



**EUROCHAMBRES**

Connecting **business** to Europe

## **Position Paper**

September 2011

# **EUROPEAN COMMISSION'S PROPOSAL FOR AN ENERGY EFFICIENCY DIRECTIVE**



## Executive summary

---

EUROCHAMBRES broadly welcomes the Commission's proposal for a Directive on Energy Efficiency and fully supports the Commission's efforts to provide an ambitious legal framework to contribute to the EU's target of 20% increased energy efficiency by 2020. Affordable energy and secured supply are essential requirements for European industry to remain competitive. Energy efficiency is a cost effective way to contribute to greenhouse gas emission reductions, to decrease import dependency on oil and gas and thus to enhance security of energy supply.

However, EUROCHAMBRES calls on the decision makers to align the proposal text more with economic criteria and to take in particular the following guiding principles into account:

- § Energy efficiency targets can **provide orientation** but should not be seen as binding end in itself. The target is not going to be met just by making it mandatory if the existing obstacles for enhanced energy efficiency are not tackled.
- § The term "energy efficiency" technically means less energy input per unit of output, not less in absolute terms which should be taken as a starting point for future measures. We need more and better targeted information about ways to **reduce energy consumption in relation to the output** of companies, but no regulation constraining the absolute energy consumption of businesses which would ultimately lead to production constraints.
- § **Early actions** of companies and different levels of implementation in member states need to be **recognized**. Many actors have already undertaken energy efficiency measures on a voluntary basis and have low potential for improvement left. The critical definition of how to breakdown the energy efficiency requirements to individual targets for companies have not been addressed yet.
- § To ensure EU-wide comparability of energy efficiency and energy savings, a **common base for calculation** would be useful. Otherwise EU-wide comparisons don't provide a conclusive and meaningful picture of the situation.
- § The proposal does not address the question of **financing** of the required measures. In order to support the national efforts for increased energy efficiency, the EU should also dedicate financial funds for the implementation of the directive; e.g. through reallocation of EU budget/MFF or earmarking of funds.
- § Energy efficiency should rather be promoted with **advisory services and incentives** instead of controlling and sanctions which lead to overly burdensome administrative work. Already existing successful voluntary measures based on incentive schemes should be continued in the member states.
- § The measures proposed should mainly help tackle the lack of information and financial obstacles through **tax incentives and financial aids** to shorten payback periods of investments in new technologies.
- § Additional **administrative burden** need to be cut down to a reasonable level. Excessive reporting requirements without obvious actual benefit should be avoided for businesses and public bodies in order to keep costs down. The detailed requirements overly constrain the scope of action for many actors (public bodies, operators, energy suppliers, investors etc).

- § Consumers need to be made aware of their responsibility too. Businesses alone cannot be made responsible for achieving the required energy efficiency improvements. Companies can develop and produce goods that have low energy and emission levels and whose production is energy-efficient. The proper use of these goods lies within the **responsibility of consumers**.

Bearing the guiding principles in mind, EUROCHAMBRES is mainly concerned with the following issues:

§ **Targets**

EUROCHAMBRES welcomes the approach not to propose a binding EU-wide target or individual targets for the member states now and rather suggests putting forward practical measures. Nevertheless, the two years period until June 2014 seems too short to deliver the expected results for the reassessment of national indicative energy efficiency targets, which might ultimately lead to binding targets.

§ **Energy efficiency obligation scheme**

The approach in article 6 to oblige energy providers to achieve energy savings for their customers must be questioned, as they are not in a position to fully steer the consumption behaviour and actions of their customers. Imposing a 1,5% energy savings obligation means that energy distribution/retail companies become totally dependent on the actions of their customers. If a customer does not want to implement energy efficiency measures, the retailer has to pay the penalty at the end of the year.

§ **Promotion of energy management tools**

Promoting energy audits and energy management systems to companies as foreseen in article 7 is a valuable measure to further encourage business to increase energy efficiency. It is also an important element in an energy efficiency regime that energy-intensive big companies use an energy management system. However, EUROCHAMBRES prefers a voluntary approach compared to binding energy audits. It is helpful for business that standards and management tools are promoted, but it should be finally left to the entrepreneur to decide which instrument to use.

