Datum 28 April, 2017

# Proposed amendments to

# DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

# amending Directive 2012/27/EU on the energy efficiency

# Amendment 1

# Chapter 1, Article 2, Definitions

# Existing directive

following definitions shall apply:

(1) 'energy' means all forms of energy products, combustible fuels, heat. *renewable energy, electricity, or any other* form of energy, as defined in Article 2(d)of Regulation (EC) No 1099/2008 of the European Parliament and of the Council of 22 October 2008 on energy statistics (1 );

(2) 'primary energy consumption' means gross inland consumption, excluding nonenergy uses;

(3) 'final energy consumption' means all energy supplied to industry, transport, households, services and agriculture. It excludes deliveries the energy to

# Swedenergy proposal

For the purposes of this Directive, the For the purposes of this Directive, the following definitions shall apply:

> (1) 'energy' means all forms of energy products. combustible fuels. heat. renewable energy, electricity, or any other form of energy, as defined in Article 2(d) of Regulation (EC) No 1099/2008 of the European Parliament and of the Council of 22 October 2008 on energy statistics (1);

(2) 'end-use energy consumption' means the energy consumption by industry, transport, households, services and agriculture. It includes on-site generated energy.

(2)(3) 'primary energy consumption' means gross inland consumption, excluding nonenergy uses;

transformation sector and the energy (3)(4) 'final energy consumption' means all industries themselves; end-use energy consumption and energy supplied to industry, transport, households, services and agriculture. It excludes deliveries to the energy transformation sector and the energy industries themselves.

# Justification:

Within EU the focus is to increase the energy efficiency at all stages of the energy chain, from generation to final consumption. The term 'end-use energy consumption' is frequently used in the directive but lacks definition to ensure correct interpretation of the term. Final energy consumption must include end-use energy such as energy generated on-site to ensure both energy efficiency at all stages of the energy chain and resource efficiency.

# Amendment 2

# Chapter 2, Article 4

Existing directive

## **Building renovation**

Member States shall establish a long-term strategy for mobilising investment in the renovation of the national stock of residential and commercial buildings, both public and private. This strategy shall encompass:

(a) an overview of the national building stock based, as appropriate, on statistical sampling;

(b) identification of cost-effective approaches to renovations relevant to the building type and climatic zone;

(c) policies and measures to stimulate cost-effective deep renovations of buildings, including staged deep renovations;

(d) a forward-looking perspective to guide investment decisions of individuals, the construction industry and financial institutions;

(e) an evidence-based estimate of expected energy savings and wider benefits.

Swedenergy proposal

# **Building renovation**

Member States shall establish a long term strategy for mobilising investment in the renovation of the national stock of residential and commercial buildings, both public and private. This strategy shall encompass:

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(b) identification of cost-effective approaches to renovations relevant to the building type and climatic zone;

(c) policies and measures to stimulate cost effective deep renovations of buildings, including staged deep renovations;

(d) a forward-looking perspective to guide investment decisions of individuals, the construction industry and financial institutions;

*(e) an evidence-based estimate of expected energy savings and wider benefits.* 

A first version of the strategy shall be published by 30 April 2014 and updated every three years thereafter and submitted to the Commission as part of the National Energy Efficiency Action Plans.

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# Justification:

Swedenergy propose that the article is moved to Directive 2010/31/EU on the energy performance of buildings (apart from the last paragraph, which is removed).

#### Amendment 3

#### Chapter 2, Article 7, paragraph 1

Commission proposal

#### Swedenergy proposal

1. Member States shall achieve cumulative end-use energy savings at least equivalent to:

(a) new savings each year from 1 January 2014 to 31 December 2020 of 1.5 % of annual energy sales to final customers by volume, averaged over the most recent three-year period prior to 1 January 2013;

(b) new savings each year from 1 January 2021 to 31 December 2030 of 1.5 % of annual energy sales to final customers by volume, averaged over the most recent three-year period prior to 1 January 2019.

Member States shall continue to achieve new annual savings of 1.5% for ten year periods after 2030, unless reviews by the Commission by 2027 and every 10 years thereafter conclude that this is not necessary to achieve the Union's long term energy and climate targets for 2050. 1. Member States shall achieve cumulative end-use energy savings at least equivalent to:

(a) new savings each year from 1 January 2014 to 31 December 2020 of 1.5 % of annual energy sales to final customers by volume, averaged over the most recent three-year period prior to 1 January 2013;

(b) new savings each year from 1 January 2021 to 31 December 2030 of 1.5 % of annual energy sales to final customers by volume, averaged over the most recent three-year period prior to 1 January 2019.

