

Transposition of the Energy Efficiency Directive 2012/27/EU

Notification of alternative measures to the Obligation Scheme
(Article 7(9)) and energy savings made

Revision B of 21 May 2014 following the bilateral meeting with the
Commission on 17 March 2014 for inclusion in the notification of the
Walloon Region's June 2014 transposition

Walloon Public Service
DGO4
Department of Energy and Sustainable Building
Office for Sustainable Energy Promotion

1. Introduction: Wallonia chooses the alternative approach

Article 7 of the Energy Efficiency Directive 2012/27/EU stipulates that Member States shall set up an energy efficiency obligation scheme of the 'white certificate' kind for distributors and/or retail energy sales companies in order to reduce energy sales by 1.5 % annually between 2014 and 2020.

However, according to Article 7(9), Member States may opt to take other policy measures to achieve the same objective. In this case, the public policy measures in question must be **notified to the European Commission by 5 December 2013**, with an explanation of how an equivalent level of savings, monitoring and verification is to be achieved.

The Walloon Government decided to opt for these alternative measures on 28 November 2013. It decided to focus on efforts to reinforce existing policy measures that meet the Article 7 criteria. These relate primarily to:

- financial incentives in the residential sector
- voluntary agreements for the industrial sector
- financial incentives for the public sector.

These measures meet all the conditions for fulfilling the Article 7 criteria, which can broadly be summarised in the following two strategies:

- A principle of equivalence (global policy, organised in two stages that enable a possible readjustment, guaranteeing the achievement of the same quantity and quality of energy savings)
- A principle of demonstrable materiality (the noted energy savings must be the direct result of the policy implemented by the Member State and avoid double counting. Each action chosen must be sufficiently documented to ensure its veracity; the calculation method must be transparent and a verification, reporting and steering system must be established).

2. First stage: establishing Wallonia's objective

In line with the European Commission's instructions set out in its interpretive 'Working Paper' and at various expert committee sessions, Wallonia has decided to use **final energy consumption figures taken from its energy reports** (EUROSTAT methodology) and to exclude anything related to own generation ('waste recycling' and cogeneration) or renewable production (photovoltaic, thermal solar and heat pumps) since there are no corresponding energy sales (free source). As the 2012 energy report is still only provisional, the figures will need to be validated in a year's time, when the final 2012 report is published.

Wallonia has decided **to exclude all transport sector consumption** when calculating the objective, as permitted by the end of the second subparagraph of Article 7(1).

Statistical data Walloon Energy Reports	2010	2011	2012 (prov.)	3-year average
Final energy consumption (TWh)	135 600	132 522	125 930	131 351
Own prod. cogen. (TWh)	5 603	5 930	6 025	5 853
Coke, coke oven gas and gas from HF (TWh)	2 156	2 095	0.079	1 443
Black liquor and sawdust (TWh)	0.353	0.337	0.418	0.369
Waste (other biomass + other bio-renewable fuels (TWh)	2 798	3 411	2 642	2 950
Heat pumps	0.101	0.087	0.111	0.100
Thermal solar	0.075	0.087	0.088	0.083
Photovoltaic	0.066	0.189	0.413	0.223
Energy sales (TWh)	124 448	120 386	116 154	120 329
Transport sector (TWh) (exc. from the calculation)	38 303	40 461	37 699	38 821
Compulsory amount	86 145	79 925	78 455	81 508

Calculation basis: 2010, 2011 and 2012

Average energy sales thus total 120 329 GWh, from which transport sector consumption is deducted to arrive at a **compulsory figure of 81 508 GWh**. If we apply a strict linear application of the obligation to make a 1.5 % reduction, this would require energy savings of 1 223 GWh/year, and would correspond to 8 558 GWh of annual energy savings by 2020, or a cumulative energy saving of 34 234 GWh over the whole period.

Wallonia has also decided to **opt for the 25 % flexibility** authorised in Articles 7.2 and 7.3. A strict linear application of the effort corresponding to this 25 % thus results in a **constant annual effort of 917 GWh/year and energy savings of 6 419 GWh in 2020, or cumulative energy savings of 25 675 GWh over the whole period.**

Calculation of the Art. 7.1 obligation (linear effort, transport excluded and use of paragraph 3 exemption)	2014	2015	2016	2017	2018	2019	2020	Cumul. over 7 yrs
Annual energy saving (GWh)	917	917	917	917	917	917	917	
Cumulative energy saving (GWh/yr)	917	1 834	2 751	3 668	4 585	5 502	6 419	
Total energy saving (GWh cumul.)								25 675

3. Second stage: notification of Wallonia's energy policy measures and the methodology established for monitoring them, in line with Article 7(9)

The system established to meet the criteria of Article 7 now needs to be clarified. If opting for alternative policy measures to the Obligation Scheme, these must be **notified to the European Commission by 5 December 2013**, demonstrating that they meet the criteria set out in Articles 7(10) and 7(11) and Annex V to Directive 2012/27/EU.

Individual sheets have therefore been produced for each policy measure included in the alternative mechanism. These sheets form the basis of this third chapter.

In order to meet its obligation, the Walloon Government decided at its meeting on 28 November 2013 to continue and strengthen a set of already existing measures. This involves two kinds of measure, covering three sectors:

- Financial incentives in the residential sector. These are payments offered to private individuals to enable them to renovate the outer structure of buildings or their heating/domestic hot water systems (energy incentives, renovation incentives as well as a large proportion of Ecopacks).
- Voluntary agreements for the industrial sector. These relate to sector agreements, along with some specific energy incentives.
- Financial incentives for the public sector, via classic and exceptional UREBA ('rational energy use in buildings') payments (the latter are one-off, not regular) and via implementation of the PIVERT 1 and 2 financing mechanism.

All of the above measures meet the eligibility conditions, i.e. they are additional, material and can be measured, controlled and verified.

The Walloon Region is relatively small and so there is no need to take different climatic variations into account (point 4(h) of Annex V), the official benchmark being Uccle.

The estimated energy savings obtained from each action are calculated using the methods given in points 1 and 2 of Annex V and are described in detail for each measure.

