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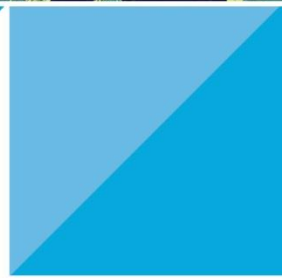
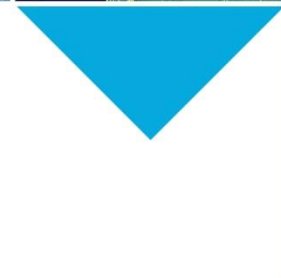
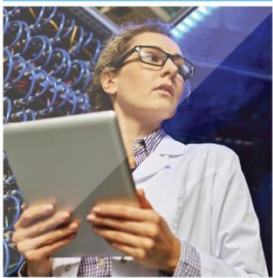
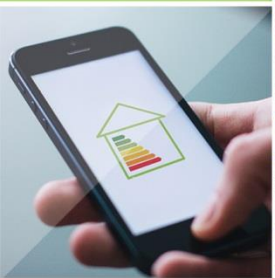
Energy Efficiency policy making needs policy evaluation

EPATEE: The evaluation of energy efficiency policies in Europe
Brussels, 13 June 2019

Rados Horacek, DG ENERGY, Energy Efficiency Unit



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Where we are



Energy efficiency policy update: towards 2030 and beyond

PROGRESS TO DATE

- ✓ **Revised Energy Performance of Buildings Directive (EPBD)**
agreed and published -19 June, entry into force – 9 July 2018
- ✓ **Revised Energy Efficiency Directive (EED)**
agreed and published - 21 December 2018, entry into force – 24 December 2018 (together with the Governance Regulation and recast of the Renewable Energy Directive)
- ✓ **Revised and new Ecodesign & Energy Labelling regulations**
in preparation: household and commercial fridges, dishwashers, washing machines, electronic displays, lighting...
- ✓ **New Governance Regulation (GovR)**
agreed and published - 21 December 2018, entry into force – 24 December 2018

National energy efficiency contributions (Art. 3 & Governance)



Indicative national contributions to be set taking into account that the EU's consumption in 2030 has to be no more than 1273 Mtoe of PEC "and/or" no more than 956 Mtoe of FEC

- ✓ Member States shall set their **national contributions to the Union target** in their energy and climate plans (in the same way as before) with indicative trajectories from 2021 onwards (the form of the trajectory is not-defined)
- ✓ The Commission shall assess whether such contributions are sufficient to reach the 2030 target.
- ✓ The Commission has the faculty to assume the level of national contributions of those Member States that do not submit in time their draft plans
- ✓ In case of an **ambition gap** the Commission may issue recommendations to Member States whose contributions it deems insufficient and shall take EU measures if the contributions are insufficient in the final plans.
- ✓ In case of **collective delivery gap** the Commission may issue recommendations to all MS and if appropriate take EU measures. Any gap identified in one of the 3 assessment points: in 2022, 2025 and 2027, shall be filled solely by additional EU measures.
- ✓ **MS delivery gaps** shall be addressed by recommendations

Energy saving obligation, Art. 7, 7a, 7b & Annex V (I)

Extended obligation beyond 2020 – 0.8% new annual energy savings of final energy consumption



Member States should achieve new savings of **0.8%** (each year) from 1 January 2021 to 31 December 2030 and for **ten-year periods after 2030** (unless reviews by the Commission by 2027 conclude that this is not necessary).



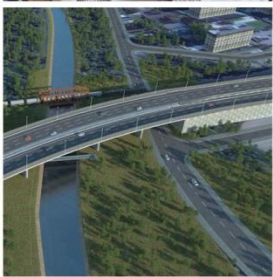
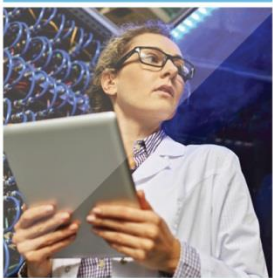
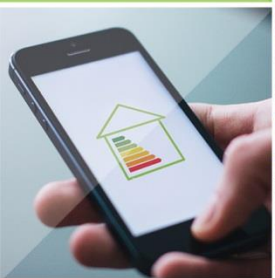
Member States shall show how the amount of energy savings required was calculated in their **integrated national energy and climate plans** (Annex III of the Governance Regulation).



Mandatory requirement to **alleviate energy poverty** (Art. 7(11)) - in designing policy measures Member States shall take into account the need to alleviate energy poverty.



