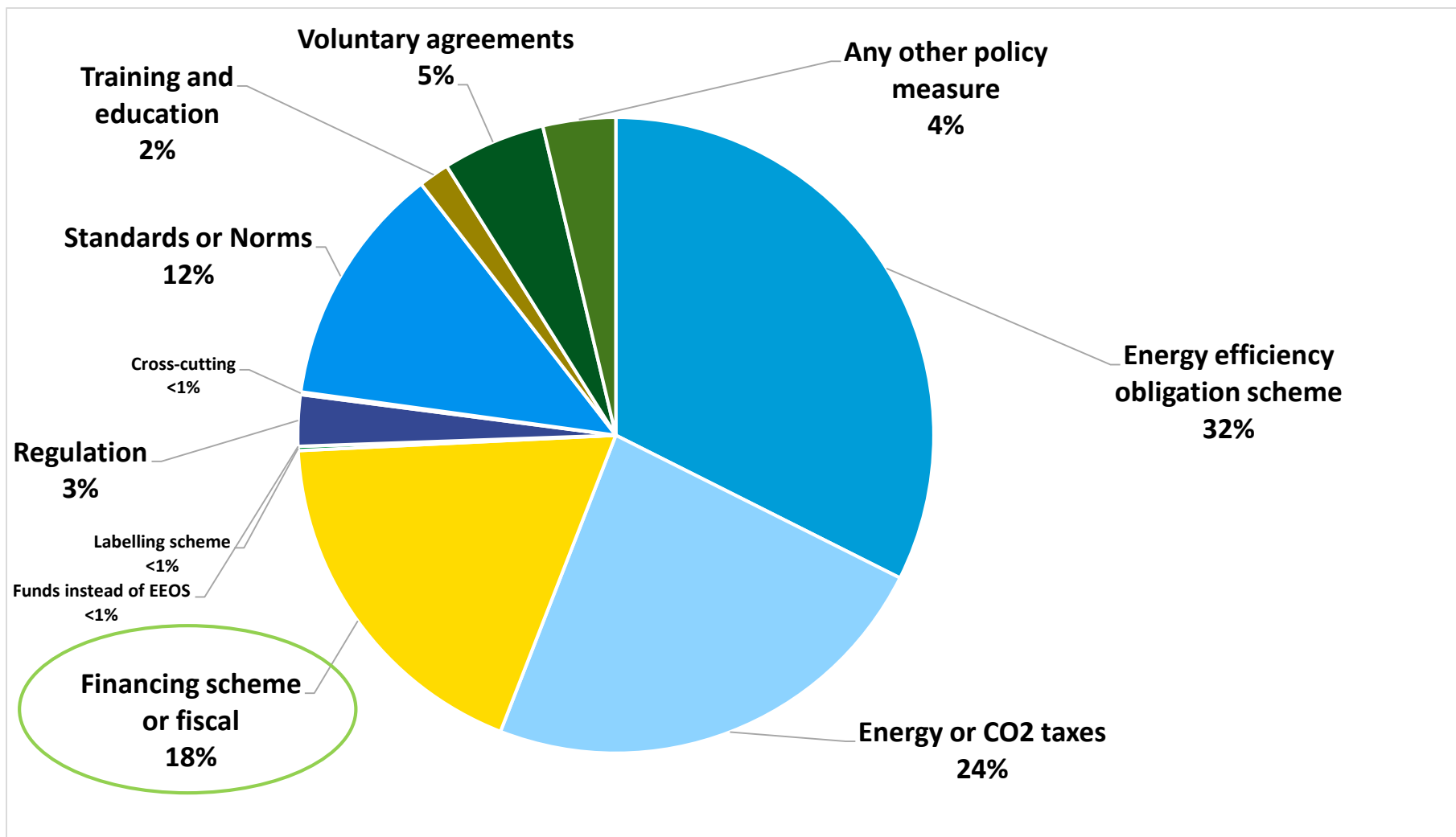


Source: DG ENER based on Eurostat data

Energy consumption is **rising since 2014**, following an extended period of declining or flat consumption.

The distance to the **EU 2020 energy efficiency target** has been increasing.

ENERGY SAVINGS IN 2014-2016 – IMPACT OF POLICY MEASURES



Close to 20% of energy savings achieved reported under Art.7 EED come from **financing or fiscal schemes**.