Criteria to be met	Cross-cutting criteria valid for whole monitoring mechanism
The policy measures provide for at least two intermediate periods by 31 December 2020 and lead to the achievement of the level of ambition set out in paragraph 7(11) (Art. 7(10)(a))	Wallonia has opted for two successive periods, from 2014 to 2017 (in coordination with the energy efficiency action plans or PAEE), then from 2018 to 2020. All measures listed in the context of the alternative mechanism are thus individually allocated a target on their sheets to contribute to the overall objective, as follows: 1 st period 2014-2017 9 170 GWh cumul. 2 nd period 2018-2020 16 505 GWh cumul. Total target 25 675 GWh cumul.
The responsibility of each entrusted party, participating party or implementing public authority,	The Walloon Public Department, DG04, Department for Energy and Sustainable Buildings, through its role as supervisory authority, in line with Directive 2006/32/EC,

whichever is relevant, is defined (Art. 7(10)(b))	<p>provides overall supervision of the monitoring.</p> <p>The Walloon Government is responsible for implementing the actions as well as any possible corrective measures. The objective is, all in all, to ensure that the above global target is achieved.</p> <p>In the case of the sector agreements, the participating parties are committed to achieving a specific target at the level of the federations.</p>
The energy savings that are to be achieved are determined in a transparent manner (Art. 7(10)(c))	<p>As noted in the individual measures sheets, the energy saving impact of each alternative measure is evaluated using the Bottom-Up methodology established by the European Commission in the context of the PAEE evaluation in Directive 2006/32/EC. Only the sector agreements with industry use a specific but clearly established methodology.</p>
The amount of energy savings required or to be achieved by the policy measure are expressed in either final or primary energy consumption, using the conversion factors set out in Annex IV (Art. 7(10)(d))	<p>The objective to be achieved, along with the energy savings made or to be made through the measures, are all expressed in GWh of final energy. In the context of the sector agreements with industry, for which the monitoring is initially conducted in primary energy, the transposition into final energy is done on the basis of a 1.26 coefficient, in accordance with the estimates of the Federal Planning Office for this sector, and in line with the conversion factors in Annex IV.</p>
Energy savings are calculated using the methods and principles provided in points 1 and 2 of Annex V (Art. 7(10)(e))	<p>The alternative measures have been selected such that they meet the different criteria of Article 7 and Annex V. The energy savings have been noted or estimated on the basis of strict criteria that enable materiality to be demonstrated (e.g. invoice). Their additionality is ensured and double counting avoided. Their life span is taken into account individually, in accordance with the instructions of Directive 2006/32. They are long-term measures (insulation, heating systems, for example).</p>
Energy savings are calculated using the methods and principles provided in point 3 of Annex V (Art. 7(10)(f))	<p>Not applicable: no taxes involved in the measures in question.</p>
An annual report of the energy savings achieved is provided by participating parties, unless not feasible, and made publicly available (Art. 7(10)(g))	<p>The industrial federation (participating parties in the context of sector agreements) report annually on the results achieved (changes in their consumption and energy efficiency and environmental efficiency indices).</p>
Monitoring of the results is ensured and appropriate measures are envisaged if the progress is not satisfactory (Art. 7(10)(h))	<p>Through its role as supervisory authority under Directive 2006/32/EC, the Department of Energy and Sustainable Building of the Walloon Public Service conducts annual monitoring of the impact of the measures in question. It reports to the Ministry of Energy of the Walloon Government and proposes possible corrective measures where appropriate.</p>
A control system is put in place that also includes independent verification of a statistically	<p>Each measure comprises an intrinsic control system.</p>

significant proportion of the energy efficiency improvement measures (Art. 7(10)(i))	
Data on the annual trend of energy savings are published annually (Art. 7(10)(j))	The annual monitoring report for the Article 7 alternative measures implemented by the Walloon Government will be published on the website of the Department of Energy and Sustainable Building of the Walloon Public Service.

2. Taxes (Article 7(9)(a))

NOT	APPLICABLE

II. Regulatory provisions and voluntary agreements (Article 7(9)(c))

Measure 1	2 nd generation sector agreements 2014-2020
Category of measure (Article 7(9), subpara. 2)	Category c) regulations or voluntary agreements that lead to the application of energy-efficient technology or techniques and have the effect of reducing end-use energy consumption.
Description of measure	<p>Voluntary agreements with industry to improve their energy efficiency and reduce their CO2 emissions.</p> <p>The companies' commitment is voluntary. These agreements offer them the following advantages:</p> <ul style="list-style-type: none"> • Good knowledge of their energy flows via an energy audit conducted at each of their sites with the financial support of the public authorities • Long-term visibility with regard to the investments and energy savings programme (unfortunately distorted by the vagaries of the current market) • Regular contact with the administration and political authorities • All in all, an improvement in their energy efficiency and thus in their overheads <p>For their part, the public authorities are ensured:</p> <ul style="list-style-type: none"> • A substantial effort from industry to reduce energy consumption and CO2 emissions • Better resource and knowledge mobilisation, the potential energy savings being the best identified using the companies' internal skills <p>The public authorities have guaranteed participating companies different support mechanisms if they meet their commitments under these agreements, namely:</p> <ul style="list-style-type: none"> • The use of greenhouse gas emissions reduction targets to calculate CO2 quota allocations for industrial sites affected by the emissions trading mechanisms • A cap on the refund of green certificates by electricity companies supplying energy-intensive companies, with an obligation on the supplier to refund the gains thus made to his client • Partial or full exemption (depending on the level of consumption) of energy taxes • Gradual cap on the federal contribution to electricity.
Implementing parties/authorities (Annex V, point 4(a))	The Walloon Government which, through its decision of 20 December 2012, gave the ministries of energy and the

