

EPRS



**EUROPEAN
PARLIAMENTARY
RESEARCH
SERVICE**

The EPRS work on energy efficiency,
with particular attention to the scrutiny

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Plan of the presentation

1. Presentation of the European Parliamentary Research Service (EPRS)
2. Presentation of the scrutiny work of the Ex-Post Evaluation Unit (EVAL)
3. Presentation of other kind of analyses prepared by the EPRS
4. Questions & answers

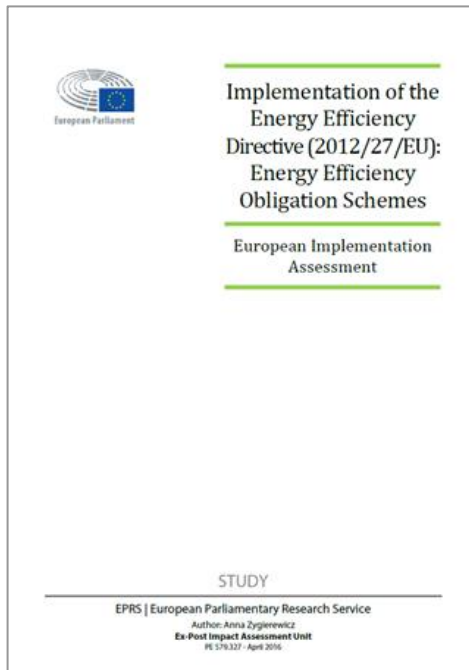
European Parliamentary Research Service (EPRS)

- *Creation:* November 2013

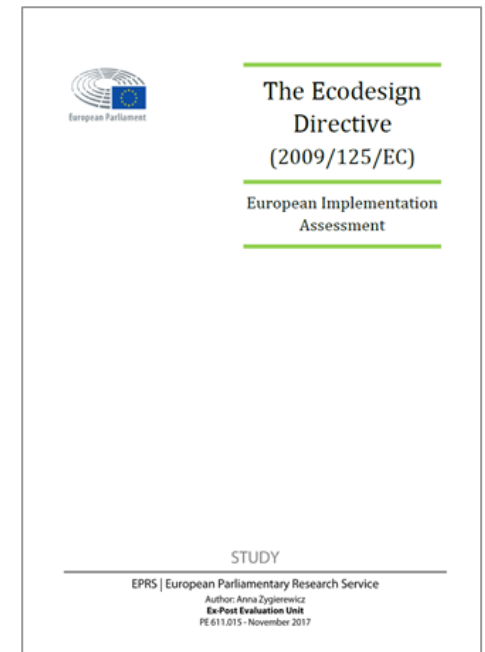
- *Mission:* to provide Members of the European Parliament and parliamentary committees, with independent, objective and authoritative analysis to assist them in their parliamentary work

- *Structure:* three directorates of DG EPRS:
 - Members' Research Service
 - Library
 - Impact Assessment and European Added Value

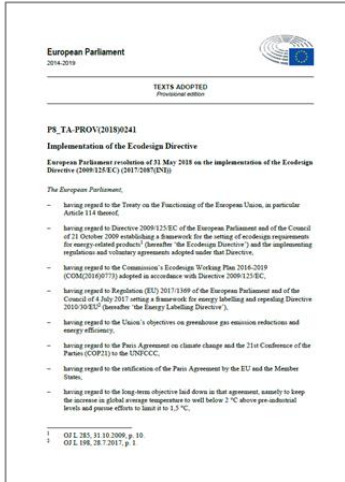
European implementation assessments (EIAs)



- Scrutiny of the implementation of the EU law, policies and spending programmes
- In the area of energy efficiency:
 - *Energy Efficiency Directive*
 - *Ecodesign Directive*



EIAs as support for implementation reports



Rolling check-lists



- *Review Clauses in EU Legislation*
- *Special Reports of the European Court of Auditors*

