



**2015/2232(INI)**

27.4.2016

## **OPINION**

of the Committee on the Environment, Public Health and Food Safety

for the Committee on Industry, Research and Energy

on the implementation report on the Energy Efficiency Directive (2012/27/EU)  
(2015/2232(INI))

Rapporteur: Peter Liese



## SUGGESTIONS

The Committee on the Environment, Public Health and Food Safety calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

- A. whereas after the successful agreement of the COP 21 in Paris the EU is more than ever obliged to achieve its climate targets, and energy efficiency is one of the most cost-efficient ways to achieve the reduction of CO<sub>2</sub> emissions;
- B. whereas in 2014 the EU spent EUR 358 billion per year on energy imports, meaning almost EUR 1 billion Euro per day<sup>1</sup>, or more than the total deficit of Greece (EUR 317 billion)<sup>2</sup> and almost as much as the total turnover of the German car industry (EUR 367.9 billion)<sup>3</sup> in 2014;
  1. Emphasises that improving energy efficiency is crucial to achieving our climate targets, in line with the objectives endorsed in the Paris Agreement adopted at COP21, and to reducing our dependence on energy imports;
  2. Stresses that this is essential to starting the transition towards a more sustainable energy system based on renewables and away from fossil fuels as soon as possible;
  3. Recalls that this is also vital to job creation and sustainable growth - especially in SMEs and industry – and to increasing productivity and enhancing comfort and health;
  4. Expresses its disquiet at the Commission's assessment, as set out in its communication of 23 July 2014 to Parliament and the Council, that at the current pace the EU's 20 % energy-saving target will not be reached by 2020 and the real rate will be 1 % to 2 % lower; calls on the Commission to encourage Member States to invest additional efforts and take measures to ensure that this European target is met;
  5. Expresses its concern regarding all areas highlighted in the Commission report showing values still far removed from the energy efficiency target for 2020; calls, therefore, on the Commission and the Member States to take resolute action with regard to buildings, transport, services and energy production, in order to guarantee greater prosperity and green jobs in the EU; observes that such measures should be in line with the transition to a circular economy;
  6. Maintains that the Paris Agreement (COP 21) has to be accompanied by national emissions plans with unequivocal and verifiable commitments on emissions and energy that ensure that an undertaking is made to prevent global warming by more than 2 degrees;

---

<sup>1</sup> Source: European Commission

<sup>2</sup> Eurostat (2015): Bereitstellung der Daten zu Defizit und Schuldenstand 2014 - erste Meldung. <http://ec.europa.eu/eurostat/documents/2995521/6796753/2-21042015-AP-DE.pdf/28a7cf93-61e6-4a81-85c7-1a168866e3ba>

<sup>3</sup> Statistica (2016): Umsatz der Automobilindustrie in Deutschland in den Jahren 2005 bis 2014 (in Milliarden Euro). <http://de.statista.com/statistik/daten/studie/160479/umfrage/umsatz-der-deutschen-automobilindustrie/>

7. Notes that private and public buildings account for 40 % of final energy use in the EU and 36 % of CO<sub>2</sub> emissions while 50 % of final energy consumption is accounted for by heating and cooling; considers, therefore, that improving the energy efficiency of buildings is of prime importance in reducing CO<sub>2</sub> emissions and improving energy security, as well as for ending energy poverty and improving health;
8. Calls on the Member States to promote investment in the construction sector, including more efforts to incentivise deep renovation of the poorly insulated buildings stock in the EU;
9. Proposes that Article 4 of the Energy Efficiency Directive should be reworded to refer to 'long-term strategies for the renovation of the national building stock, including for mobilising investment';
10. Calls on the Commission and the Member States to prioritise Article 4 of the Directive with respect to the preparation of the second version of the strategies, which is to be delivered in 2017 and should be built on proper engagement with stakeholders, following mandatory templates, including intermediate five-year targets and implementation plans, in order to achieve a goal of nearly zero energy building stock (nZEB) at EU level by 2050, as will be necessary to meet the COP 21 goals;
11. Calls for the extension of Article 5 of the Directive to cover all public administration levels; considers in this respect that Member States should be required to establish national effort-sharing mechanisms for achieving the 3 % target and that the flexibility to opt for other measures should be maintained, as an alternative approach to that of paragraphs 1 and 2;
12. Notes that the least progress was made in the residential sector, and thus calls on Member States to use energy service companies and energy performance contracting, to implement tax schemes and loan programmes in order to increase the low renovation rates for the existing building stock in Europe, and to reward energy efficiency measures such as the uptake of energy-efficient heating and cooling;
13. Believes that the measures for energy-efficient renovation of existing buildings need to be prioritised among the most energy-poor; calls on the Commission to propose a target to improve the efficiency of residential building stock, alongside future minimum efficiency standards for rented housing in the context of the revision of the Energy Efficiency Directive;
14. Stresses that common efforts by the EU will help to create a common market for goods and services that help to save energy, which will bring down costs for all consumers and make energy services more affordable, especially for vulnerable people, create a more level playing field for industry, and boost competitiveness and open new opportunities;
15. Observes that energy-intensive industries must also contribute, and that a level playing field within the EU is very important in this context;
16. Highlights the fact that more than half of the investment needed to decarbonise the EU's energy system by 2050 needs to be directed to energy efficiency; emphasises that this approach will ensure that fossil-fuel based generation is sized to a scale appropriate to