	environment the responsibility for signing the agreements, conducting monitoring and reporting back annually.																																				
Target sectors (Annex V, point 4(b))	The industrial sector: <table><tr><td>Federation</td><td>Sector</td></tr><tr><td>GSV</td><td>Steel industry</td></tr><tr><td>ESSENSCIA</td><td>Chemicals</td></tr><tr><td>FEBELCEM</td><td>Cement works</td></tr><tr><td>FIV</td><td>Glassworks</td></tr><tr><td>FEVIA</td><td>Food industry</td></tr><tr><td>COBELPA</td><td>Lime</td></tr><tr><td>CARMEUSE</td><td>Paper pulp and packaging</td></tr><tr><td>AGORIA</td><td>Lime</td></tr><tr><td>FBB-FEDICER</td><td>Metal and electrical manufacture</td></tr><tr><td>FEDEX</td><td>Bricks and ceramics</td></tr><tr><td>FEDUSTRIA</td><td>Tiles</td></tr><tr><td>AGORIA</td><td>Textiles, wood and furnishings</td></tr><tr><td>FETRA-FEBELGRA</td><td>Printing and graphics industries</td></tr><tr><td>AGORIA</td><td>Technology industry</td></tr><tr><td>AGORIA</td><td>Non-ferrous</td></tr><tr><td colspan="2">+ Crystal Computing (Data Centre)</td></tr></table>			Federation	Sector	GSV	Steel industry	ESSENSCIA	Chemicals	FEBELCEM	Cement works	FIV	Glassworks	FEVIA	Food industry	COBELPA	Lime	CARMEUSE	Paper pulp and packaging	AGORIA	Lime	FBB-FEDICER	Metal and electrical manufacture	FEDEX	Bricks and ceramics	FEDUSTRIA	Tiles	AGORIA	Textiles, wood and furnishings	FETRA-FEBELGRA	Printing and graphics industries	AGORIA	Technology industry	AGORIA	Non-ferrous	+ Crystal Computing (Data Centre)	
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Expected energy savings (Annex V, point 4(c)) Duration of the obligation (Annex V, point 4(d))	2009-2013	0	GWh																																		
		350	Additional GWh/yr																																		
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		6 300	Cum. GWh in 2nd period 2018-2020																																		
		9 800	Total cumulative GWh																																		
Eligible measure categories (Annex V, point 4(e))	The audit report conducted at the start of the period enables the necessary improvements to be determined on the basis of a prioritisation of measures and investments advocated by the auditor, in line with the predefined return time criteria																																				
Calculation methodology (Annex V, point 4(f))	The method of calculation used to assess the impact of the sector agreements is the same as that used in the PAEE2 for Directive 2006/32/EC. It is based on baseline consumption, along with the consumption and energy efficiency indicators (EII) given in the signatory federations’ annual reports. The conversion of primary energy (used in these sector agreements) into final energy is done using a 1.26 coefficient as advised by the Federal Planning Office for the sector. Additionality: the companies undertake to make the investments advocated by the audit, the return time for which is greater than that of spontaneous investments. Materiality: the application of the audit’s investment recommendations results in directly measurable energy savings in terms of the industries’ consumption. It is also this consumption that is monitored.																																				
Lifetime of the measure (Annex V, point 4(g))	The agreements will be signed with a start date of 1 January 2014 and will end on 31 December 2020.																																				
Quality standards (Annex V, point 4(i))	The auditors who conduct the initial target-setting baseline audits for each company are accredited by AMURE (Energy Audits and Studies) for sector agreements (Cf. corresponding sheet).																																				

	The audits must be conducted in line with the methodology note.
Monitoring and verification protocols and guarantee of independence of the implementing parties/authorities (Annex V, point 4(j))	<p>The technical expert validates the sector plans.</p> <p>The management committee steers the sector agreement (Article 7 and Article 9).</p> <p>The company auditor certifies the materiality of the data used in the companies' annual reports</p> <p>The technical expert, appointed via public tender, is the methodological reference point for each stakeholder.</p>
Audit protocols (Annex V, point 4(k))	The methodology note
How the need to fulfil the requirement in the second subparagraph of Article 7(1) is taken into account (Annex V, point 4(l))	The agreements are voluntary. Any company that does not meet its commitments will be stripped of the promised benefits.

Measure 2	New voluntary agreements being prepared (Walloon Government decision of 28/11/2013)										
Category of measure (Article 7(9), subpara. 2)	Category c) regulations or voluntary agreements that lead to the application of energy-efficient technology or techniques and have the effect of reducing end-use energy consumption.										
Description of measure	Measure under development – Details to follow										
Parties/authorities responsible for implementation (Annex V, point 4(a))	Measure under development – Details to follow										
Sectors targeted (Annex V, point 4(b))	Measure under development – Details to follow										
Expected energy savings (Annex V, point 4(c)) Period of the obligation (Annex V, point 4(d))	<table> <tr> <td>2009-2013</td><td>0 GWh</td></tr> <tr> <td></td><td>105 Additional GWh/yr</td></tr> <tr> <td>2014-2020</td><td>1 050 Cum. GWh in 1st period 2014-2017</td></tr> <tr> <td></td><td>1 890 Cum. GWh in 2nd period 2018-2020</td></tr> <tr> <td></td><td>2 940 Total cumulative GWh</td></tr> </table>	2009-2013	0 GWh		105 Additional GWh/yr	2014-2020	1 050 Cum. GWh in 1st period 2014-2017		1 890 Cum. GWh in 2nd period 2018-2020		2 940 Total cumulative GWh
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Categories of eligible measures (Annex V, point 4(e))	Measure under development – Details to follow										
Method of calculation (Annex V, point 4(f))	Measure under development – Details to follow										
Lifespan of the measure (Annex V, point 4(g))	Measure under development – Details to follow										
Quality standards (Annex V, point 4(i))	Measure under development – Details to follow										
Evaluation and verification protocols and guarantee of independence of the parties/authorities responsible for implementation (Annex V, point 4(j))	Measure under development – Details to follow										
Audit protocols (Annex V, point 4(k))	Measure under development – Details to follow										
The way in which the need to meet the obligation stated in the second subparagraph of Article 7(1) is taken into account (Annex V, point 4(l))	Measure under development – Details to follow										

National funds for energy efficiency and other measures of Article 7(9)(ii)