Member States shall continue to achieve new annual savings of 1.5% for ten year periods after 2030, unless reviews by the Commission by 2027 and every 10 years thereafter conclude that this is not necessary to achieve the Union's long term energy and climate targets for 2050.

# Justification:

The proposal stipulates a ten year prolongation of the binding 1.5% savings target. The target should not automatically be prolonged beyond 2030. The regular review of the Directive is sufficient in this regard. Evidence from national implementation has shown that pursuing the 1.5% annual level of energy savings is very challenging for some Member States in view of increasing marginal costs.

# Amendment 4

Chapter 2, Article 7, paragraph 2

Commission proposal

2. Subject to paragraph 3, each Member State may:

(a) carry out the calculation required by point (a) of paragraph 1 using values of 1 % in 2014 and 2015; 1.25 % in 2016 and 2017; and 1.5 % in 2018, 2019 and 2020;

(b) exclude from the calculation all or part of the sales, by volume, of energy used in industrial activities listed in Annex I to Directive 2003/87/EC;

(c) allow energy savings achieved in the energy transformation, distribution and transmission sectors, including efficient district heating and cooling infrastructure, a result of implementing the as requirements set out in Article 14(4), point (b) of Article 14(5) and Article 15(1) to (6) and (9), to be counted towards the amount of energy savings required under paragraph 1;

(d) count energy savings resulting from individual actions newly implemented since 31 December 2008 that continue to have an impact in 2020 and beyond and which can be measured and verified, towards the amount of energy savings referred to in paragraph 1; and

(e) exclude from the calculation of the energy savings requirement referred to in paragraph 1 the verifiable amount of energy generated on or in buildings for own use as a result of policy measures promoting new installation of renewable energy technologies.

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Swedenergy proposal

(a) carry out the calculation required by point (a) of paragraph 1 using values of 1 % in 2014 and 2015; 1.25 % in 2016 and 2017; and 1.5 % in 2018, 2019 and 2020;

(b) exclude from the calculation all or part of the sales, by volume, of energy used in industrial activities listed in Annex I to Directive 2003/87/EC;

(c) allow energy savings achieved in the energy transformation, distribution and transmission sectors, including efficient district heating and cooling infrastructure, as a result of implementing the requirements set out in Article 14(4), point (b) of Article 14(5) and Article 15(1) to (6) and (9), to be counted towards the amount of energy savings required under paragraph 1;

(d) count energy savings resulting from individual actions newly implemented since 31 December 2008 that continue to have an impact in 2020 and beyond and which can be measured and verified, towards the amount of energy savings referred to in paragraph 1.; and

(e) exclude from the calculation of the energy savings requirement referred to in paragraph 1 the verifiable amount of energy generated on or in buildings for own use as a result of policy measures promoting new installation of renewable energy technologies.

# Justification:

Within EU the focus is to increase the energy efficiency at all stages of the value chain, from generation to final consumption. EU measures therefore focus on sectors where the potential for savings is greatest, such as buildings. Technology neutrality is required between on-site and energy supplied to the building. Excluding on-site energy from the end-use energy savings can lead to an increase of the energy used in buildings and thereby counteract the overall energy efficiency target. The energy used in buildings must include both energy sales to final customers as well as on-site energy.

## Amendment 5

Chapter 2, Article 7a, paragraph 1

## Commission proposal

# Swedenergy proposal

1. Where Member States decide to fulfil their obligations to achieve the amount of savings required under Article 7 (1) by way of an energy efficiency obligation scheme they shall ensure that obligated parties referred to in paragraph 2 operating in each Member State's territory achieve, without prejudice to Article 7(2), the cumulative end-use energy savings requirement set out in Article 7(1). 1. Where Member States decide to fulfil their obligations to achieve the amount of savings required under Article 7 (1) by way of an energy efficiency obligation scheme they shall ensure that obligated parties referred to in paragraph 2 operating in each Member State's territory achieve, without prejudice to Article 7(2), the cumulative end-use energy savings requirement set out in Article 7(1).

## Justification

The focus for energy efficiency must be cost-efficient measures and the flexibility in article 7a must be kept. 'White certificate' schemes should not be mandatory. Assessments of the possibility of establishing a 'white certificate' scheme at Union level has shown that such a system would create excessive administrative costs and that there is a risk that energy savings would be concentrated in a number of member States and not introduced across the Union.

# Amendment 6

## Chapter 2, Article 9a, paragraph 1

#### Commission proposal

1. Member States shall ensure that final customers for district heating, district cooling and domestic hot water are provided with competitively priced meters that accurately reflect the final customer's actual energy consumption.