Key reference materials to assist parliamentary committees in deciding what type of scrutiny of the European Commission and EU policies to engage in, and when and how best to undertake it

Other types of analysis prepared by EPRS

Briefing
EU Legislation in Progress

CONTENTS

- Background**
 - Introduction
 - Parliament's starting position
 - European Council's starting position
- Proposal**
 - Preparation of the proposal
 - The changes the proposal would bring
- Work**
 - Advisory committees
 - National parliaments
 - Stakeholders' input
- Legislative process**
- References**
 - IP supporting analysis
 - Other sources

Revised Energy Efficiency Directive

On 30 November 2016, the European Commission presented a proposal for a revised Energy Efficiency Directive, as part of the Clean Energy package. This aims to adapt and align EU energy legislation with the 2030 energy and climate goals, and contribute towards delivering the energy union strategy.

The Commission initially proposed a 30 % binding EU energy efficiency target for 2030, to be achieved by means of indicative national targets and the extension beyond 2030 of the energy savings obligation scheme, which currently requires utility companies to help their consumers use 1.5 % less energy each year. The Commission proposal also aims to make the rules on energy metering and billing clearer for consumers.

Trilogue negotiations started in February 2018 and resulted in a provisional agreement among the EU Institutions on 19 June 2018. The final text was formally adopted by Parliament (12 November 2018) and Council (14 December 2018). It was published in the Official Journal on 21 December 2018 and entered into force three days later. Member States are required to transpose most of the revised directive by 25 June 2020, although the provisions on metering and billing can be transposed by 25 October 2020.

Proposal for a directive of the European Parliament and of the Council amending Directive 2012/27/EU on energy efficiency

COM(2016) 761, 30.11.2016, 2016/EU/0001, Ordinary legislative procedure (COD) (Parliament and Council on equal footing – formally to decision)

Committee responsible:	Industry, Research and Energy (ITRE)
Reporters:	Manoel Pech (S&P, Czech Republic)
Shadow reporters:	Markus Pieper (PPE, Germany), Annelien Van Royndy (ECR, Belgium), Corien in 't Houtsmid (S&P, the Netherlands), Isabel Berdejo (S&P/REU, Spain), Renwick Lister (Eurosuff, Hungary), Daria Tamburino (EFD, Italy), Angelo Caccia (ENF, Italy)
Procedure completed:	Directive (EU) 2018/2002 OJ L 328, 21.12.2018, pp. 219-236

16 January 2019
48th session
The EU legislative process leading to an agreed text may vary throughout the legislative procedure. Please note the document has been designed for on-line viewing.

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PE 598.592

Analysis ex-ante:

- *EU Legislation in Progress*
- *Initial Appraisal of a European Commission Impact Assessment*

Briefing
Initial Appraisal of a European Commission Impact Assessment

European Parliament

March 2017

Energy Efficiency

Impact Assessment (SWD(2016) 405, SWD(2016) 406 (summary)) of a Commission proposal for a directive of the European Parliament and of the Council amending Directive 2012/27/EU on energy efficiency (COM(2016) 761)

Background

This note seeks to provide an initial analysis of the strengths and weaknesses of the European Commission's [Impact Assessment \(IA\)](#) accompanying the above proposal, submitted on 30 November 2016 and referred to Parliament's Committee on Industry, Research, and Energy. This proposal seeks to set a new binding energy efficiency target of 30 % reduction in energy consumption at the EU level by 2030. The aim is to further promote energy efficiency within the EU while at the same time correcting market failures and regulatory shortcomings of the existing energy efficiency legislation.