Measure 3	Ordinary UREBA AGW 28/03/2013
Category of measure (Article 7(9), subpara. 2)	Category b) financing schemes and instruments or fiscal incentives that lead to the application of energy-efficient technology or techniques and have the effect of reducing end-use energy consumption.
Description of measure	Subsidies to public bodies and non-commercial organisations to carry out studies and works aimed at improving energy performance and the rational use of energy in buildings
Implementing parties/authorities (Annex V, point 4(a))	Art. 2, 7, 8 and 11: the Minister for Energy grants the subsidy and the administration (Walloon Public Service, DG04, Department for Energy and Sustainable Building) is responsible for managing applications and monitoring and evaluating the associated energy savings.
Target sectors (Annex V, point 4(b))	Art. 2, paras. 1 and 2, and Art. 1, paras. 1, 3 and 4: public bodies (communes, public social action and province centres, legally-established local multi-communal police zones) and non-commercial bodies (as defined in Article 1.4 of the Decree of 9 December 1993 on aid and interventions of the WR to promote the rational use of energy, energy savings and renewable energies)

Expected energy savings (Annex V, point 4(c))	2009-2013	24 or 14 ¹ GWh in early action
Duration of the obligation (Annex V, point 4(d))	2014-2020	36 or 26 ² GWh/yr
		298 Cum. GWh in 1st period 2014-2017
		480 Cum. GWh in 2nd period 2018-2020
		778 Total cumulative GWh
Eligible measure categories (Annex V, point 4(e))	Art. 2, para. 1 AGW: <ul style="list-style-type: none"> - Establishment of energy accounting - Conducting of energy audits and pre-feasibility study - Improvements to a building's energy performance as listed in Annex 5 to the AGW Only the third category is taken into account when calculating the impact of Article 7 (improvements in the building's energy performance)	
Calculation methodology (Annex V, point 4(f))	The energy savings are assessed in accordance with Article 7(3)(g) and Annex 4. Additionality: UREBA encourages works to improve buildings' energy performance beyond the existing legally-required levels(both Walloon and European). In order to avoid double counting, only energy savings related to the works are taken into account (no assessment of audits or of energy accounting). Works that use renewable energy sources or high-quality cogeneration are also excluded from the evaluation of works impact, despite being admissible under	

¹ In exceptional UREBA years, there is a negative effect on classic UREBA, in order to avoid double counting.

² Strengthening of the measure, affected downwards in exceptional UREBA years to avoid double counting.

	<p>the terms of UREBA. Double counting with exceptional UREBA, the only other measure included for this sector, is also avoided.</p> <p>Materiality: the subsidy allocated is proportional (min. 30 %) to the amount of the investment made. The assessed energy saving is thus definitely real and directly correlated to the measure.</p>
Lifetime of measure (Annex V, point 4(g))	The lifetime of measures is in line with the recommendations of Directive 2006/32/EC
Quality standards (Annex V, point 4(i))	<p>Article 2(iv): the active energy management policy requires the designation of an energy officer or person who meets the conditions of the article</p> <p>Annex 1: minimum criteria for installing energy accounting</p> <p>Annex 2: minimum criteria for the energy audit</p> <p>Annex 3: minimum criteria for the pre-feasibility study</p> <p>Annex 5: criteria for including works aimed at improving the building's energy performance for inclusion in the subsidy</p> <p>Annex 6: quality criteria analysed by the administration in the context of accreditation (the auditors are accredited by the Ministry according to the procedure described in Article 13)</p>
Monitoring and verification protocols and guarantee of independence of the implementing parties/authorities (Annex V, point 4(j))	<p>Art. 8, para. 3: obligation to provide energy information to the administration for 10 years with regard to establishing energy accounting or works to improve a building's energy performance.</p> <p>Art. 12: a support committee responsible for verifying the technical criteria of the request for a subsidy has been created. Its composition ensures its independence in relation to the subsidised organisations.</p> <p>Art. 13, para. 5: the Ministry or its delegate is authorised to control the audits conducted by the accredited auditors.</p>
Audit protocols (Annex V, point 4(k))	<p>Annex 1: minimum criteria for establishing energy accounting</p> <p>Annex 2: minimum criteria for the energy audit</p> <p>Annex 3: minimum criteria for the pre-feasibility study</p>
How the need to fulfil the requirement stated in the second subparagraph of Article 7(1) is taken into account (Annex V, point 4(l))	As this measure is taken directly by the Walloon Government, the administration and Ministry of Energy are responsible for monitoring its impact and proposing possible corrective measures.