meet future demand and asset stranding is avoided; calls for energy efficiency to be treated as an infrastructure investment priority allowing for its deployment as part of wider EU and national infrastructure planning and financing processes;

17. Stresses that the Energy Efficiency Directive has triggered many positive developments in the Member States, but that poor implementation is hindering its full potential; welcomes the increased technical support from the Commission aimed at ensuring correct and speedy implementation;
18. Underlines, however, the need for more guidance from the Commission, in order to help Member States implement the Directive more effectively and report on progress;
19. Calls on the Commission to act promptly in making reasoned requests, where necessary, for national plans to be aligned with the objectives of the Directive, and to use all legal means to ensure that Member States provide up-to-date and precise information;
20. Calls on the Commission to promote the exchange of best practices across Member States in order to speed up the achievement of targets and the diffusion of innovative products and services, and to promote cross-country convergence in energy efficiency;
21. Notes that those Member States which are still some way from achieving the 2020 target of 20 % require guidance from the Commission to enable them to immediately develop national policies and specific measures for energy and resource efficiency; urges Member States, accordingly, to implement and maintain a stable system of incentives in order to facilitate a reliable flow of investment and funding, paying particular attention to energy efficiency in buildings;
22. Points out that the chief weakness of the existing Directive is that most of the measures will expire in 2020 unless it is suitably amended, which means, inter alia, that its main provisions, in particular Article 7, should be extended not only up to 2030 but also beyond, and that it is in this context that the current Directive is to be assessed, with objectives to be established in line with developments (results obtained, technological and market innovations, etc); expects that this will favour long-term measures; notes, furthermore, the necessity of introducing a mid-term review in order to guarantee that the targets will be attained in 2030;
23. Regrets the unambitious target of at least 27 % for improving energy efficiency in 2030 adopted by the European Council in 2014, in contrast to the binding target of 40 % to be implemented by means of individual national targets adopted by Parliament; notes that the 27 % figure is mainly justified by an extremely unrealistic high discount rate in a previous impact assessment; recalls that the discount rate of 17.5 % is higher than that for energy investment in Iraq (15 %); calls on the Commission to move to comprehensive cost-benefit analysis and a social discount rate, in line with its own Better Regulation guidelines<sup>1</sup>;

---

<sup>1</sup> Better Regulation guidelines SWD(2015)0111, tool No 54: ‘The social discount rate is the rate most used in Impact Assessments, as these normally consider costs and benefits together from the point of view of society as a whole (rather than from the point of view of a single stakeholder group). The recommended social discount rate is 4 % ... In general, it is not appropriate to use alternative social discount rates, as using the 4% rate consistently in Impact Assessments and an evaluation ensures coherence and comparability.’