The proposal was prepared by the Commission as part of its 'Clean Energy for All' legislative package. It is linked with other proposals included in the package, namely those related to the Energy Performance of Buildings Directive (EPBD), the Governance of Energy Union Directive, and the Electricity Market Design Regulation.¹ To date, progress in energy efficiency in the EU has not been sufficient to meet the target for energy consumption reduction planned for 2030 and agreed by the European Council in October 2014 (27 % reduction in consumption compared to the business-as-usual projections made in 2007, with a view to increasing this to 30 %) (IA, p.8). Moreover, the European Parliament has called for a more ambitious energy efficiency target of 40 % reduction.² The IA report which is the subject of this appraisal presents various policy scenarios and certain options. These include several possible levels of EU-wide energy efficiency targets ('EU07' scenario) as well as options specific to existing rules (energy saving obligations and provisions on individual metering for electricity, gas and thermal heating (Articles 7 and Articles 9 to 11 respectively of the current legislation).

Problem definition

The IA describes the main problem as 'insufficient progress in energy efficiency that holds back the full benefits' which means that the investments that would ensure sufficient progress have not been made, due to both market and regulatory failures (IA, p.8). As examples of such failures the IA mentions (among others) 'information failures', high transaction costs for small projects, capital market failures, and lack of clear signals for companies to become actors in an energy efficiency market' (IA, p.8).

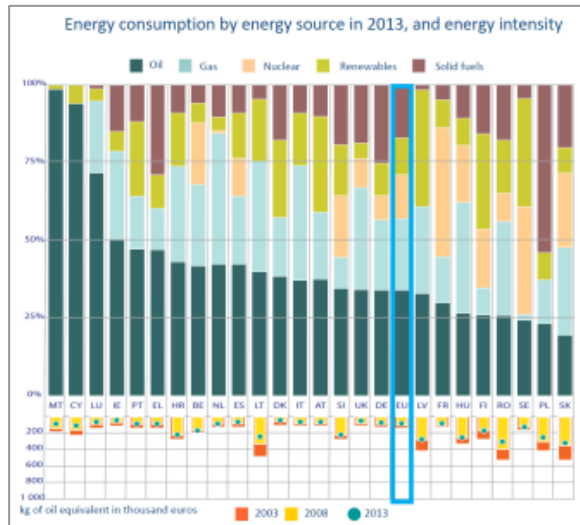
The IA states that the drivers of the problem (e.g. incorrect and sub-optimal implementation of the 2020 policy framework, technical progress not reflected in the current regulation, poor access to capital and lack of

¹ For further information, see N. Egan, [Special Energy Efficiency Directive](#), EPRS, February 2017; A. Wilson, [Energy Performance of Buildings](#), EPRS, February 2017; A. Wilson, [Governance of the Energy Union](#), EPRS, February 2017; A. Emele, [Energy Performance of Buildings](#), Initial appraisal of a Commission IA, EPRS, February 2017; V. Kováčik, [Governance of the Energy Union](#), Initial appraisal of a Commission IA, EPRS, February 2017.
² European Parliament (2016), 'Towards a European Energy Union', December 2016.

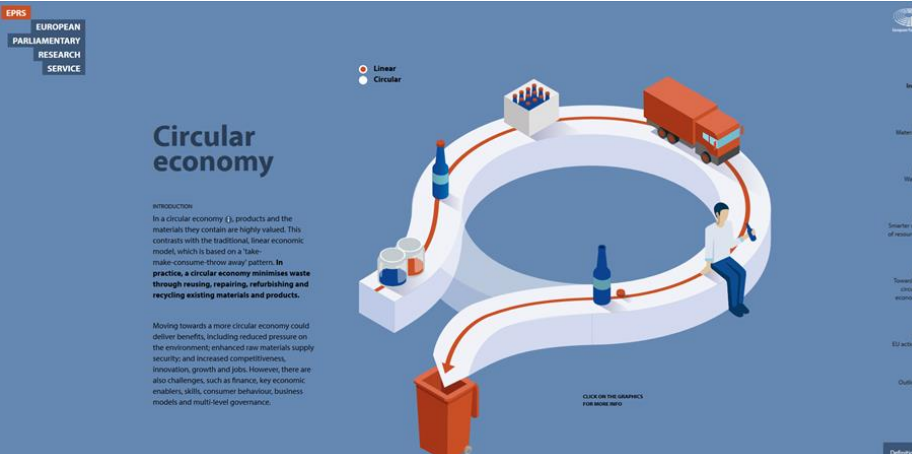
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Other types of analysis/presentations prepared by EPRS