Measure 4	Exceptional UREBA AGW 28/03/2013															
Category of measure (Article 7(9), subpara. 2)	Category b) financing schemes and instruments or fiscal incentives that lead to the application of energy-efficient technology or techniques and have the effect of reducing end-use energy consumption.															
Description of measure	One-off subsidies to public bodies and non-commercial organisations to conduct works aimed at improving the energy performance and rational use of energy in buildings															
Implementing parties/authorities (Annex V, point 4(a))	Art. 2: the Ministry of Energy grants the subsidy and the administration (Walloon Public Service, DG04, Department for Energy and Sustainable Building) is responsible for managing applications															
Target sectors (Annex V, point 4(b))	Art. 2, paras. 1 and 2, and Art. 1, paras. 1, 3 and 4, public bodies (communes, public social action and province centres, legally-established local multi-communal police zones) and non-commercial bodies (as defined in Article 1.4 of the Decree of 9 December 1993 on aid and interventions of the WR to promote the rational use of energy, energy savings and renewable energies)															
Expected energy savings (Annex V, point 4(c)) Duration of the obligation (Annex V, point 4(d))	<table><tr><td>2009-2013</td><td>0</td><td>GWh in early action</td></tr><tr><td></td><td>18</td><td>GWh/yr in 2015 and 2016</td></tr><tr><td>2014-2020</td><td>90</td><td>Cum. GWh in 1st period 2014-2017</td></tr><tr><td></td><td>108</td><td>Cum. GWh in 2nd period 2018-2020</td></tr><tr><td></td><td>198</td><td>Total cumulative GWh</td></tr></table>	2009-2013	0	GWh in early action		18	GWh/yr in 2015 and 2016	2014-2020	90	Cum. GWh in 1st period 2014-2017		108	Cum. GWh in 2nd period 2018-2020		198	Total cumulative GWh
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	108	Cum. GWh in 2nd period 2018-2020														
	198	Total cumulative GWh														
Eligible measure categories (Annex V, point 4(e))	Art. 2, para. 1 AGW: Works to improve the building's energy performance as listed in Annex 2 of the AGW: thermal insulation of building walls, replacement and improvement of heating and lighting systems.															
Calculation methodology (Annex V, point 4(f))	The assessment of energy savings is done in accordance with Article 7(7) and Annex 1. Additionality: exceptional UREBA encourages improvements to a building's energy performance beyond the existing legally-required levels (both Walloon and European). Double counting with classic UREBA, the only other measure included for this sector, is also avoided. Materiality: the subsidy allocated is proportional (min. 60 %) to the amount of investment made. The assessed energy saving is thus definitely real and directly correlated to the measure.															
Lifetime of measure (Annex V, point 4(g))	The lifetime of measures is in line with the recommendations of Directive 2006/32/EC															
Quality standards (Annex V, point 4(i))	Annex 2: list of works eligible for the subsidy and technical criteria to be met															
Monitoring and verification protocols and guarantee of independence of the implementing parties/authorities (Annex V, point 4(j))	Art. 8, para. 3: obligation to provide information on the building's energy consumption to the administration for 10 years. Art. 12: a selection committee has been created to examine the technical files. Its composition ensures its independence															

	from the subsidised organisations.
Audit protocols (Annex V, point 4(k))	No audit envisaged.
How the need to fulfil the requirement in the second subparagraph of Article 7(1) is taken into account (Annex V, point 4(l))	As this measure is taken directly by the Walloon Government, the administration and Ministry of Energy are responsible for monitoring its impact and proposing possible corrective measures.

Measure 5	EOC PACKS FLFNW and ECO PACKS SWCS AGW 26/01/2012
Category of measure (Article 7(9), subpara. 2)	Category b) financing schemes and instruments or fiscal incentives that lead to the application of energy-efficient technology or techniques and have the effect of reducing end-use energy consumption.
Description of measure	Financing schemes granted by the Wallonia Housing Fund for Large Families (FLFNW) and the Walloon Social Credit Company (SWCS), combining a zero rate loan with an incentive payment
Implementing parties/authorities (Annex V, point 4(a))	Art. 1: the Wallonia Housing Fund for Large Families and the Walloon Social Credit Company.
Target sectors (Annex V, point 4(b))	Art. 2, para. 1(a): private individuals, i.e. the residential sector
Expected energy savings (Annex V, point 4(c))	2009-2013 18 GWh in early action in 2013 28 ³ GWh/yr
Duration of the obligation (Annex V, point 4(d))	2014-2020 280 Cum. GWh in 1st period 2014-2017 504 Cum. GWh in 2nd period 2018-2020 784 Total cumulative GWh
Eligible measure categories (Annex V, point 4(e))	Art. 3 and Art. 2(c) and (d): implementation of a range of sustainable works comprising a minimum of one kind of energy performance work on a building destined primarily for residential use.
Calculation methodology (Annex V, point 4(f))	The energy savings related to investments supported by the Ecopack are assessed in line with the bottom-up methodology advised by the European Commission in the context of the PAEE of Directive 2006/32/EC. Additionality: the renovation works under Ecopack go beyond those strictly prescribed at Walloon and European level. Double counting with other payments granted by Wallonia to the residential sector is avoided. Materiality: the energy savings are assessed on the basis of technical data (quotes and invoices) directly linked to the calculation of the loans granted.
Lifetime of the measure (Annex V, point 4(g))	The lifetime of measures is in line with the recommendations of Directive 2006/32/EC
Quality standards (Annex V, point 4(i))	Art. 3, para. 3: energy performance works must meet the technical criteria of AM 22/03/2012, AGW 21/01/1999 and AM 212/02/1999 Art. 24, para. 1: technical conditions for calculating the amount of the subsidy Art. 4: requirements for implementation of works
Monitoring and verification protocols and guarantee of independence of the implementing parties/authorities (Annex V, point 4(j))	Art. 5, para. 3: the Walloon Housing Fund and the Walloon Social Credit Company agree to work plans and check the amount of quotes that is eligible for funding Art. 23: in relation to the loan, a penalty for failure to meet the criteria of Article 3, para. 3

³ Strengthening of the measure.

	Art. 25, para. 4: for subsidies, the FLFNW and SWCS check compliance of works with the technical conditions of Article 24, para. 1
Audit protocols (Annex V, point 4(k))	Art. 3, para. 3: thermography audits and energy audits must meet the technical criteria of AM 22/03/2010, AGW 21/01/1999 and AM 212/02/1999
How the need to fulfil the requirement in the second subparagraph of Article 7(1) is taken into account (Annex V, point 4(l))	As this measure is taken directly by the Walloon Government, the administration and Ministry of Energy are responsible for monitoring its impact and proposing possible corrective measures.