24. Asks the Commission and the Member States to review the 27 % energy efficiency target for 2030 in the light of the Paris climate change agreement, and asks the Commission to propose a 2030 target that reflects the level of cost-effective energy efficiency potential and which can be reached once market failures and imperfections are removed, recognising the societal value of treating energy saving as an energy source in its own right;
25. Recalls the call made in Parliament's resolution of 5 February 2014 and reiterated in its resolutions of 26 November 2014 and 14 October 2015 for three binding energy and climate targets for 2030, in particular the 40 % energy efficiency target; calls on the Commission and the Member States to review the 27 % energy efficiency target for 2030 and to set a binding 40 % efficiency target, and, in addition, to set energy efficiency targets up to 2050 in line with the ambitious commitments made under the Paris agreements to keep the global temperature increase below 1.5 °C; emphasises that the post-2020 EU energy efficiency target should be binding and implemented through individual national targets; urges the Commission to assess several 2030 energy efficiency scenarios, including at the level of 40 %;
26. Emphasises that, for the achievement of the 2030 energy efficiency objectives, the EU should facilitate the adoption of a wider selection of instruments and data, such as energy audit and management systems, performance statistics and indicators, geo-referenced building registers with information on their energy consumption, energy performance contracts, advanced financing instruments, and professional training schemes;
27. Stresses that a high discount rate would reflect the unrealistic assumption that cost-effective investments in energy efficiency will not happen because of a number of obstacles, whereas first of all these obstacles are overestimated by the Commission and it is the duty of political actors to overcome obstacles to such investments that would pay off over time;
28. Notes, in addition, that the current high discount rate presumes that energy efficiency is achieved only through individual actions, overlooking the fact that the role of public bodies is key to driving energy efficiency improvements, particularly in buildings;
29. Acknowledges that insufficient price signals are a main reason to undermine demand response; calls on Member States to tackle this barrier and to promote smart metering and transparent billing as a way to foster more responsive consumer behaviour with reference to energy consumption and investment in energy efficiency;
30. Recalls the conclusion of the Energy Union Framework Strategy that energy efficiency is an energy source in its own right; considers that a high discount rate therefore undermines the EU's own energy supply and energy independence;
31. Welcomes new innovative and smart solutions for balancing energy supply and demand, for better utilisation of renewable energy, and for reducing peak energy consumption; calls for research and development funding for these new solutions, especially for the SME sector;
32. Highlights the importance of European financial instruments in the form of loans, guarantees and equity to leverage private funding for energy efficiency projects; stresses,

however, the need for funding to be provided in the form of grants for projects in the social domain;

33. Agrees with the Commission that lower fuel prices, together with economic growth prospects, could further endanger the achievement of the 20 % target; calls on the Commission and the Member States to enhance the monitoring, verification, control and compliance regime in order to ensure the right level of ambition;
34. Underlines the importance of eliminating loopholes in the existing Directive, especially in Article 7, while at the same time safeguarding flexibility for Member States to choose among the measures; underlines, in this regard, the possibility of opting for alternative measures while not undermining the achievement of the annual energy savings targets;
35. Calls for a revision of Article 7 that enables the objective quantification and achievement of the 1.5 % p.a. energy savings requirement;
36. Notes in particular that phasing-in and early actions under Article 7(2) are no longer relevant, and that the 25 % flexibility criterion has diminished the effectiveness of the 1.5 % p.a. energy savings requirement; insists that alternative measures under Article 7(9) must be tightly defined and easy to quantify; recalls that Article 7 is aimed at delivering more than half of the 20 % target set by the Directive;
37. Welcomes the fact that energy audits and energy management schemes under Article 8 are helping to make EU companies more competitive; calls for the implementation of cost-effective energy audit recommendations, to be required in conjunction with planned maintenance and with additional incentives provided where necessary; calls on the Commission and Member States to ensure swift transposition and implementation of requirements under Article 8, and for that Article to be extended to cover all companies with high energy consumption;
38. Stresses the importance of conducting energy audits prior to devising energy efficiency plans, based on reducing energy consumption and as a way of addressing energy poverty;
39. Emphasises the need to improve the energy efficiency of the public sector, and calls for better integration of energy-saving initiatives into public procurement;
40. Notes that energy efficiency requirements in public procurement are not fully understood by all procurement agents; calls on the Commission to provide clearer guidelines to facilitate compliance with Article 6 of the Directive, as well as better integration into the wider EU rules on public procurement;
41. Reiterates that energy efficiency must be understood as the most sustainable element of our obligation to reduce our energy consumption, and not as an pretext for increasing consumption;

