

The Energy Services Directive



Directive 2006/32/EC of 5 April 2006 on energy end-use and energy service

**Explanatory screening meeting
Chapter 15 Energy
Brussels, 16 May 2006**

The Energy Services Directive



- **Commission adoption: 10.12.2003**
- **OJ: 27.04.2006 , entry into force: 17.05. 2006**
- **Transposition deadline 17.05. 2008, except for Art. 14(1), 14(2) & 14(4), which is 17.05.2006.**

The Energy Efficiency Directive

Article 1: Objective

- **To promote cost-effective energy efficiency in EU Member States through obligations and the removal of institutional, financial and legal barriers.**
- **To promote the development of a sustainable market for energy efficiency and energy services.**



The Energy Efficiency Directive

Article 2: Scope

- **Covers all energy end-use suppliers (distributors and retailers of electricity, natural gas, LNG, LPG, district heating & cooling, heating oil, coal, lignite, peat, biomass, & transport fuels).**
 - **Aviation fuels & maritime bunkers excluded. Small companies < 75 GWh/yr. excl from Art. 6 and 13.**
- **Covers all providers of energy efficiency improvement measures.**
- **Covers all energy end-use sectors:**
 - domestic, agricultural, public and tertiary sectors
 - non-energy intensive industries and transport
 - **Emissions Trading sector excluded.**