- *Infographics*
- *Animated infographics*
- *Legislative train*



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Circular economy

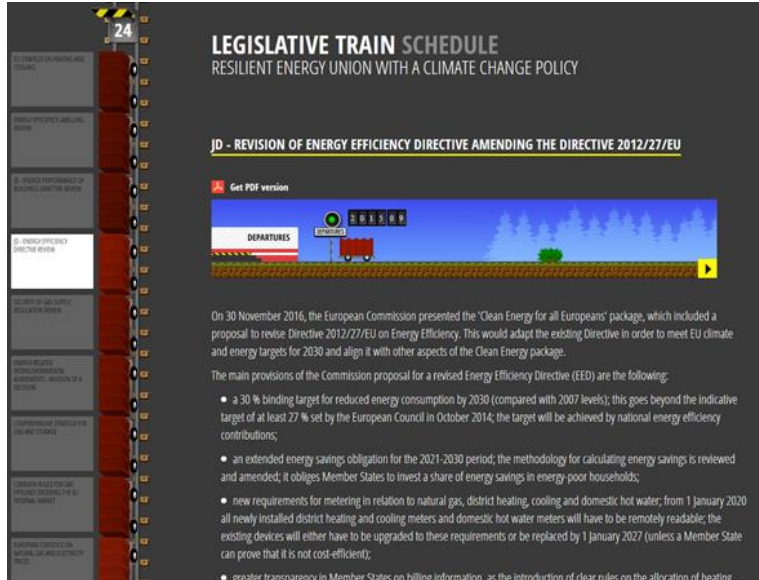
Linear (red dot)
Circular (white dot)

Introduction
In a circular economy (CE), products and the materials they contain are highly valued. This contrasts with the traditional, linear economic model, which is based on a 'take-make-consume-throw away' pattern. In practice, a circular economy minimises waste through reusing, repairing, refurbishing and recycling existing materials and products.

Moving towards a more circular economy could deliver benefits, including reduced pressure on the environment, enhanced raw materials supply security, and increased competitiveness. Innovation, growth and jobs. However, there are also challenges, such as finance, key economic enablers, skills, consumer behaviour, business models and multi-level governance.

CLICK ON THE GRAPHICS FOR MORE INFO

Definitions



LEGISLATIVE TRAIN SCHEDULE

RESILIENT ENERGY UNION WITH A CLIMATE CHANGE POLICY

JD - REVISION OF ENERGY EFFICIENCY DIRECTIVE AMENDING THE DIRECTIVE 2012/27/EU

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DEPARTURES

On 30 November 2016, the European Commission presented the 'Clean Energy for all Europeans' package, which included a proposal to revise Directive 2012/27/EU on Energy Efficiency. This would adapt the existing Directive in order to meet EU climate and energy targets for 2030 and align it with other aspects of the Clean Energy package.

The main provisions of the Commission proposal for a revised Energy Efficiency Directive (EED) are the following:

- a 30 % binding target for reduced energy consumption by 2030 (compared with 2007 levels); this goes beyond the indicative target of at least 27 % set by the European Council in October 2014; the target will be achieved by national energy efficiency contributions;
- an extended energy savings obligation for the 2021-2030 period; the methodology for calculating energy savings is reviewed and amended; it obliges Member States to invest a share of energy savings in energy poor households;
- new requirements for metering in relation to natural gas, district heating, cooling and domestic hot water; from 1 January 2020 all newly installed district heating and cooling meters and domestic hot water meters will have to be remotely readable; the existing devices will either have to be upgraded to these requirements or be replaced by 1 January 2027 (unless a Member State can prove that it is not cost-efficient);
- greater transparency in Member States on billing information, as the introduction of clear rules on the allocation of heating

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Thank you very
much!

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