The investment challenge ahead

A SIGNIFICANT INVESTMENT GAP

Investment expenditures in billion EUR'10 (average annual 2021-30)		REF2016 (BAU)	EUCO30	EUCO35	Financing challenge (EUCO30)	Financing challenge (EUCO35)
Demand side	Industry	15	19	29	4	14
	Buildings - households	127	214	337	87	210
	Buildings - tertiary	23	68	157	45	134
	Transport	705	736	733	31	28
Supply side	Grid	34	36	31	2	-3
	Generation and industrial boilers	33	42	37	9	4
TOTAL		937	1115		178	387

(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.

Energy Efficiency Financing

THE STRATEGY

More effective use of public funds

- Deploying **Financial Instruments** and flexible energy efficiency and renewable financing platforms
- Building on EFSI blending with ESIF funds



Assistance and aggregation

- Supporting the project pipeline at EU and local level
- **Project Development Assistance** facilities
- "One-stop-shops"



De-risking

- **Understanding the risks and benefits** for financiers and investors
- The De-risking Energy Efficiency Platform
- Commonly accepted underwriting framework



More effective use of public funds

FINANCING – 1ST PILLAR

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

Making Energy Performance Contracting more accessible to the public sector
(Updated Eurostat guidance on the accounting treatment of Energy Performance Contracts)

Sustainable Energy Investment Forums
Riga, Prague, Copenhagen, Madrid, Dublin,...

Aggregation and assistance for project development

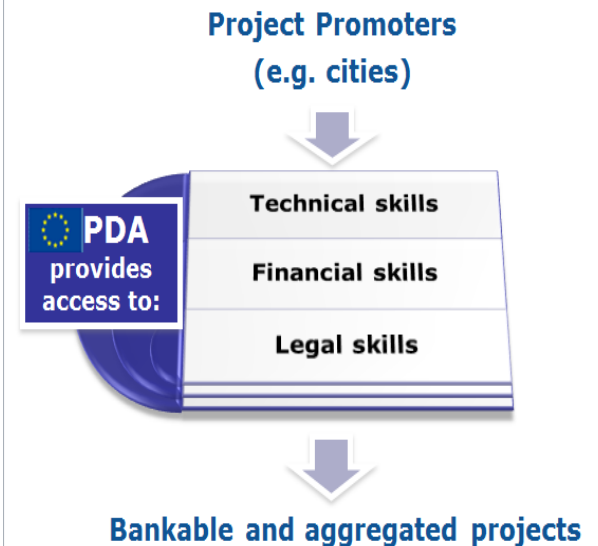
FINANCING – 2ND PILLAR

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)



An illustration: ELENA

AN OPPORTUNITY FOR IRELAND

ELENA (European Local ENergy Assistance)

<http://www.eib.org/en/products/advising/elena/index.htm>

- Provides grants for technical assistance focused on the implementation of energy efficiency, distributed renewable energy and urban transport projects and programmes
- Since 2009, EUR 100 million of EU support triggering an estimated investment of around EUR 4 billion

“Sustainable Tipperary” (August 2017 - July 2020), EUR 1.5 million contribution

Tipperary cleans up the dust and creates low-energy 'superhomes'