The Energy Efficiency Directive

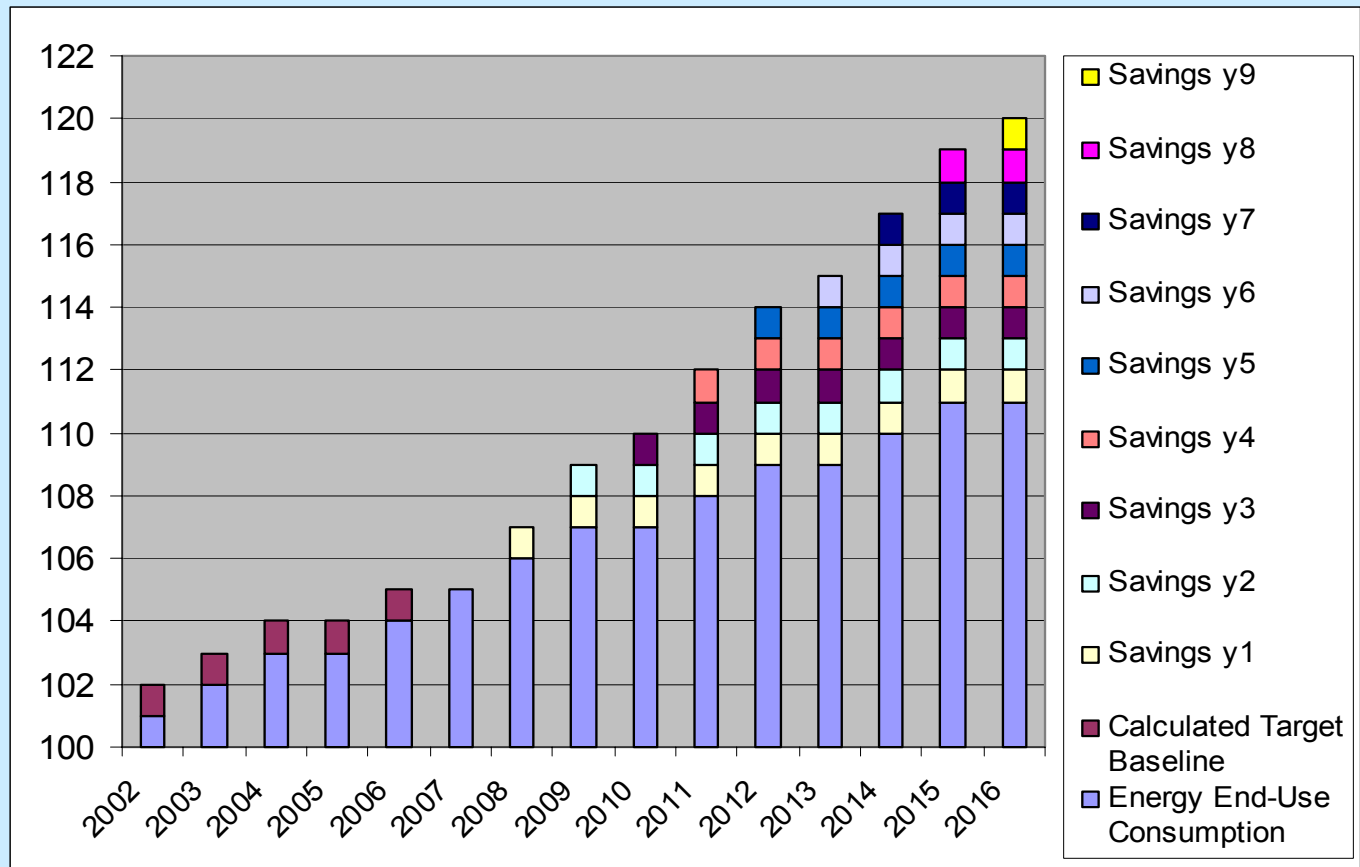
Article 4: The target

- 9-year 9 % target (1% cum annual savings).
- Indicative but carefully monitored & reported.
- Fixed amount of energy (TWh) calculated as 1% of 5-year average of unadjusted final cons.
- Credit for some “early actions” <1995 (1991).
- All measures must be verifiable and measurable or estimable. (Details Annexes I, II, III & IV.)
- Commission to revisit White Certificates



The EE&ES Directive

Annex I: Calculating the target



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Article 5: Public Sector Obligations

The Public Sector in Member States shall:

- **publish energy efficiency guidelines as assessment criteria in tendering for public contracts;**
- **select two mandatory measures from list in Annex V, req. energy-efficient public procurement, energy audits & energy performance contracting.**



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Article 6: Obligation on Energy Suppliers

- **Member States & suppliers to promote energy services & energy efficiency.**
- **Obligation for energy distribution and/or retail energy sales companies:**
 - **to offer energy services, energy audits & energy efficiency measures or contribute to energy efficiency fund.**
- **Energy companies to help remove market barriers, & not hinder market development.**



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Article 7: Availability of Information

- **MS to ensure information on Directive widely distributed to market actors.**
- **MS to establish appropriate conditions for informing final customers.**
- **Commission to facilitate best practice exchange & dissemination.**



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Article 8: Qualification & Accreditation

- **Qualification, accreditation and certification of energy service providers to ensure technical competence and establish market.**



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Article 9: Financial instruments

- **Removal of legislation that restricts use of financial instruments for energy savings**
- **Promotion of financial instruments for energy savings, e.g. third-party financing & energy performance contracting.**



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Article 10: Distribution tariffs

- **For tariffs & regulations for net-bound energy, regulators to use tariff structures that avoid unnecessary volume incentives.**



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Article 11: Funding mechanisms

- **Promotion of establishment of energy efficiency funds or funding mechanisms.**
- **Funds to target high risk sectors.**
- **Open to all providers of energy efficiency improvement measures**



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Article 12: Energy Audits

- **Member States to ensure wide availability of high quality independent energy audit schemes**
- **To be carried out in an independent manner.**



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Article 13: Metering

- **Energy suppliers to provide to net-bound & domestic hot water customers, when technically possible & cost effective: competitively priced, accurate individual meters + information on time of use.**
- **With meter replacement, such meters shall always be provided, unless technically impossible or not cost-effective in relation to long-term savings potential.**
- **When new connection is made in new building or « major renovation », new meters always provided.**



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Article 13: Billing

- **Billing performed by energy suppliers based on actual consumption & presented in clear & understandable terms.**
- **Appropriate information made available with bill to provide customer with full account of current energy costs.**
- **Billing on basis of actual consumption & performed frequently enough to enable customer to regulate consumption.**



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Article 13: Billing (cont.)