§ **Technical requirements for metering and billing**

The requirement in article 8 for the introduction of metering and informative billing for customers until January 2015 cannot be properly realized with current systems. Besides the fact, that the implementation period between transposition of the directive into national law at the end of 2013 until the end of 2014 is relatively short, it is also questionable whether the corresponding requirements for smart metering such as technical minimum standards, rollout and financing plans will be ready by that time.

§ **Enhanced efficiency in energy generation**

EUROCHAMBRES supports article 10 which requires the enhanced use of combined heat and power (CHP) and district heating and cooling. It can further contribute to reduce heat losses in the energy generation process. Nevertheless, CHP is not possible everywhere and in every case and therefore, the legal framework must provide certain flexibility, e.g. concerning the authorisation of installations and must also take economic criteria into account. Otherwise the security of energy supply could be jeopardized.

Please find below our detailed comments and recommendations regarding specific articles.

## Specific comments

---

### Impact Assessment

The actual impact on the public and business was not assessed comprehensively in the impact assessment.<sup>1</sup> Furthermore, the impact assessment as well as recital 34 and article 19 refer to a possible adjustment or set-aside of emission allowances in the ETS system. It is of utmost importance that the new energy efficiency directive does not interfere with the currently established ETS and does not produce additional and stricter regulations for ETS-industries which would not provide legal certainty.

### Recital 2

Targets for energy efficiency need to be in line with the EU economic growth targets and should not constrain the economic fragile situation. In this regard, the mention of an energy reduction target in absolute terms instead of setting an energy efficiency target in relation to the economic output in footnote 17 on page 8 is viewed critically.

### Recital 4

The proposal foresees a decoupling of energy use from economic growth which is a step in the right direction. However, for industrial processes it is only possible up to a certain extent. When setting targets, it is therefore important to put them in relation e.g. primary energy consumption per unit of GDP.

### Recital 14

The statement “...*decreasing energy consumption through energy efficiency improvement measures can free up public resources for other purposes*” might be an effect in the long term. However, with a view to the long payback periods and the high investment requirements for new installations, this statement can be questioned. Regarding the short implementation term until 2020, it is more likely for member states to have increasing capital requirements which finally need to be covered through higher public spending or additional taxes.

### Recital 21

While the proposal contains many definitions, it lacks the definition of major concepts such as “energy efficiency” and “energy saving”. Both terms are used several times in the text. However, in our view they cannot be applied synonymously, which is why the Commission should provide clear definitions of both concepts under article 2.

As stated in the Energy Efficiency Plan, the term “energy efficiency” technically means less energy input per unit of output, not less in absolute terms. This statement should be taken as a starting point for future measures in the field of energy efficiency. We need more and better targeted information about ways to reduce energy consumption in relation to the output of companies, but no regulation constraining the absolute energy consumption of businesses. The term “energy savings” is a broader concept including absolute reductions of energy consumption through behavioural changes and thus for example through decreased product demand and subsequently in a decreased production of goods. Thus, it is clear that increased energy efficiency is beneficial for a national economy, whereas decreased production can not

---

<sup>1</sup> For example, UK based businesses may be put at a competitive disadvantage if the price of carbon across the EU, as set by the ETS, falls as result of the directive. In 2013 the UK will introduce a carbon floor price that will mean carbon will cost £16 per tonne, and follow a linear path to target £30 per tonne in 2020.

be in the interest of an economy. The two aforementioned terms might be difficult to disentangle, but should not be used interchangeably as their meaning is different and thus leads to confusion about the targets.

### **Article 1 – Scope**

The terms “primary energy savings” and “final energy consumption” should be clearly defined under article 2 in which it should be clarified if primary energy savings refers to an absolute or relative value.

The European targets defined in article 1 refer to primary energy savings whereas articles 4-9 refer to final energy consumption and articles 10-12 concern primary energy consumption. Thus, an EU-wide harmonized conversion methodology from final energy to primary energy is required.

### **Article 2 – Definitions**

Paragraph 1: in order to make the directive more reader-friendly, the definition of “energy” should be directly stated in the text.

Paragraph 2: the definition of “primary energy consumption” is not sufficiently clear because of the second part “non energy-uses”.