# Swedenergy proposal

1. Member States shall ensure that final customers for district heating, district cooling and domestic hot water are provided with competitively priced meters that accurately reflect the final customer's actual energy consumption.

# Justification

The final customer, i.e. the property owner, must be responsible for the energy efficiency measures, not the end-user. Heat is included in the rent in Sweden in multi-apartment buildings to avoid energy poverty. Requirements for individual metering must be made

at the final customer level (property owner) to ensure incentives for energy efficiency. Individual metering at end-user level will give the property owner (multi-apartments) split incentives.

# Amendment 7

Chapter 2, Article 9a, paragraph 2

#### Commission proposal

Swedenergy proposal

2. In multi-apartment and multi-purpose buildings with a central heating or cooling source or supplied from district heating and cooling systems, individual meters shall be installed to measure the consumption of heat or cooling or hot water for each building unit.

Where the use of individual meters is not technically feasible or where it is not cost-efficient to measure heating or cooling in each building unit, individual heat cost allocators shall be used to measure heat consumption at each radiator unless it is shown by the Member State in question that the installation of such heat cost allocators would not be cost efficient. In those cases, alternative cost-efficient methods of heat consumption measurement may be considered. The conditions of technical non-feasibility and non-cost effectiveness shall be clearly set out and published by each Member State.

In new buildings of the kind referred to in the first sub-paragraph or when such a building undergoes major renovation, as set out in Directive 2010/31/EU, individual meters shall always be provided. 2. In multi-apartment and multi-purpose buildings with a central heating or cooling source or supplied from district heating and cooling systems, individual meters shall be installed to measure the consumption of heat or cooling or hot water for each building unit, where technically feasible, cost effective and proportionate in relation to the potential of energy savings.

Where the use of individual meters is not technically feasible or where it is not cost-efficient to measure heating or cooling in each building unit, individual heat cost allocators shall be used to measure heat consumption at each radiator unless it is shown by the Member State in question that the installation of such heat cost allocators would not be cost efficient. In those cases, alternative cost-efficient methods of heat consumption measurement may be considered. The conditions of technical non-feasibility and non-cost effectiveness shall be clearly set out and published by each Member State.

In new buildings of the kind referred to in the first sub-paragraph or when such a building undergoes major renovation, as set out in Directive 2010/31/EU, individual meters shall always be provided.

# Justification

*New and renovated buildings have both lower heating demands and features - e.g. thick building envelop and light dividing walls - which make metering necessary at building-*

level only. Introducing requirements for individual heat meters in the existing piping system or in new projects will lead to higher investment costs without any benefits in terms of energy savings. As with existing buildings, an approach conditioned on costeffectiveness and technical feasibility is necessary to avoid increased costs for users.

# Amendment 8

Chapter 2, Article 9a, paragraph 4

#### Commission proposal

# 4. For the purposes of this Article, as of 4. I 1 January 2020 meters and cost <del>1</del>

1 January 2020 meters and cost allocators installed shall be remotely readable devices.

Meters and cost allocators that have already been installed but which are not remotely readable shall be provided with this capability or be replaced with remotely readable devices by 1 January 2027, except where the Member State in question shows that this is not costefficient.';

#### Swedenergy proposal

4. For the purposes of this Article, as of 1 January 2020 meters and cost allocators installed on or after 1 January 2020 [or the transposition date if that date is later] shall be remotely readable devices. The conditions of technical feasibility and cost effectiveness set out in the first subparagraphs and second of paragraph 2 shall continue to apply.

Meters and cost allocators that have already been installed but which are not remotely readable shall be provided with this capability or be replaced with remotely readable devices by 1 January 2027, except where the Member State in question shows that this is not costefficient.';

# *Justification*

*Requirements for remotely readable meters for district heating by 1 January 2027 must be technically feasible and cost effective.* 

## Amendment 9

Chapter 2, Article 10a, paragraph 1

Commission proposal

# Swedenergy proposal

1. Member States shall ensure that billing and consumption information is accurate and based on actual consumption, in accordance with points 1 and 2 of Annex 1. Member States shall ensure that billing and consumption information is accurate and based on actual consumption, in accordance with points VIIa for all final users where meters or cost allocators are installed.

1 and 2 of Annex VIIa for all final users customers where meters or cost allocators are installed.