Measure 6	Rehabilitation of housing that has scope for improvement AGW 21/01/1999 and the Renovation Lease AGW 21/01/1999 (lease)
Category of measure (Article 7(9), subpara. 2)	Category b) financing schemes and instruments or fiscal incentives that lead to the application of energy-efficient technology or techniques and have the effect of reducing end-use energy consumption.
Description of measure	Subsidies to renovate housing that has scope for improvement and financial incentives for tenants who renovate a home that has scope for improvement by means of a renovation lease
Implementing parties/authorities (Annex V, point 4(a))	Art. 2: the Region grants the financial incentives Art. 4: the Administration (DG04 – Housing Department) manages the applications Art. 2(i) (lease): the Region grants the financial incentives Art. 5 and Art. 9 (lease): the administration deals with applications
Target sectors (Annex V, point 4(b))	Art. 2: private individuals who renovate housing known to have scope for improvement. Art. 3: conditions to be met by the application Art. 2(i) (lease): private individuals who renovate their rented home and who sign a renovation lease with the owners
Expected energy savings (Annex V, point 4(c)) Duration of the obligation (Annex V, point 4(d))	2009-2013 61 GWh in early action 98 ⁴ GWh/yr 2014-2020 980 Cum. GWh in 1st period 2014-2017 1 764 Cum. GWh in 2nd period 2018-2020 2 744 Total cumulative GWh
Eligible measure categories (Annex V, point 4(e))	Art. 7, para. 7(3): insulation of the roof, external walls or floors Art. 7, para. 7(2): energy audit prior to insulation of walls or floors Art. 7, para. 8: replacement of external woodwork Art. 8, para. 5(1) (lease): insulation of roof, external walls or floors Art. 8, para. 5(2) (lease): prior energy audit of the building in the case of wall or floor insulation Art. 8, para. 6 (lease): replacement of external woodwork
Calculation methodology (Annex V, point 4(f))	The energy savings due to the investment supported by the renovation incentives are assessed in line with the Bottom-Up methodology advised by the European Commission in the context of the PAEE of Directive 2006/32/EC. Additionality: The renovation works targeted by these payments go beyond those strictly prescribed at Walloon or European level. Double counting with other payments granted by Wallonia for the residential sector is avoided Materiality: The energy savings are assessed on the basis of

⁴ Strengthening of the measure.

	technical data (quotes and invoices) directly linked to the calculation of payments made.
Lifetime of the measure (Annex V, point 4(g))	The lifetime of measures is in line with the recommendations of Directive 2006/32
Quality standards (Annex V, point 4(i))	Art. 7, para. 7(1): technical criteria in Articles 5, 6, paras. 2 to 7, and 7, paras. 2 to 6 of AM of 22 March 2010 Art. 7, paras. 5 and 6 (lease): technical criteria
Monitoring and verification protocols and guarantee of independence of the implementing parties/authorities (Annex V, point 4(j))	Art. 4, paras. 2, 2(a) and 3: file to be produced for the administration Art. 5 (lease): prior visit of the Minister's delegate in some circumstances Art. 10 (lease): repayment if conditions not met
Audit protocols (Annex V, point 4(k))	Art. 7, para. 7(2) and Art. 8, para 5(2) (lease): audit must be conducted in line with the procedure set out in AGW 1/06/2006
How the need to fulfil the requirement in the second subparagraph of Article 7(1) is taken into account (Annex V, point 4(l))	As this measure is taken directly by the Walloon Government, the administration and Ministry of Energy are responsible for monitoring its impact and proposing possible corrective measures.

Measure 7	Energy payments AM 22/03/2010 – for all private individuals or corporate bodies															
Category of measure (Article 7(9), subpara. 2)	Category b) financing schemes and instruments or fiscal incentives that lead to the application of energy-efficient technology or techniques and have the effect of reducing end-use energy consumption.															
Description of measure	Payments aimed at encouraging a rational use of energy															
Implementing parties/authorities (Annex V, point 4(a))	Art. 9, paras. 1 and 2, Articles 15 to 18, 26, 30, 33 and 34, 36, 38 and 41: administration Art. 25: network administrator for payments Arts. 20, 22 and 23 Art. 44: electricity distribution network administrator for payments noted in Art. 42 Art. 45: the administration for payments noted in Art. 43															
Target sectors (Annex V, point 4(b))	Art. 4, subparagraph 1: private individual or corporate body, investment manager or manager of energy savings provision Art. 39: any co-owners’ association, or investment manager legally designated in this context															
Expected energy savings (Annex V, point 4(c)) Duration of the obligation (Annex V, point 4(d))	<table><tr><td>2009-2013</td><td>164</td><td>GWh in early action</td></tr><tr><td></td><td>296⁵</td><td>GWh/yr</td></tr><tr><td>2014-2020</td><td>2 960</td><td>Cum GWh in 1st period 2014-2017</td></tr><tr><td></td><td>5 328</td><td>Cum GWh in 2nd period 2018-2020</td></tr><tr><td></td><td>8 288</td><td>Total cum GWh</td></tr></table>	2009-2013	164	GWh in early action		296 ⁵	GWh/yr	2014-2020	2 960	Cum GWh in 1st period 2014-2017		5 328	Cum GWh in 2nd period 2018-2020		8 288	Total cum GWh
2009-2013	164	GWh in early action														
	296 ⁵	GWh/yr														
2014-2020	2 960	Cum GWh in 1st period 2014-2017														
	5 328	Cum GWh in 2nd period 2018-2020														
	8 288	Total cum GWh														
Eligible measure categories (Annex V, point 4(e))	Arts. 5, para. 1, 6, para. 1, and 7, para. 1: thermal insulation of roof and loft, walls and floors. Art. 20: except for single-family homes, installation of a single or double natural gas condensing boiler, CE mark, AR 18/03/1997 compliant Art. 22: installation of air heaters, condensing hot air generators and radiant heaters Arts. 23 and 24: except for single-family homes and apartments after 30 April 2010: <ul style="list-style-type: none">- Financial incentive to install a natural gas instant water heater, without pilot light, double flow and with modulating burner- Financial incentive to install a natural gas condensing hot water generator- Installation of a heat pump for the sole purpose of producing domestic hot water Art. 37: installation of a ventilation system with heat recovery in homes that meet certain conditions Art. 40: installation of a management system for lighting systems and devices of less than 20 kW each, enabling electrical equipment to be automatically regulated or turned off in a building Art. 42: replacement of lights in an internal lighting system, in															

⁵ Strengthening of the measure.

