

How to improve the Energy Efficiency Directive

The European Commission intends to present a revision of Directive 2012/27/EU of the European Parliament and the Council of 25 October 2012 on energy efficiency.

The Swedish Association of Public Housing Companies (SABO), an industry and interest organisation for Sweden's public housing companies, shares the view of the Commission that energy use needs to decrease to reduce carbon dioxide emissions and make the Union less dependent on imported energy. We propose the following to further improve achievement of the Directive's objectives: a new article relating to national information initiatives with a view to helping consumers save money and energy through better information; and a supplement to Article 8 concerning energy audits and energy management systems. There are also important sections in Articles 5, 7 and 9 of the existing Directive that must be retained to ensure that the measures implemented are cost-effective and also avoid distortion of competition in the local housing market.

Summary of SABO's proposals

- A new article be introduced with a requirement for each Member State to design and implement information initiatives on how consumers can save energy. The purpose of these initiatives is to help consumers save money and energy.
- Article 8 concerning energy audits and energy management systems be supplemented to avoid duplication of the requirements for energy performance certificates and energy surveys.
- Keep important sections of the Articles on the exemplary role of public bodies' buildings (Article 5), energy efficiency obligation systems (Article 7) and metering (Article 9) to retain flexibility in national implementation, ensure that the measures implemented are cost-effective and avoid distortion of competition in the local housing market.

SABO's proposed concrete wording of the new article, supplement to existing article and important sections to be retained in existing articles are attached to this position paper.

A new article be introduced on energy saving initiatives directed at consumers

SABO considers that a requirement needs to be imposed for each Member State to design and implement information initiatives concerning how consumers can save energy. The purpose of these initiatives is to help consumers save money and energy. Behaviour changes have great potential for reducing energy use. The European Environmental Agency concludes in a report¹ that behaviour changes have the potential to save 5 to 20 per cent of energy. SABO has, together with a number of municipally owned public housing companies, implemented a major energy saving campaign² and, like the European Environmental Agency, we see advantages in targeting consumers.

Duplication of work may be avoided by using energy performance certifications as a basis for energy surveys

SABO considers that Article 8 should be supplemented with a provision whereby the drawing up of energy performance certificates for buildings shall be deemed to satisfy energy survey requirements. The content of the survey is very much in line with the requirements imposed by Article 11 of

¹ EEA: Achieving energy efficiency through behaviour change: what does it take? http://www.eea.europa.eu/publications/achieving-energy-efficiency-through-behaviour/at_download/file

² <http://www.allmannyttan.se/energispertips/>

Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings. Almost all of the energy for a housing or property company is used in the buildings they own, while energy use for transportation and other activities constitutes an almost negligible proportion. Energy surveys for other parts of the company's operation are not affected by the energy performance certificates applying as an energy survey. As energy performance certificates must be implemented at least every ten years, they may need to be updated with actual energy use in accordance with Annex VI of the Directive if this is considered necessary.

Retain the possibility of flexibility and cost effectiveness in implementation

It is important that the flexibility in the Directive for national adjustments during implementation be retained or strengthened in the event of any revision, as climate, energy systems, business models and structural engineering solutions differ between EU Member States.

SABO considers that it is extremely important that the wording of Article 9, paragraph 1, i.e. that measures must be "technically possible, financially reasonable and proportionate in relation to the potential energy savings", be retained upon the revision of the Directive. The Swedish National Board of Housing, Building and Planning (Boverket) has investigated³ when individual metering and billing is cost-effective in existing buildings. This investigation shows that this is not generally a cost-effective measure in Sweden. The measure is also considered a risky investment, as it does not result in achievement of the desired energy saving. For this reason the existing wording must be retained.

SABO considers that Article 5 should also continue to be restricted to cover central government and not be extended to include municipally owned companies operating in a competitive market. This applies, among other things, to those Swedish public housing companies that, according to law, are to pursue activities according to business-like principles. The Directive would otherwise impose a requirement on the public housing sector that does not apply to private landlords, which entails a distortion of competition. Functioning competition presumes equal conditions for all operators.

SABO considers that it is important for every Member State to retain the possibility of using alternative measures to achieve the targets of Article 7 and not be compelled to introduce white certificates. There is a risk of white certificates imposing a significant administrative burden.

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The Swedish Association of Public Housing Companies (SABO) is an industry and interest organisation for 300 municipal housing companies. Member companies jointly own and manage 800,000 dwellings. The companies are important actors on the Swedish housing market, both locally and nationally.

³ <http://www.boverket.se/globalassets/publikationer/dokument/2015/individual-metering-and-charging-in-existing-buildings.pdf>



Appendix: Concrete proposal for new article and supplements to articles

Underlining = new text compared to Directive 2012/27/EU of the European Parliament and the Council of 25 October 2012 on energy efficiency. *Italics* = Important sections of existing Directive that must be retained.

New article concerning information initiatives relating to how consumers can save energy

The Member States shall design national information initiatives, the purpose of which is to help consumers save money and energy through better information.

Supplement to Article 8, new point

X. Existing energy performance certificates, defined in Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings, for a building or in groups of buildings shall be exempt from paragraph 4, provided that the Member States ensure that the energy performance certificate satisfies the requirements of Annex VI.

Article 5, sections that must be retained

1. Without prejudice to Article 7 of Directive 2010/31/EU, each Member State shall ensure that, as from 1 January 2014, 3% of the total floor area of heated and/or cooled buildings owned and occupied by its *central government* is renovated each year to meet at least the minimum energy performance requirements that it has set in application of Article 4 of Directive 2010/31/EU.

Article 7, sections that must be retained

9. *As an alternative to setting up an energy efficiency obligation scheme under paragraph 1, Member States may opt to take other policy measures to achieve energy savings among final customers, provided those policy measures meet the criteria set out in paragraphs 10 and 11.* The annual amount of new energy savings achieved through this approach shall be equivalent to the amount of new energy savings required by paragraphs 1, 2 and 3. Provided that equivalence is maintained, Member States may combine obligation schemes with alternative policy measures, including national energy efficiency programmes.

Article 9, sections that must be retained

1. Member States shall ensure that, *in so far as it is technically possible, financially reasonable and proportionate in relation to the potential energy savings*, final customers for electricity, natural gas, district heating, district cooling and domestic hot water are provided with competitively priced individual meters that accurately reflect the final customer's actual energy consumption and that provide information on actual time of use.