# Justification

The obligations set out under this provision and related annex can be applied for final customers, but not for end-users in multi-apartment buildings. Energy consumption is known for final customers because only for this category the amount to pay is calculated as heat consumption X heat price. The amount to pay for end-users typically depends on allocation rules and in Sweden the cost for heat is included in the rent. Article 10a as well as Annex VIIa should be complemented with additional provisions regarding the relevant information that should be provided by building owners for occupants of individual units of multi-apartment or multi-purpose buildings.

> Amendment 10 Chapter 2, Article 10a, paragraph 2

Commission proposal

Swedenergy proposal

2. Member States:

(a) shall require that, if information on the energy billing and historical consumption of final users is available, it be made available, to an energy service provider designated by the final user;

(b) shall ensure that final customers are offered the option of electronic billing information and bills and that they receive, on request, a clear and understandable explanation of how their bill was drawn up, especially where bills are not based on actual consumption;

(c) shall ensure that appropriate information is provided with the bill based on actual consumption to all final users in accordance with point 3 of Annex VII;

(d) may provide that, at the request of the final customer, the provision of billing information shall not be considered to constitute a request for payment. In such cases, Member States shall ensure flexible arrangements for actual payment are offered.';

# 2. Member States:

(a) shall require that, if information on the energy billing and historical consumption of final users customers is available, it be made available, to an energy service provider designated by the final user;

(b) shall ensure that final customers are offered the option of electronic billing information and bills and that they receive, on request, a clear and understandable explanation of how their bill was drawn up, especially where bills are not based on actual consumption;

(c) shall ensure that appropriate information is provided with the bill based on actual consumption to all final users customers in accordance with point 3 of Annex VII;

(d) may provide that, at the request of the final customer, the provision of billing information shall not be considered to constitute a request for payment. In such cases, Member States shall ensure flexible arrangements for actual payment are offered.';

## *Justification*

The obligations set out under this provision and related annex can be applied for final customers, but not for end-users in multi-apartment buildings. The amount to pay for end-users typically depends on allocation rules and in Sweden the cost for heat is included in the rent for an apartment. Swedenergy supports the proposal hat final customers should be offered the option of electronic billing information and bills.

Amendment 11

# Annex VIIIa

Commission proposal

1. Billing based on actual consumption 1. Bi

In order to enable final users to regulate their own energy consumption, billing shall take place on the basis of actual consumption at least once per year.

2. Minimum frequency of billing or consumption information

As of [Please insert here ....the entry into force] where remotely readable meters or cost allocators have been installed, billing or consumption information based on actual consumption shall be made available at least quarterly upon request or where final customers have opted to receive electronic billing, or else twice yearly.

As of 1 January 2022, where remotely readable meters or cost allocators have been installed, billing or consumption information shall be made available at least monthly. Heating and cooling may be exempted from this outside the heating/cooling seasons.

3. Minimum information contained in the bill based on actual consumption

Member States shall ensure that the following information is made available to final users in clear and understandable terms in or with their bills:

Swedenergy proposal

1. Billing based on actual consumption

In order to enable final users **customers** to regulate their own energy consumption, billing shall take place on the basis of actual consumption at least once per year.

2. Minimum frequency of billing or consumption information

As of [Please insert here ....the entry into force] where remotely readable meters or cost allocators have been installed, billing or consumption information based on actual consumption shall be made available at least quarterly upon request or where final customers have opted to receive electronic billing, or else twice yearly.

As of 1 January 2022, where remotely readable meters or cost allocators have been installed, billing or consumption information shall be made available at least monthly. Heating and cooling may be exempted from this outside the heating/cooling seasons.

3. Minimum information contained in the bill based on actual consumption

Member States shall ensure that the following information is made available to final users customers in clear and understandable terms in or with their bills:

(a) current actual prices and actual consumption of energy;

(b) information on the fuel mix used, including for final users supplied by district heating or district cooling;

(c) comparisons of the final users current energy consumption with consumption for the same period in the previous year, in graphic form, climate corrected for heating and cooling;

contact information for final (d) customers' organisations, energy agencies or similar bodies, including website addresses. from which information may be obtained on available efficiency improvement energy measures, comparative end-user profiles and objective technical specifications for energy-using equipment.

In addition, Member States shall ensure that comparisons with an average normalised or benchmarked final user in the same user category are made available to final users in clear and understandable terms, in, with or signposted to within, their bills.'. (a) current actual prices and actual consumption of energy;

(b) information on the fuel mix used, **in the last calendar year**, including for final <del>users</del> **customers** supplied by district heating or district cooling;

(c) comparisons of the final users customers current energy consumption with consumption for the same period in the previous year, in graphic form, climate corrected for heating and cooling;

(d) contact information for final customers' organisations, energy agencies or similar bodies, including from website addresses. which information may be obtained on available energy efficiency improvement measures, comparative end-user profiles and objective technical specifications for energy-using equipment.