Paragraph 7: the terms “delivery” and “distribution system operator” remain unclear. In terms of energy efficiency, we assume that all energy products are treated equally. Thus, “delivery” not only means the conventional transport through pipelines and grids but also comprises all other ways of transport and delivery to final customers or to distribution system operators that sell to final customers. This assumption should be clarified.

Paragraph 8: in order to increase the readability of the directive, the definition of “distribution system operator” should be directly stated in the text.

Paragraph 11: the current definition is not sufficiently clear as to what is meant with “energy efficiency improvement measure”. Thus, we recommend to add “...in a final customer facility or premises *or related to it*”.

Paragraph 13: the term “beneficiary” is not sufficiently defined. In case of multi-story residential buildings it remains unclear, who would be considered as “beneficiary” and thus as contracting partner: the property owner or tenant.

Paragraph 14: in order to enhance the readability of the directive, the definition “transmission system operator” should be directly stated in the text.

### **Article 3 – Energy Efficiency Targets**

In article 3 the Commission sets an absolute ceiling for primary energy consumption by 2020. An energy reduction in absolute terms is not easy to achieve and might even lead to a decrease in production for many companies. EUROCHAMBRES therefore stresses again the need to focus on increased efficiency in the use and consumption of energy which means product-specific and process-related improvements for energy use but no absolute reduction of energy.

Article 3 suggests that the Commission will assess by June 2014 whether the member states are likely to achieve its 20% energy efficiency target. According to article 21, member states shall adopt within 12

months of the adoption of this Directive the required laws and regulations. EUROCHAMBRES fears that roughly one year of implementation of the directive is too short to deliver the expected results for the reassessment in mid-2014, which could ultimately lead to binding targets.

EUROCHAMBRES strongly believes that advisory services and incentive schemes are more appropriate to enhance energy efficiency than obligations. For this reason, Chambers call on the Commission to stick to its approach towards energy efficiency, which is to propose concrete measures without binding national targets.

Furthermore, compared to the existing directive 2006/32/EC, the current proposal does not recognize early actions of member states which would put more advanced member states which have already made financial efforts for energy efficiency at a disadvantage.

**Recommendations:**

- Maintain approach based on concrete measures instead of proposing binding targets
- Recognize early actions and different levels of implementation in member states
- Focus on increased efficiency in the use and consumption of energy but no fixed reduction in absolute terms

**Article 4 – Public bodies**

Enhancing the role of the public sector in improving energy efficiency in public buildings and in public purchasing is an important element of the EEP. Through this leading role, the public sector can contribute to the development of new markets for energy efficient technologies and services.

However, this leading role of the public body is limited and should not be exercised at unacceptable costs for the public budget considering the austerity measures that public authorities are currently under and the pressure for fiscal consolidation. This obligation might lead to new tax increases or further deficit spending which would put Europe's competitiveness at stake.

EUROCHAMBRES endorses the emphasis on the refurbishment of public buildings which could have an exemplary role for other market actors. Renovating Europe's existing building stock (public and private) has an important savings potential and public sector initiatives could complement the Energy Performance of Buildings Directive and improve the energy performance of existing building stock. Nevertheless, here again the available public budget must be taken into consideration. An EU-wide fixed quota for annual refurbishments of public buildings might not be accomplishable in the member states.

Furthermore, there is a need for clarification regarding the refurbishment obligation of public historic buildings. To allow for more flexibility, it should be possible for member states to count towards their annual renovation rate the excess of renovated building floor area in a given year but without the restriction that only excess in the two previous or following years is accountable.

Moreover, the refurbishment rate should not only apply to public bodies, but also to the residential sector (landlords and tenants, family and apartment houses) in order to better reflect the responsibility across society.