	<p>some cases</p> <p>Art. 43: analysis of electricity consumption under certain conditions</p>
<p>Calculation methodology (Annex V, point 4(f))</p>	<p>The energy savings due to the investment supported by renovation incentives are assessed in line with the Bottom-Up methodology advised by the European Commission in the context of the PAEE of Directive 2006/32/EC.</p> <p>Additionality: The renovation works targeted by these payments go beyond those strictly prescribed at Walloon or European level. Double counting with other payments granted by Wallonia for the residential sector is avoided</p> <p>Materiality: The energy saving are assessed on the basis of technical data (quotes and invoices) directly related to the calculation of payments made</p>
<p>Lifetime of the measure (Annex V, point 4(g))</p>	<p>The lifetime of measures is in line with the recommendations of Directive 2006/32/EC</p>
<p>Quality standards (Annex V, point 4(i))</p>	<p>Arts. 5, 6, 8, 10 to 14, 20 to 22, 23 to 24, 27 and 29, 31, 32, 35, 37, 40, 42 and 43, Annex 3: technical criteria to be met.</p>
<p>Monitoring and verification protocols and guarantee of independence of the implementing parties/authorities (Annex V, point 4(j))</p>	<p>Art. 9, paras. 1 and 2, Arts. 15 to 18, and Annex 1.7, Arts. 25 and 26, 30, 33, 34, 36, 38, 41, 44 and 45: files to be produced for the administration</p> <p>Art. 87, para. 3: 3-year deadline for verifying compliance of application with the grant conditions and claiming refund of payment, where appropriate</p>
<p>Audit protocols (Annex V, point 4(k))</p>	<p>Art. 6, para. 1: energy audit in line with Art. 35 for the relevance of wall insulation</p> <p>Arts. 32, para. 2, and 34, subpara. 2(3): the terms of the thermography audit report</p> <p>Art. 35, paras. 1 and 2: energy audit requirements</p> <p>Art. 43: criteria to be met by the audit, conducted by an auditor accredited by AMURE or UREBA</p>
<p>How the need to fulfil the requirement in the second subparagraph of Article 7(1) is taken into account (Annex V, point 4(l))</p>	<p>As this measure is taken directly the Walloon Government, the administration and Ministry of Energy are responsible for monitoring its impact and proposing possible corrective measures.</p>

Measure 8	Energy payments AM 22/03/2010 - industry		
Category of measure (Article 7(9), subpara. 2)	Category b) financing schemes and instruments or fiscal incentives that lead to the application of energy-efficient technology or techniques and have the effect of reducing end-use energy consumption.		
Description of measure	Payments aimed at encouraging a rational use of energy		
Implementing parties/authorities (Annex V, point 4(a))	Art. 79: the gas distribution network administrator Art. 85: the electricity distribution network administrator		
Target sectors (Annex V, point 4(b))	The industrial sector Art. 75, para. 1(1): any individual or investment manager, excluding co-owners' associations and public housing associations		
Expected energy savings (Annex V, point 4(c))	2009-2013	4	GWh in early action
Duration of the obligation (Annex V, point 4(d))		5 ⁶	GWh/yr
	2014-2020	50	Cum. GWh in 1st period 2014-2017
		90	Cum. GWh in 2nd period 2018-2020
		140	Total cumulative GWh
Eligible measure categories (Annex V, point 4(e))	Art. 76, para. 1: financial incentive to install any system for recovering heat from smoke in industrial or artisanal ovens, natural gas drying machines or boilers and vapour generators Art. 77, para. 1: financial incentive to install a wide modulation system burning natural gas and enabling more effective regulation Art. 78, para. 1: financial incentive to install a directly fired or natural gas system for heating products Art. 80: financial incentive to install a system for managing electrical lighting systems and facilities Art. 81: financial incentive to install a variable speed drive or compressor, pump and ventilation system that makes energy savings of at least 10 % Art. 82: financial incentive to install a system for regulating cooling and optimising de-icing cycles that makes energy savings of at least 20 % Art. 83: in the case of building renovation, financial incentive to completely replace the lighting Art. 84: in the case of renovation, financial incentive to analyse the electricity consumption of a technical operating unit.		
Calculation methodology (Annex V, point 4(f))	The energy savings due to the investment supported by the renovation incentives are assessed in line with the Bottom-Up methodology advised by the European Commission in the context of the PAEE of Directive 2006/32/EC. Additionality: The renovation works targeted by these payments go beyond those strictly prescribed at Walloon or European level. Double counting with other payments granted by Wallonia for the residential sector is avoided.		

⁶ Strengthening of the measure.

	Materiality: The energy saving are assessed on the basis of technical data (quotes and invoices) directly related to the calculation of payments made
Lifetime of the measure (Annex V, point 4(g))	The lifetime of measures is in line with the recommendations of Directive 2006/32/EC
Quality standards (Annex V, point 4(i))	Arts. 76, paras. 1 to 3, 77, paras. 1 to 3, 78, paras. 1 to 3, 80, subpara. 1, 81 to 84: technical criteria
Monitoring and verification protocols and guarantee of independence of the implementing parties/authorities (Annex V, point 4(j))	Arts. 79, 85 and 86: file to be produced for the administration Art. 87, para. 3: three-year deadline for verifying the application's compliance with the grant conditions and claiming refund of the payment where appropriate.
Audit protocols (Annex V, point 4(k))	Art. 84: content of the electricity consumption analysis done by an accredited auditor
How the need to fulfil the requirement in the second subparagraph of Article 7(1) is taken into account (Annex V, point 4(l))	As this measure is taken directly the Walloon Government, the administration and Ministry of Energy are responsible for monitoring its impact and proposing possible corrective measures.