In addition, Member States shall ensure that comparisons with an average normalised or benchmarked final user **customer** in the same user category are made available to final users **customers** in clear and understandable terms, in, with or signposted to within, their bills.'.

# **Justification**

See explanation for Amendment 8, Article 10a, paragraph 1.

#### Amendment 12

# Recital 13

## Commission proposal

Swedenergy proposal

Energy generated on or in buildings from renewable energy technologies reduces the supplied fossil energy. The reduction of energy consumption and the use of energy from renewable sources in the buildings sector are important measures reduce Union's to the energy dependency and greenhouse gas emissions, especially in view of Energy generated on or in buildings from renewable energy technologies **can** reduces the supplied fossil energy. The reduction of energy consumption and the use of energy from renewable sources in the buildings sector are important measures to reduce the Union's energy dependency and greenhouse gas emissions, especially in view of ambitious climate and energy objectives set for 2030 as well as the global commitment made in the Conference of the Parties of the United Nation Framework Convention on Climate Change (COP21) held in Paris in December 2015. Member States should therefore be able to take into account a certain amount of renewable energy generated on or in buildings for own use into account to satisfy their energy savings requirements. For this purpose Member States should be allowed to use calculation methodologies established under Directive 2010/31/EU. ambitious climate and energy objectives set for 2030 as well as the global commitment made in the Conference of the Parties of the United Nation Framework Convention on Climate Change (COP21) held in Paris in December 2015. Member States should therefore be able to take into account a certain amount of renewable energy generated on or in buildings for own use into account to satisfy their energy savings requirements. For this purpose Member States should be allowed to use calculation methodologies established under Directive 2010/31/EU.;

#### **Justification**

Technology neutrality is required between on-site and energy supplied to the building. Excluding on-site energy from the end-use energy savings can lead to an increase of the energy used in buildings and thereby counteract the overall energy efficiency target. Energy generated on or in buildings from renewable energy technologies **can** reduce the supplied fossil energy. But it can also replace renewable energy supplied to the customer, which is often the case in Sweden with a large proportion of renewable district heating and cooling in the system. With an increased amount of renewables in EU the situation will be more similar to the Swedish conditions. Equality between distributed renewable energy and energy generated on or in buildings must be ensured.

Amendment 13

## Recital 14

#### Commission proposal

As part of the measures set out in the Commission's Communication New Deal for Energy Consumers, in the context of the Energy Union and the Heating and Cooling strategy, consumers' minimum rights to clear and timely information about their energy consumption need to be strengthened. Articles 9 to 11 and Annex VII of Directive 2012/27/EU should be amended to provide for frequent and enhanced feedback on energy consumption. It should also clarified that rights relating to billing and billing information apply for consumers of

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heating, cooling or hot water supplied from a central source even where they have no direct, individual contractual relationship with an energy supplier. Therefore, for the purposes of these provisions, the term 'final user', should cover final customers purchasing heating, cooling or hot water for their own use as well as occupants of individual units of multi-apartment multi-purpose or buildings where such units are supplied from a central source. The term 'submetering' should refer to measuring consumption in individual units of such buildings. By 1 January 2020 newly installed heat meters and heat cost allocators should be remotely readable to ensure cost-effective, frequent provision of consumption information. The new Article 9a is intended to apply only to heating, cooling and hot water supplied from a central source.

of heating, cooling or hot water supplied from a central source even where they have no direct, individual contractual relationship with an energy supplier. Therefore, for the purposes of these provisions, the term 'final user', should cover final customers purchasing heating, cooling or hot water for their own use as well as occupants of individual units of multi-apartment or multi-purpose buildings where such units are supplied from a central source. The term 'submetering' should refer to measuring consumption in individual units of such buildings. By 1 January 2020 newly installed heat meters and heat cost allocators should be remotely readable to ensure cost-effective, frequent provision of consumption information. The new Article 9a is intended to apply only to heating, cooling and hot water supplied from a central source.

# **Justification**

The purpose of the provisions in Article 9 to 11 can be applied for final customers, but not for endusers in multi-apartment buildings. The final customer (property owner) must be responsible for the energy efficiency measures, not the end-user. Heat is included in the rent in Sweden in multiapartment buildings to avoid energy poverty. Requirements for individual metering must be made at the final customer level, i.e. the property owner, to ensure incentives for energy efficiency. Individual metering at end-user level will give the property owner (multi-apartments) split incentives.