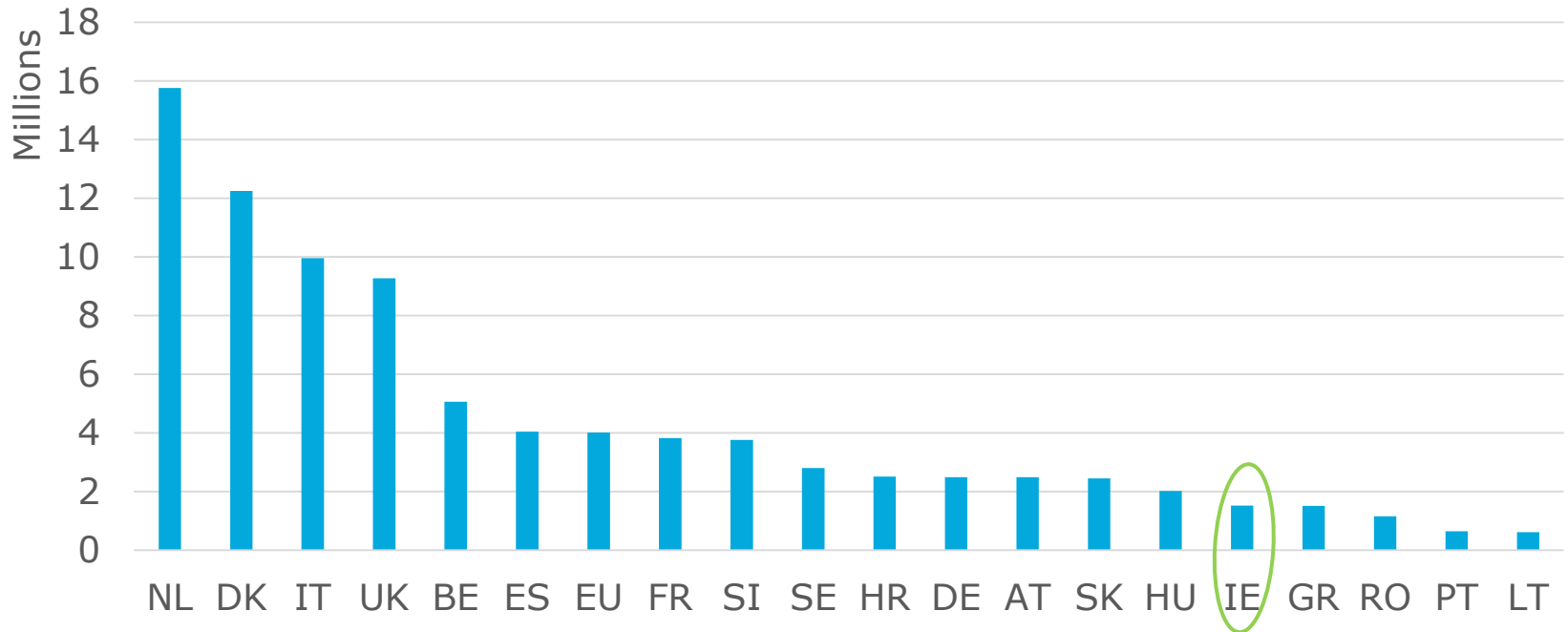


Many Irish residences are heated with dirty coal fireplaces. The ELENA programme brings Tipperary energy efficiency and clean homes.

An illustration: ELENA

AN OPPORTUNITY FOR IRELAND

Expected EU funding in EUR



De-risking

FINANCING – 3RD PILLAR

Change the risks perception related to energy efficiency investments - in collaboration with the Energy Efficiency Financial Institutions Group (EEFIG):

- The **De-risking Energy Efficiency Platform (DEEP)**, an open source database containing real performance data of energy efficiency projects (over 10.000 energy efficiency projects already)
- An **Underwriting toolkit** on the value and risk appraisal of energy efficiency investments (released on 22 June 2017)



Towards better financing

THOUGHTS ON POSSIBLE ACTION FOR IRELAND ON FINANCE

Link long-term strategy with smart finance

- Attractive long-term finance solutions (e.g. low-cost loans) rather than short-term subsidies
- stable long-term EE-programs, e.g. for SMEs

New ELENA-project(s) on EE in buildings or SMEs?

- Set-up a brainstorming meeting of energy agencies, regional authorities and banks
- Think big (EUR 30 to 100 million investment); send project idea (2-pager) to EIB (elena@eib.org)

Motivate national or regional banks to

- become active EEFIG members, including upcoming work on tagging and default risk of green mortgages
- Make use of and improve the data on Ireland in DEEP

Contact DG ENER for questions

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On the policy side – the EPBD

ACTING NOW FOR 2020

Awareness is key: **Energy Performance Certificates**

- Energy Performance is recognised as a valuable element in properties
- Elements of good energy performance have a direct influence in property valuation (e.g. windows, age of system)
- Proxy for good quality of build

Energy Performance Certificates must give **practical** and **meaningful** information user and be **visible** (e.g. in advertisement)

Ensuring the **right level of performances**, in particular for **renovations**

“Ensure that when buildings undergo major renovation, the energy performance of the building or the renovated part thereof is upgraded in order to meet minimum energy performance requirements”

Major renovations to a **cost optimal level** achieve the best trade-off between energy efficiency ambition and investment proportionality.

On the policy side – the EPBD

POST-2020 PERSPECTIVE

Ensuring the transition to **Nearly Zero-Energy Buildings**

“by 31 December 2020, all new buildings are nearly zero-energy buildings”

*“‘nearly zero-energy building’ means a building that has a **very high energy performance** (...) The nearly zero or very low amount of energy required should be covered to a very significant extent by **energy from renewable sources**, including energy from renewable sources produced on-site or nearby;*

Promote **smart technologies** and **well-connected buildings** and communities

Smart buildings, able to effectively adapt operation to the needs of the occupants, while ensuring optimal energy performances and being able to interact with energy grids, can support clean energy programs delivering improved services, increasing sustainability, and driving economic development.

*“Establishing an optional common Union scheme for rating the **smart readiness of buildings**.”*



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>

An illustration: ELENA

AN OPPORTUNITY FOR IRELAND