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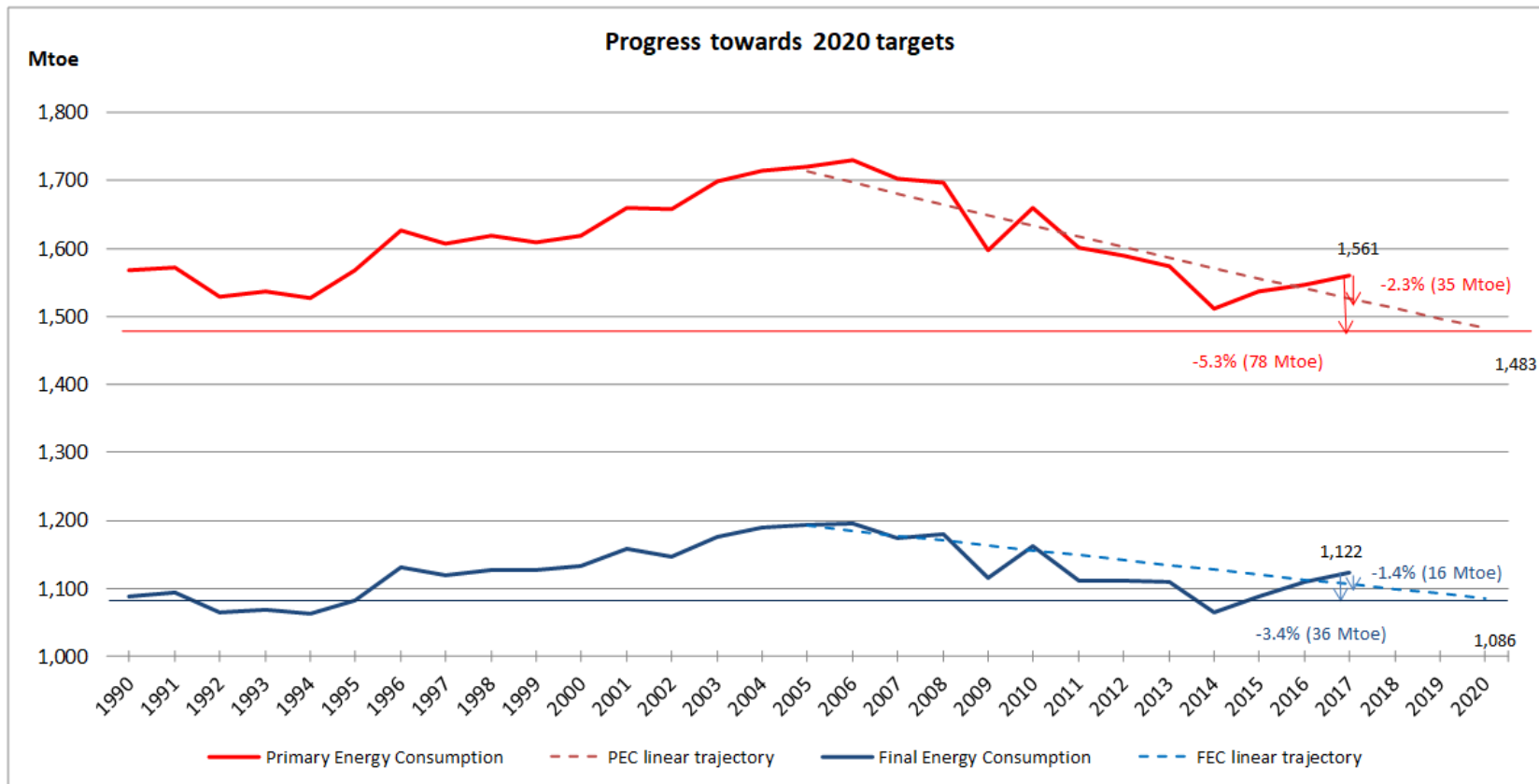
What we do and where we go



When does the Commission need evaluation?

- Annual reports - assessing MSs policy
- Article 7 EED plans - assessing MSs policy
- Sharing **best practices** to reach the 2020 targets (Task Force)
- Assessing NECPs
- If ambition gap – proposing more **EU policy**
- If delivery gap - proposing more **EU and national policy**
- Planned review of **EED - EU policy**

More efforts needed to reach the EU target for 2020



Source: 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.

Causes of increased energy consumption

A dedicated task force was set up in September 2018

Possible factors were identified amongst others that have contributed to the increased energy demand:

- Weather (colder winters in the recent years)
- Relatively low oil prices
- Higher economic growth
- Lower policy impact... ???**

Member States have identified other potential causes:

- Delayed policy implementation (i.e. Article 7 EED, Art. 7 EPBD)
- Difference between the estimated savings and the savings achieved
- Insufficient consideration of the impact of behavioural aspects (e.g. rebound effect)
- Lack of funding for energy efficiency policies
- Restriction of the existing EU state aid rules...

Task Force on mobilising the efforts to reach the EU energy efficiency targets for 2020

A set of solutions were identified by the Task Force

Task Force aims at understanding the causes of the increased consumption trends and identifying possible solutions.

The following **way forward** is needed based on the feedback from Member States and stakeholders:

- Ensuring the full implementation of the existing legislation (i.e. Art.7 EED, Art. 7 EPBD and Art. 14&15 EPBD);
- **Putting in place additional (national) measures to address the gap;**
- Support by the Commission (e.g. capacity building of the public sector).

