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Dialogue on a RES policy framework for 2030

Implementing the EU 2030 Climate and Energy Framework – a closer look at renewables and opportunities for an Energy Union

Lessons learned from energy efficiency policy

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EU energy efficiency policy

Basis of comparison is the similar governance structure of the 2020 EU energy efficiency target and the 2030 EU renewable target: **EU target is coupled with national pledges but no binding national targets**

Questions:

- How successful is the governance structure in achieving the 2020 energy efficiency target?
- What policy lessons can be learned for the implementation of the 2030 renewable target?

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Energy Efficiency Directive – EED (2012/27/EU)

- Main policy vehicle to reach the 2020 energy efficiency target: 20% reduction of energy consumption compared to projections (business-as-usual)
- Comprehensive scope:
  - More extensive use of cogeneration whenever there is heat demand
  - More informative billing and metering
  - Renovation of public buildings and green public procurement
  - Mandatory energy audits for large companies
  - Introduction of energy efficiency obligation schemes AND
  - *Definition of indicative national energy efficiency targets for 2020* and the preparation of National Energy Efficiency Action Plans (NEEAP) on how to reach the national target

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EU energy efficiency policy

Assessment of the energy efficiency performance of the EU28 towards the 2020 target by the European Commission in 2014:

- Reference scenario: 3.2% gap to target (considering all energy efficiency measures adopted before Spring 2014, including Art 7 of the EED)
- Reference+ scenario: *1-2% gap to target* (updated information from MSs on the implementation of Art 7 of EED and lowered GDP expectations)

Policy options:

- No action (missing the 2020 energy efficiency target)
- New legislation (problem of timing: no time to trigger effect before 2018 and hence limited use on the 2020 context)
- Strengthening the implementation of existing legislation (more realised energy savings)

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Comparison of the EU renewable and energy efficiency policy fields

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Leverage

EU has a *strong leverage* on the energy savings performance of MSs due to the high share of mandatory EU legislation as opposed to renewable policy that is mainly driven by national support schemes

Main elements of the energy efficiency acquis:

- Energy Efficiency Directive (EED)
- Energy Performance of Buildings Directive (EPBD)
- Energy consumption of energy using products: Ecodesign Directive and Energy Labelling Directive

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Comparison of the EU renewable and energy efficiency policy fields

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Target ambition

EU energy efficiency target for 2020 is *less ambitious* than the 2030 renewable target (especially in gross terms, considering the replacement of outdated renewable production infrastructure).

- National pledges almost add up to the community targets

Cost

Energy efficiency measures are *dominantly cost-efficient* on a longer term whereas renewable deployment requires support even at the 2030 time horizon, albeit in considerably decreasing volume.

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Conclusions

The scope of EU legislation in renewable policy is more limited, as a consequence:

- It does not allow for corrective measures as realised in energy efficiency policy (forcing MSs to improve their implementation record)
- Alternative areas for providing leverage guaranteeing target achievement should be considered:
  - Setting a benchmark for member states pledges, ideally in a legally binding manner,
  - Linking EU incentives for infrastructure development to member state pledges

Interlinkage between the two policy fields: more ambitious energy efficiency policies reduce the volume of renewable production required to reach the 2030 renewable target!

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