



Stockholm,
9th of June 2016

Commissioner
Miguel Arias Cañete
DG Energy
Via e-mail
Copy per e-mail:
Paul Hodson,
Head of Unit
Energy Efficiency &
Intelligent Energy

Dear Commissioner Arias Cañete,

It is with great interest in promoting energy efficiency in Sweden that we closely follow the review of the Energy Efficiency Directive (EED) and the Energy Performance of Buildings Directive (EPBD). First however, a few words about whom we represent.

SABO, the Swedish Association of Public Housing Companies - is the organisation of the municipality owned public housing companies in Sweden. SABO's 300 member companies manage some 802 000 dwellings all together. The public housing sector represents almost 20 percent of the total housing stock in Sweden and half of the rental sector. Every 7th Swede lives in public housing.

Swedenergy – Energiföretagen Sverige – has about 400 member companies involved in production, distribution and retail of electricity and district heating and cooling. Many of our members are also involved in developing energy services in close relation with customers, services which help integrating smarter use and management of energy as well introducing household solar panels on roof tops, only to mention two examples. We see that this is a development which promotes a holistic view of the energy system while empowering the consumer.

With more than 90 percent of the municipality public housing heated with district heating, there is a close cooperation between our members locally and nationally. We share a common interest in promoting energy efficiency in a smart way to benefit both tenants and customers mutually.

With the Swedish almost climate neutral energy system as far as electricity and heat is concerned, increased energy efficiency in Sweden is very focused on competitiveness and cost reduction. It is with this backdrop that we have a few points of concern that we would like to highlight and which need to be addressed in the review of the Energy Efficiency Directive and the Energy Performance of Buildings Directive. The points are presented below.

Energy Efficiency in an Energy System Perspective

The differences in energy system between member states is a reason for why member states need ample flexibility to design and implement national measures for energy efficiencies adapted to national markets and energy systems for a more cost-efficient policy. The value of energy efficiency varies geographically and depends on how the energy system is composed. The effects of an action to reduce energy use leads to different effects depending in which energy system it takes place. It also depends on which kind of use of energy that is made more efficient. A reduction of the use of electricity in Sweden means that carbon-neutral Swedish electricity can be exported to a neighbor country. An insulation measure made in Poland has most likely a higher climate emission reduction than made in Sweden in a building using bio fuelled heated district heating.

We can also see a very positive development on the Swedish market where buildings are more and more connected to the energy system. More and more buildings owners put up solar cells on the roof, install charging infrastructure in the garage, server halls are delivering excess heat to the local district heating system. For us both the EED and the EPBD are seriously harming this development with their rigid view on energy and building markets. One size does not fit all.

Individual metering and billing

We can only echo what the Swedish Government has expressed in its position paper on individual metering and billing in art 9-11 EED. On a market where gross rent includes heating and cooling it would be counterproductive to energy efficiency to introduce metering of heating and cooling in individual apartments. The Government writes: "The advantage of gross rent is that property owners control a building's entire energy consumption. It provides strong incentives for property owners to work with the entire building and its installations, such as building envelope measures and energy-efficient heating and cooling systems. Indoor temperature is controlled by the property owner, usually set at 20-21 °C, and tenants cannot increase the temperature. The property owner can implement the specific actions that provide the best return of investment for the particular building because the energy savings can finance the investment itself." An introduction of net rent would thus introduce a new split incentive opposite to what member states are to do according to article 19 EED.

Energy audits in EED and energy performance certificates in EPBD

Energy audits in article 8 have in Swedish legislation become an additional administrative burden with very little value to large housing/building owners. These are now required to carry out an energy audit every four years according to article 8 EED and to undergo the procedure to achieve an energy performance certificate every ten years according to art 11 EPBD. This double-burden needs to be addressed and significantly reduced. In the enclosed position papers from SABO, SABO has developed the arguments for how this can be addressed.

Introduce a requirement for the verification of the energy performance of new buildings in EPBD

We consider that it is necessary to impose a requirement for the verification of the energy performance of new buildings to ensure that the buildings achieve the energy performance prescribed by the legislation of each Member State. 'Verification' means that the actual energy performance measured for the completed building corresponds to the theoretical energy performance calculated.

Introduce an energy use threshold in art 8 EED

The selection of companies which need to undergo an energy audit does not take into account energy use, only size. This is misleading and has led to large companies with very little potential to energy efficiency to undergo the administrative procedure to carry out an energy audit. We suggest that an energy use threshold is introduced in order to target the companies with the highest potential for energy efficiency measures. The exact level must of course be carefully evaluated for a cost-effective approach.

Conclusion and a final question

To sum up, we fully agree with the Commission that there is a need to improve the energy performance of buildings in the Union and also energy efficiency. We are however very concerned with the current effects of the EED and the EPBD for energy efficiency reasons. We can only underline the importance of a less detailed approach in EU legislation instead make sure that member states action plans are ambitious and possible to follow up. The national flexibility does not mean less ambitious energy efficiency policy according to our experience.

How, Commissioner Arias Cañete, do you intend to include our proposals in the ongoing review of these Directives?

Yours sincerely,



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(Two enclosed position papers)