**Recommendations:**

- Allow flexibility to account excess achieved in any given year towards the public bodies' annual renovation rate

## Article 5 – Purchasing by public bodies

As regards public procurement, EUROCHAMBRES stresses that the individual purchaser or public authority should make wise and long-term based purchases and not only focus on the lower price in the short term. Public procurement can thus stimulate innovation and improve sustainability practices. There is a need for exchanges of good practices on how to integrate sustainability concerns in public contracting. However, EUROCHAMBRES strongly opposes any initiative which would integrate general sustainability policy targets in mandatory procurement rules. The bidding process is already complex and costly for businesses. Those criteria should not be addressed within compulsory rules but more likely in some kind of guidelines or soft law. Chambers are favourable towards the use of the most economically advantageous tender rather than the lowest price, which should help to stimulate energy efficient solutions. If only highly efficient products, buildings and services are to be purchased, the scope for decision making is overly constrained and would lead to substantial administrative requirements in public procurement procedures.

## Article 6 – Energy efficiency obligation schemes

In general, the approach to oblige energy providers to achieve energy savings for their customers must be questioned, as they are not in a position to fully steer the consumption behaviour and actions of their customers. Imposing a 1,5% energy savings obligation means that energy distribution/retail companies become totally dependent on the actions of their customers. If a customer does not want to implement energy efficiency measures, the retailer has to pay the penalty at the end of the year. That is a questionable approach as a company can never force a customer to buy a more energy efficient refrigerator, TV, computer, heating system etc or to change his/her energy consumption behaviour. Besides the fact that administrative costs generated by savings obligations for energy providers might outweigh the benefits, such an approach also contradicts the supply and demand principles of a free market. Increased administrative burden caused through implementation, enforcement, reporting, controlling of this measure also risk to lead to further increases in energy prices.

In general, it is important that all forms of energy sources (pellets, timber, biomass, coal, oil and gas), are included in the calculation for the 1,5% energy savings target. Furthermore, there is no clear definition of the timeline for the obligation schemes. If properly implemented, the existing potential for improvement will decrease steadily. This would require a regular reassessment for the remaining economically feasible and useful potential. Once the potential for further improvement is exploited, the savings obligation should be lifted.

Moreover, given that all energy providers would have to achieve the same percentage of annual savings, previous energy efficiency measures would not be taken into account compared to a new company. In this regard, the proposal lacks a definition on how to process with new market actors that have no track record as reference. Here again, previous energy efficiency measures and different levels of implementation in member states are disregarded. The annual energy savings should be determined per member state based on their early actions. Furthermore, the EU wide energy efficiency obligation scheme does not sufficiently consider the different situations in the member states regarding their energy sector, economic structure, consumer behaviour and the actual existing technical and economic potential.

Such an obligation scheme would not only result in excessively increased administrative burden related to the implementation, operation, inspection and enforcement of this measure but bears also the risk of further increases in energy prices for end-consumers (citizens and businesses).

Paragraph 3: Irrespective of the general dismissal of article 6, Chambers oppose the restriction that energy savings measures are differentiated between short and long term measures whereas the former must not account for more than 10% of the energy savings amount.

Paragraph 4: Control and verification systems should be based on already existing systems in the framework of existing voluntary agreements. Each additional control system must be avoided.

Paragraph 5: We support the possibility under 5b that obligated parties might count towards their obligation certified energy savings achieved by energy service providers; however, this should not finally lead to a "white certificates system". Furthermore, there should be no restriction for the accountability of excess savings achieved in one year to count them towards the obligation for another year.

Paragraph 6: the transparency achieved through the publication of achieved energy savings and data on the annual trend will provide valuable information to develop further measures. However, additional reporting requirements will also further increase energy prices for consumers.

Paragraph 8: Member states may exclude small energy distributors and small retail energy sales companies from this article if they sell less than the equivalent of 75 GWh of energy per year. However, the threshold of 75 GWh for this possibly exempted group is set too low.

Example:

The average gas consumption of a household in Austria is 15.000 kWh. Therefore a gas retail company could have a maximum of 5.000 clients (=75.000/15), otherwise the company would be subject to the 1,5% saving obligation. With 5.000 clients a gas retailer can be seen as a small enterprise as the turnover is around 2,4 Mio EUR (= gross gas price 7,3 cent/kWh \* 44% energy related price \*15.000 kWh \*5.000 clients). The threshold for the EU definition of a small enterprise is a turnover below 10 Mio. EUR. Therefore, small and medium enterprises would be affected by the energy savings obligation by applying this low threshold as defined under art 2 point 16.