- **Energy suppliers to provide :**
 - **Current actual prices & actual consumption;**
 - **Comparisons with previous year's consumption, preferably in graphical form;**
 - **Comparisons with comparable average normalised or benchmarked user in same user category;**
 - **Contact information for energy efficiency measures, end-user profiles & objective technical specifications for energy-using equipment.**



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Article 14: Reporting

- **National Energy Efficiency Action Plans developed by Member States**
 - First EEAP within 30 June 2007
 - Second EEAP due on 30 June 2011
 - Third EEAP due on 30 June 2014
- **Commission report on EEAP's after 6 months.**
- **1st EEAP forward looking, next ones to cover past results & future measures.**



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Article 15: Review and adaptation

- **By 1.1.2008, Committee to further refine & complement harmonised bottom-up model covering between 20 and 30%.**
- **By 1.1.2012 bottom-up model to cover “significantly higher level” of consumption**
- **By 30 June 2008 develop set of harmonised EE indicators based on Annex V.**
- **Amended directive tabled in 2013/2014.**



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Article 16: Comitology

- **Committee with Member State reps to be formed to help Commission further develop harmonised bottom-up/top-down system to measure savings target.**
- **Committee will adopt Annex II, III, IV & V to technical progress.**
- **1st Committee meeting July 2006.**



	B	C	D	E	F	G	H	I	J	K	L	M	
Reporting schedule and other deadlines set in the EE&ES Directive													
			Total measurement period										
			Measurement period EEAP 2										
						Measurement period EEAP 3							
	Dev. of harmonised calculation model												
			Bottom-up phase I										
						Bottom-up phase II							
Years	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		
Month	1 2		5 6 7 8	9		10	12 13 14		15	17			
Day	3	4				11			16				
Entry into force of the Directive								Entry date: May 2006					
Com to replace list of harmonised lifetimes (Annex IV, point 5)								Deadline: Nov 2006 (6 m after entry into force)					
MS may submit calculation methods for energy savings (Article 14(1))								Deadline: Nov 2006 (6 m after entry into force)					
MS to submit EEAP 1, incl. overall and intermediate target in GWh (Article 14(2))								Deadline: 30 June 2007					
Com report on EEAP 1 + opinion on intermediate target (Article 14(5))								Deadline: 1 January 2008					
Com to refine and complement as required points 2 to 6 of Annex IV (Article 15(2))								Deadline: 1 January 2008					
Com report on cost benefit analysis (Article 14(3))								Deadline: May 2008 (2 yr after entry into force)					
Com report on setting indicators and benchmarks (Article 15(4))								Deadline: 30 June 2008					
Com guidelines on measuring and estimating energy savings effects (Annex I (3))								No deadline set (after 2008 but before 2011)					
Com report on progress of setting indicators and benchmarks (Article 15(4))								Deadline: May 2011 (5 yr after entry into force)					
MS to submit EEAP 2 (Article 14(2))								Deadline: 30 June 2011					
Com report on EEAP 2 (Article 14(5))								Deadline: 1 January 2012					
Com to raise % of harmonised bottom-up calculations (Article 15(3))								Deadline: 1 January 2012					
Com report on white certificates (Article 4(4))								Deadline: Medio 2012 (After rev. EEAP 2)					
Com proposal for a new or an amended Directive (Article 14(5))								Deadline: Early 2014 (After rev. EEAP 2)					
MS to submit EEAP 3 (Article 14(2))								Deadline: 30 June 2014					
Com report on EEAP 3 (Article 14(5))								Deadline: 1 January 2015					

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Supporting instruments from Com.

- **Upcoming tenders from Commission:**
 - **Energy Efficiency Potential Study covering all MS + EEA (App. 350.000 Euro)**
 - **Development of bottom-up & top down methodology + Directive Helpdesk (App. 1.25 mill. Euro)**
- **Both tenders to be signed in 2006.**



Conclusions

- Numerous new business areas, incl new energy services, energy auditing, smart metering, billing & financial instruments will emerge.
- The market for energy services and energy efficiency measures, including new metering and billing systems, will grow at a faster rate
- Savings target, energy supplier's obligation towards customers, & public sector obligation strong drivers in developing markets.
- If properly transposed and implemented in Member States, this can lead to far-reaching legislation in the field of energy efficiency.