42. Stresses that, among the challenges arising and the major barriers to the implementation of Article 7, lack of knowledge and capacity on the part of those involved plays an important role, as does the low level of awareness among final consumers regarding compulsory efficiency schemes or alternative measures and the limited timeframe (2014-2020) for achievement thereof; calls, therefore, on the EU to invest more in the implementation of information and support programmes in the individual Member States;
43. Stresses that better harmonisation of the methods of calculating additionality (capacity to promote technologies that perform above the market average) and materiality (promoting action that would not necessarily have been taken) and for the measurement and verification of energy savings could contribute to the more effective implementation of Article 7;
44. Proposes that the title of Article 7 be changed to ‘Energy-saving support schemes’ in order to emphasise the need for Member States to help consumers, including SMEs, to save energy and reduce their energy costs and put in place measures that enable such savings to be achieved;
45. Expresses its concern at the increasing pollution caused by certain domestic heating installations fired by solid biomass, which produce large quantities of fine dust, nitrogen oxides, carbon monoxide and dioxins that greatly detract from air quality and are therefore harmful to human health; urges the Member States, accordingly, to implement efficient and environment-friendly alternative solutions;
46. Underlines the immediate need to deploy a more comprehensive approach to improving the energy efficiency of the entire transport system, not relying only on the technological development of vehicles or propulsion systems; rather, urges the Commission and the Member States to take ambitious steps to introduce new measures to enhance modal shift towards the most energy-efficient modes, and to fully deploy Intelligent Transport Systems (ITS) in order to further improve the efficiency and usage rate of the capacity available, both of vehicles and of infrastructure, and also in logistics, aviation and maritime transport;
47. Recalls that energy efficiency can be achieved by setting CO<sub>2</sub> standards and informing users on the fuel consumption of their vehicles; calls on the Commission to come forward with proposals to inform users on the fuel consumption of new trucks, buses and coaches, and to set limits on their CO<sub>2</sub> emissions;
48. Calls on the Commission to involve local and regional institutions in order to promote energy efficiency at regional, local and grassroots levels;
49. Calls for plans to be drawn up with a view to phasing out fossil fuel subsidies and channelling financial resources into energy efficiency projects serving to achieve the EU’s goals for decarbonisation of the energy sector by 2050;
50. Proposes that such ‘energy-saving support schemes’ prioritise action in the buildings sector, notably by fostering the implementation of the national long-term strategies included in Article 4;
51. Stresses the need for ambitious, robust and transparent climate governance that will

guarantee that the efficiency target is reached; considers that corresponding rules should be introduced as part of the review of the Directive; calls on the Commission and the Member States to ensure that Parliament is fully involved in developing climate governance, and to put forward proposals in the framework of the ordinary legislative procedure;

52. Calls on Member States to include a provision for a significant minimum percentage of measures in energy efficiency obligation schemes to target low-income consumers;
53. Reinstates its call for a significant investment programme for energy efficiency in Europe, fully mobilising the European Fund for Strategic Investment (EFSI) and the Structural Funds; notes that energy efficiency projects are often small-scale and need to be bundled into larger portfolios; to this end, calls on the Commission, the European Investment Bank and the Member States to deploy more technical assistance and project development assistance in order to facilitate investments;
54. Regrets the low contribution of transport to energy-saving, with a percentage of only 3 % within the overall sectoral split of savings, despite the stabilisation of passenger traffic and the fall in freight traffic between 2005-2013 owing to the economic crisis; calls on the Member States to increase the number of measures targeting the transport sector;
55. Asks the Commission to reduce paperwork as much as possible for SMEs and public bodies;
56. Proposes a review of the definition of ‘SME’ applied in the Directive (Article 2(26)) so that it refers only to number of employed persons and annual turnover, such that companies which are 25 % or more controlled by a public body can still be considered as SMEs.

## RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

<b>Date adopted</b>	26.4.2016
<b>Result of final vote</b>	+:               56 -:               10 0:                0
<b>Members present for the final vote</b>	Marco Affronte, Margrete Auken, Pilar Ayuso, Zoltán Balczó, Ivo Belet, Simona Bonafè, Biljana Borzan, Lynn Boylan, Soledad Cabezón Ruiz, Nessa Childers, Alberto Cirio, Birgit Collin-Langen, Mireille D'Ornano, Seb Dance, Angélique Delahaye, Jørn Dohrmann, Ian Duncan, Stefan Eck, Bas Eickhout, Eleonora Evi, José Inácio Faria, Karl-Heinz Florenz, Francesc Gambús, Elisabetta Gardini, Gerben-Jan Gerbrandy, Jens Gieseke, Julie Girling, Matthias Groote, Françoise Grossetête, Andrzej Grzyb, György Hölvényi, Anneli Jäätteenmäki, Jean-François Jalkh, Benedek Jávor, Karin Kadenbach, Kateřina Konečná, Giovanni La Via, Peter Liese, Norbert Lins, Susanne Melior, Miroslav Mikolášik, Massimo Paolucci, Gilles Pargneaux, Piernicola Pedicini, Bolesław G. Piecha, Pavel Poc, Daciana Octavia Sârbu, Davor Škrlec, Estefanía Torres Martínez, Nils Torvalds, Jadwiga Wiśniewska, Damiano Zoffoli
<b>Substitutes present for the final vote</b>	Clara Eugenia Aguilera García, Nicola Caputo, Fredrick Federley, Giorgos Grammatikakis, Merja Kyllönen, Gesine Meissner, Marijana Petir, Gabriele Preuß, Jasenko Selimovic, Kay Swinburne, Keith Taylor, Mihai Țurcanu, Tom Vandenkendelaere
<b>Substitutes under Rule 200(2) present for the final vote</b>	Marie-Christine Boutonnet