A better approach would be to set the threshold at a level that applies only to the "TOP 100" (biggest retailers/distribution companies in Europe), which sell the real quantities. If the threshold is set too low, administrative burdens will be incurred by SMEs for little or no policy benefit and would put them at a disadvantage compared to bigger companies. Furthermore, the retail market should be explicitly excluded from the energy efficiency obligation scheme. They normally have walk-in customers who hardly can be localized and it would be even more difficult for retailers to introduce saving measures with their occasional customers.

Paragraph 9: EUROCHAMBRES supports the flexibility given for member states regarding the freedom to choose alternative ways to achieve the 1,5% energy savings. The alternative to achieve the same results with voluntary measures and national incentive systems should have priority. However, the alternative measures need to be approved beforehand by the Commission which limits the member states' freedom of action. Furthermore, the complex process of measuring, controlling and reporting would apply as well: savings at final consumers could either be measured by taking recourse to assumed energy consumption without saving efforts or by taking recourse to default values and product lifetimes. In both cases, the actual energy efficiency improvement cannot be measured accurately, whereas the related administrative work is disproportionately high.

Paragraph 10: for internationally operating energy companies it is of importance that energy savings achieved in one country can be accounted for their obligation in another member state.

**Recommendations:**

- Define the threshold for exemption under article 6 so that only the “TOP 100” (biggest retailers/distribution companies in Europe) fall under the scope of this savings obligation.
- Exclude the retail market from the energy efficiency obligation scheme
- Consider the promotion of awareness-raising and information programmes/ campaigns to better inform final customers on energy efficiency
- Remove obligation that short-term measures must not account for more than 10% of the amount of energy savings – in principal, all forms of energy efficiency measures should be encouraged

**Article 7 – Energy audits and energy management systems**

EUROCHAMBRES fully supports paragraph 1 under which member states are required to encourage and support in particular households and SMEs. Soft policy measures and financially accessible energy audits are crucial in order to support SMEs with energy efficiency. Programmes for awareness-raising can help overcoming the lack of information in households and SMEs.

It is in the company's own best interest to optimize its energy management and to become more energy efficient in order to decrease costs. The focus should be on overcoming existing obstacles to the uptake of energy audits and investments in energy efficiency. This can be done through:

- § Better and targeted information about technical energy efficiency solutions, funding opportunities, energy audits, legislative requirements, energy service providers and energy consulting services
- § Customized incentives for the uptake of energy audits (funding) and the financing of energy efficiency investments (tax rebates)
- § Share of best practice examples among member states about existing funding schemes

Efficient internal energy management should always be seen in relation to the administrative work of carrying out regular, independent energy audits for big companies. The required work in relation to the achievable benefit must be reasonable. In an energy efficiency regime, it is an important element that big energy consumers use an energy management system. However, EUROCHAMBRES prefers voluntary instruments such as environmental management systems according to EMAS or ISO 14.000 compared to binding audits. It is good, that European and international standards for energy, environmental and quality management are promoted. However, it should be left to the entrepreneur to decide which standards or management tool he/she wants to apply.

EUROCHAMBRES supports paragraph 3 which suggests that energy audits resulting from energy management systems or from voluntary agreements between organisations and member states shall be accounted as energy audit under article 7. Energy management systems represent already a stronger tool than audits, thus additional audits would create unnecessary costs and administrative burdens.

Similarly to article 6, it should be possible to lift the obligation for further energy audits, once no more economically reasonable potential can be realized. Otherwise, the binding audits would only keep causing administrative work without further actual benefit.

Employees of the company, who acquired specific expertise in this field (e.g. participants of EUREM training or people with corresponding education) should be entitled to carry out energy audits.

**Recommendation:**

- Independent energy audits should remain voluntary for large companies
- Employees of the company with specific expertise (e.g. EUREM) should also be entitled to carry out energy audits

## Article 8 – Metering and informative billing

Paragraph 2 suggests that for electricity and gas a monthly billing based on actual consumption should be made possible by 1 January 2015 for all sectors covered by the directive. This requirement cannot be fulfilled with current systems. To realize a monthly billing, you either need to read on a monthly basis from the customer's installation or you install electronic distance meters.