4. Summary of expected contributions of the different measures

Solely by way of illustration, since the aim is to achieve the overall intermediate objectives with this set of alternative measures rather than individual objectives, the following gives the expected contributions of each measure over the period that will enable the intermediate objectives to be achieved for each period and globally:

	1st period				2nd period			
	2014	2015	2016	2017	2018	2019	2020	
Sector agreements 2	350	350	350	350	350	350	350	GWh/yr
	350	700	1050	1 400	1750	2100	2 450	GWhcum/yr
Intermediate periods				3 500			6 300	GWhcum
Global contribution							9 800	GWhcum
New Vol. Agreements	105	105	105	105	105	105	105	GWhcum/yr
	105	210	315	420	525	630	735	GWhcum
Intermediate periods				1 050			1 890	GWhcum
Global contribution							2 940	GWhcum
Ordinary UREBA	36	26	26	36	36	36	36	GWhcum/yr
	36	62	88	124	160	196	232	GWhcum
Intermediate periods				310			588	GWhcum
Global contribution							898	GWhcum
Exceptional UREBA	0	18	18					GWhcum/yr
		18	36	36	36	36	36	GWhcum
Intermediate periods				90			108	GWhcum
Global contribution							198	GWhcum
Ecopack	28	28	28	28	28	28	28	GWhcum/yr
	28	56	84	112	140	168	196	GWhcum
Intermediate periods				280			504	GWhcum
Global contribution							784	GWhcum
Renovation payments	98	98	98	98	98	98	98	GWhcum/yr
	98	196	294	392	490	588	686	GWhcum
Intermediate periods				980			1 764	GWhcum
Global contribution							2 744	GWhcum
Residential energy payments	296	296	296	296	296	296	296	GWhcum/yr
	296	592	888	1 184	1 480	1 776	2 072	GWhcum
Intermediate periods				2 960			5 328	GWhcum
Global contribution							8 288	GWhcum
Industry energy payments	5	5	5	5	5	5	5	GWhcum/yr
	5	10	15	20	25	30	35	GWhcum
Intermediate periods				50			90	GWhcum
Global contribution							140	GWhcum
All measures								
Intermediate periods				9 220			16 572	GWhcum
Global contribution							25 792	GWhcum
Objectives to be achieved				9 170			16 505	GWhcum
Intermediate periods							25 675	GWhcum
Global contribution								

This shows that, with the strengthening of measures decided by the Walloon Government on 28 November 2013, the intermediate and global objectives for Wallonia under Article 7 of Directive 2012/27/EU will be clearly achieved.

5. Additional clarifications following the bilateral meeting of 17 March 2014

An informal meeting took place between the European Commission and entities representing Belgium (SPF eco, VEA, SPW DGO4 and IBGE) following notification on 10/12/2013 of the use of alternative measures to the Obligation Scheme (Art. 7(9)) and energy savings made.⁷

At this meeting the Commission requested the following clarifications:

Generally, for all Belgian entities:

- To give more detail regarding the method used for calculating impact (kind of savings, additionality and double counting)
- To explain the implementation of the sanctions mechanism.

Specifically, for Wallonia:

- To clarify the choices made with regard to exemptions
- To annex the calculation methodology as well as the lifetimes used
- To note the references for the measures
- To list the additional voluntary agreements

This Chapter 5, added to the first version of the document as transmitted in the Belgian notification of 10/12/2013, is thus aimed at answering this request for clarification from the Commission.

For ease of understanding, this additional information is set out here rather than incorporated into the initial text.

1. Use of exemptions

In line with Chapter 2 'First stage: establishing Wallonia's objective', Wallonia opted to use the following exemptions when calculating its Article 7 objective and monitoring progress towards this:

- Fully exclude transport sector consumption
- Use the 25 % flexibility authorised
- Set a theoretical progression curve for moving towards the linear objective (constant annual effort)

In terms of the 25 % flexibility permitted, the Walloon Government opted to use early actions, i.e. alternative d) in paragraph 7(2).

The 25 % exemption ceiling corresponds to 8 558 GWh (or 25 % of the 34 234 GWh of energy savings that form the objective before exemption⁸), which corresponds to 1 242 GWh per year. This value is easily exceeded as the measures already in place since 2009 gave a saving of 3 791 GWh in 2013.

⁷ http://ec.europa.eu/energy/efficiency/eed/doc/reporting/2013/be_2013report_en.pdf.

⁸ See end of page 4.

2. Calculation methodology and lifetimes

These estimates have been calculated on the basis of the methodology developed by the European Commission in the context of ESD Directive 2006/32/EC.⁹ This document also provides lifetimes for the different actions. This evaluation method is applied to a large database that groups together the different Walloon energy efficiency measures. This database has been set up and is in use for the Walloon 2 and 3 PAEE.

The measures are evaluated using the 'bottom-up' method, apart from for the sector agreements. For these, it is the annual difference between actual measured consumption and theoretical consumption (baseline year consumption corrected by activity variables) that is assessed, which corresponds to a 'top-down' methodology but on a limited sector. This means that the measures chosen are all of the 'deemed' kind (point (a) of paragraph 1 of Annex V) or 'metered' in the case of sector agreements (point (b) of the same paragraph).

The evaluation is done on an 'ex-post' basis until 2012 or 2013 (depending on the latest data available) and on an 'ex-ante' basis after that. These 'ex-ante' projections are based generally on the assumption of 'business as usual' in the measures, either their strengthening when the decision has already been taken by the government (strengthening of some measures in the context of the Article 7 obligation, or implementation of PIVERT instalment 2 and UREBA 2013 measures, for example).

3. Measure references (recent legislative amendment to AMURE measure)

The reference for each measure is given at the top of the sheet, just after the measure's name. For example: **ECO PACKS FLFNW and ECO PACKS SWCS AGW 26/01/2012**: AGW means Decree of the Walloon Government.

4. New voluntary agreements

As noted in the corresponding measures sheet, on 28/11/2013 the Walloon Government opted to introduce new additional voluntary agreements in addition to the existing sector agreements. The process for establishing such mechanisms takes time, and the political situation caused by parliament's dissolution prevents this matter from being finalised before the elections. It will be on the agenda of the next government.

5. Implementation of sanctions

Belgium opted for the alternative approach to the Obligation Scheme with regard to energy efficiency (Article 7(9) of the EE Directive), and so there are no obligations, as such, that are open to sanction in the case of a failure to meet the objective. No sanctions have therefore been anticipated. It is the Walloon Government that has undertaken to meet its performance obligation, by regularly monitoring progress towards the objective and deciding on corrective measures (good governance) where appropriate, on the basis of monitoring and the recommendations of its administration and the Minister for Energy.

⁹ 'Recommendations on Measurement and Verification Methods in the Framework of Directive 2006/32/EC on Energy End-Use Efficiency and Energy Services', <http://www.energycommunity.org/pls/portal/docs/906182.PDF>.