Report summarising work of the Task Force is available on Europa website:
https://ec.europa.eu/energy/sites/ener/files/report_of_the_work_of_task_force_mobilising_efforts_to_reach_eu_ee_targets_for_2020.pdf

2030 targets and governance process

Ambition gap ?

Governance Regulation 1999/2018/EU

Article 31

Response to insufficient ambition of integrated national energy and climate plans

3. Where, on the basis of its assessment of the integrated national energy and climate plans and their updates pursuant to Article 14, the Commission concludes that the objectives, targets and contributions of the integrated national energy and climate **plans or their updates are insufficient** for the collective achievement of the Energy Union objectives and, in particular, for the first ten-year period, for the Union's **2030 targets for renewable energy and energy efficiency**, it

*shall **propose measures** and exercise its powers at Union level in order to ensure the collective achievement of those objectives and targets.*

2030 targets and governance process

Delivery gap ? – 1. recommendations

Governance Regulation 1999/2018/EU

Article 32

Response to insufficient progress towards the Union's energy and climate objectives and targets

1. Where, on the basis of its assessment pursuant to point (b) of Article 29(1), the Commission concludes that ***insufficient progress is made by a Member State*** towards meeting its objectives, targets and contributions, its reference points for renewable energy, or in implementing the policies and measures set out in its integrated national climate and energy plan, it shall issue ***recommendations to the Member State*** concerned pursuant to Article 34.

2. Where, on the basis of its aggregate assessment of Member States' integrated national energy and climate progress reports pursuant to point (a) of Article 29(1), and supported by other information sources, as appropriate, the Commission concludes that the ***Union is at risk of not meeting the objectives*** of the Energy Union and, in particular, for the first ten-year period, the targets of the Union's 2030 Framework for Climate and Energy, it may issue ***recommendations to all Member States*** pursuant to Article 34 to mitigate such a risk.

2030 targets and governance process

Delivery gap ? – 2. measures

Governance Regulation 1999/2018/EU

Article 32

Response to insufficient progress towards the Union's energy and climate objectives and targets

2. ...

In the area of energy efficiency, the Commission shall as appropriate, *propose measures* and exercise its powers at Union level in addition to those recommendations in order to ensure, in particular, the achievement of the Union's 2030 target for energy efficiency.

In the area of energy efficiency, such additional measures may in particular improve the energy efficiency of:

- (a) products, pursuant to Directive 2009/125/EC of the European Parliament and of the Council (34) and Regulation (EU) 2017/1369 of the European Parliament and of the Council (35);
- (b) buildings, pursuant to Directives 2010/31/EU and 2012/27/EU; and
- (c) transport.

2030 targets and governance process

Delivery gap ? – 3. more measures

Governance Regulation 1999/2018/EU

Article 32

Response to insufficient progress towards the Union's energy and climate objectives and targets

6. Where, in the area of energy efficiency, without prejudice to other measures at Union level pursuant to the third subparagraph of paragraph 2 of this Article, the Commission concludes, based on its assessment pursuant to Article 29(1) and (3), carried out by the years **2022, 2025 and 2027** that **progress** towards collectively achieving the Union's energy efficiency targets referred to in the first subparagraph of Article 29(3) is **insufficient**, it **shall propose measures** and exercise its power at Union level in addition to those set out in Directive 2010/31/EU and Directive 2012/27/EU **to ensure** that the Union's 2030 energy efficiency targets are met.

Review obligations under EED

- By 31 December 2019, the Commission shall assess the effectiveness of the implementation of the definition of small and medium-sized enterprises for the purposes of **Article 8(4)**, and shall submit a report to the European Parliament and to the Council. As soon as possible after submission of that report, the Commission shall, if appropriate, **adopt legislative proposals**.
- **General review** of the EED and the EPBD: EED - by 28 February 2024 and five years thereafter; EPBD – by 1 January 2026.
- **Article 7 EED** review by 2027

Evaluation is part of Better Regulation

EU policy making

- Better Regulation guidelines

https://myintracomm.ec.europa.eu/sg/better_regulation/Pages/guidelines-toolbox.aspx

- Evaluation chapter VI (evaluation questions are in tool 47):

https://myintracomm.ec.europa.eu/sg/better_regulation/Documents/tool_47.pdf

Evaluation is an evidence-based judgement of the extent to which an existing intervention is:

- **Effective;**
- **Efficient;**
- **Relevant given the current needs;**
- **Coherent both internally and with other EU interventions; and**
- **Has achieved EU added value.**

Evaluation uses evidence to judge how well the intervention has performed (or is working), taking account of earlier predictions made in the context of an impact assessment. Evaluation goes beyond an assessment of what has happened; it considers why something has occurred (and what links, if any, can be made to the role of the EU intervention) and, if possible, how much has changed as a consequence. It thus aims (where possible) to draw conclusions about the causal effects of the EU intervention on the desired outcomes. It should also look at the wider perspective, seeking to identify (and learn from) any unintended/unexpected effects which were not anticipated for example, in the impact assessment or in the act agreed by the Legislators. Evaluation should provide an evidence-based assessment of whether the EU intervention continues to be justified.



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Thank you!

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