The regulation in paragraph 2 requires that energy consumption for end consumers is measured nationwide through smart metering. According to the third internal energy package, member states are responsible for the roll-out of smart meters and should ensure that 80% of customers in the electricity sector are covered with smart meters at latest by 2020. The regulation in paragraph 2 thus indirectly shortens the period and deadline for the introduction and installation of smart meters.

Furthermore, it is worth highlighting that the time frame until the end of 2014 is relatively short, as the directive will be in force beginning of 2012 at the earliest and transposed into national law end of 2013. It is therefore questionable whether the corresponding requirements for smart metering such as technical minimum standards, rollout and financing plans will be ready by that time.

Even if paragraph 3 states that information from metering and billing is to be provided to final customers free of charge, these costs will be "socialised" either as inclusion in the energy price or in the system use tariffs.

### Recommendation:

- Define technical minimum standards for smart meters and grids in order to allow for EU-wide harmonisation

## Article 9 – Penalties

Since the regulations in article 6-8 as such can be questioned, the penalties which are subject to definition of individual member states are considered as even more problematic and not legitimate.

## Article 10 – Promotion of efficiency in heating and cooling

With a view to increased efficiency of the energy sector, EUROCHAMBRES endorses article 10 which requires the enhanced use of combined heat and power (CHP) and district heating and cooling. It can further contribute to reduce heat losses in the energy generation process. Nevertheless, CHP is not possible everywhere and in every case and therefore, the legal framework must provide certain flexibility, e.g. concerning the authorisation of installations. However, as regards the principle of subsidiarity, the following adjustments in article 10 are required:

Paragraph 1: concerning the nationally developed heating and cooling plans, it is important that the detailed implementation of local and regional development plans is left to the municipal authorities. The short timeline until 2014 could lead to capacity issues and to high costs. Therefore the development of heating and cooling plans should be required in a staggered way, e.g. rough planning, detailed planning.

Paragraph 2, 3 and 8: The new obligation that industrial installations with a total thermal input exceeding 20 MW must capture and make use of their waste heat and must be connected to district heating and cooling networks is perceived critically. In principal, waste heat of industrial or CHP installations is fed-in the system if there is existing sufficient demand from buyers and if there is a positive economic

calculation. Therefore the use of waste heat must be economically reasonable and should not be a binding criterion for authorisation and modernisation of industrial plants. The connection of these installations to the district heating and cooling networks must not be compulsory if there are not enough heat demand points or if such a connection is not reasonable in economic terms.

Paragraph 3 and 4 set additional conditions for finding an appropriate site for thermal installations which further limits the flexibility for investors to find an adequate location for the construction of new installations. In addition to the lack of public acceptance, it will be even more difficult for new projects to be approved and realized which cannot be in the interest of the EU since we need new efficient installations for energy supply security. The conditions for exemptions also cause substantial administrative work for member states and investors. Thus, the already unfavourable conditions for fossil installations are further worsened.

Paragraph 6 and 7: The construction of high-efficiency cogeneration installation implies high investment costs. Obliging operators of existing electricity generation installations to convert to high-efficiency cogeneration when their operation is substantially refurbishment could impede necessary replacement investments which would subsequently jeopardize the security of energy supply. If cogeneration is economically beneficial, operators will consider it for larger modernisations anyway.

#### **Recommendations:**

- The use of waste heat must be economically reasonable and should not be a binding criterion for authorisation and modernisation of industrial plants.
- Remove legal obligation to convert an installation to cogeneration when operators plan a major refurbishment

#### **Article 11 – Energy transformation**

The required inventory of data for all installations undertaking the combustion of fuels or the refining of mineral oil and gas leads to additional administrative work for member states and business without obvious actual benefit. Therefore, this requirement should be avoided.

#### **Article 12 – Energy transmission and distribution**

The use of energy efficiency potential in electricity, gas and district heating infrastructure should be based on economic criteria and on financing aspects. Additional criteria, which are not properly defined and not transparent, are not helpful and represent an additional burden for system operators.

Furthermore, adding energy efficiency criteria for network operators might also lead to negative impacts on the energy prices. Paragraph 2 suggests that member states adopt until mid 2013 plans for cost-effective energy efficiency improvements. However, cost-effectiveness cannot be regulated by law, which is why this requirement means again additional red tape without obvious benefit.

Paragraph 5 foresees that transmission and distribution system operators provide priority or guaranteed access to the grid of electricity from high-efficiency cogeneration. We take a critical view on this market intervention, as it makes the construction of conventional thermal installations without cogeneration more difficult and jeopardizes the cost-effectiveness of existing installations without cogeneration.

### Article 13 – Availability of certification schemes

According to article 13 member states should establish certification or equivalent qualification schemes for energy service providers, energy audits and energy efficiency improvement measures. This provision is helpful as long as it is based on established qualification and certification schemes in member states to avoid parallel structures. However, education and training remains within the sole competence of member states.

### Article 14 – Energy services

EUROCHAMBRES endorses the provision that energy services markets and access for small and medium-sized enterprises to this market shall be promoted by member states. Better information and model contracts for energy performance contracting can be useful. However, this must not lead to discrimination of certain energy service providers according to their size or proceedings.

### Article 15 – Other measures to promote energy efficiency

Private property owners and tenants need to be incentivised and provided with information and technical support to make the necessary efforts to make buildings more energy efficient. EUROCHAMBRES calls on the Commission to suggest legal provisions in order to remove obstacles in national property laws to address the issue of “split incentives” between landlords and tenants.

#### Recommendation:

- Propose legal provisions for member states as guiding principles to create incentives for refurbishment in the national property laws

### Article 19 – Review and monitoring of implementation

The reporting requirements in article 19 are too extensive and should be limited to a reasonable amount. Annual progress reports, supplementary reports and statistics on electricity from cogeneration imply substantial additional administrative work not only for entrepreneurs but also for public authorities.

Paragraph 5 foresees an annual energy efficiency assessment for thermal installations with an input of 50 MW or higher carried out by the Commission. It would be interesting to know which specific data will be collected and how long they will be stored.

Furthermore, we take a critical view as to the use of data for showing discrepancies between best available techniques and actual energy efficiency and to eventually propose requirements for improvements. This regulation is not acceptable for installations under the EU-ETS regime. For existing installations such governmentally proposed measures are considered as disproportionate interventions in the economic planning of businesses.

In paragraph 7 the Commission reserves itself the possibility to put forward a legislative proposal with mandatory national targets if the assessment in June 2014 turns out negative. By breaking down the EU target to national targets, individual member states and technologies could be put at a disadvantage and should be avoided. The energy-intensive industry has already made substantial energy efficiency improvements. In addition to energy costs which in some cases already represent 50% of operational costs, there are also costs caused by the EU ETS which together provide already sufficient incentives for increased energy efficiency.

## Article 22 – Transposition

The current timeline foresees that the directive should be adopted under the ordinary legislative procedure in autumn 2012. This means that the directive would have to be transposed into national law until the end of 2013. With a view to this tight timeline, it is questionable whether the comprehensive and numerous regulations of the directive can be reasonably implemented by the concerned private and public organisations.

## Annex

Annex VI paragraph 4 and 5: in a first step the numerous detailed requirements should be reduced to the essential information for consumers, which help them to assess their consumption behaviour. Excessive information won't help consumers to understand their consumption pattern.

### In short:

**The proposal for the new energy efficiency directive is broadly considered as step in the right direction which implies at the same time financial burden for energy distributors, energy providers and retailers as well as for public bodies. Through adaptation of the proposal, its financial and administrative impacts on the aforementioned actors should be limited to a cost-benefit efficient minimum.**

For further information about the position paper:

Ms Marlene Guendler  
European Affairs  
[guendler@eurochambres.eu](mailto:guendler@eurochambres.eu)  
( +32 2 282 08 77

EUROCHAMBRES is the sole European body that serves the interests of every sector and every size of European business and the one closest to business. EUROCHAMBRES has member organisations in 45 countries representing a network of 2000 regional and local Chambers of Commerce with over 20 million member companies.  
[www.eurochambres.eu](http://www.eurochambres.eu)

All our position papers can be downloaded from [www.eurochambres.eu/content/default.asp?PageID=145](http://www.eurochambres.eu/content/default.asp?PageID=145)