

Position Paper on the EED Recast [COM (2021) 558 final]

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- 40% of energy is used in buildings. Yet 97% of the existing EU building stock is not sufficiently energy efficient. This is endangering our transition to a climate safe future.
- Energy efficiency is also critical for energy security – as highlighted in REPower EU and the objective to reduce Russian gas import by 48 bcm by 2030.
- The Energy Efficiency Directive (EED) contains important proposals supporting the scaling-up of the energy efficient renovation of homes. Within this framework the energy savings obligations under Article 8 should play a key role in boosting the thermal renovations of homes.

Our Concern

- Regrettably, the inability to accurately measure the real energy efficiency savings delivered in homes undermines confidence in their ability to support the delivery of these energy savings obligations. No one, either in government or in the market can be sure that Article 8 is delivering real savings. As a result, what should be a powerful mechanism to drive the energy transition, is significantly hampered and Member States are wary of ambition.
- Fortunately, European digital innovation now enables us to meter the real energy performance of buildings. For the first time we can calculate day-after-day the kilowatt hours (kWh) saved by a renovation. Moreover, we can benchmark the fabric improvement attributed to the works. In short, trust can be restored to the marketplace and governments can be sure that the energy saving obligations are delivering proven and metered savings.
- However, the EED revision provides no obvious pathway for such technologies to support energy savings to move from being fictive to being proven. This means that breakthrough European technology is being sidelined and will not be able to provide support to delivering the energy transition.

Call to Action

- **Amend Article 8** to provide Member States with the option of ringfencing a proportion of the savings obligation for proven and metered energy savings in housing and to allow such proven savings to be double counted towards their overall energy savings obligation for a given period.
- This minor amendment will create a pathway for the EU to stimulate innovative policy instruments based on a Pay4Performance (P4P) approach that could transform energy efficiency renovation providing a major boost to the renovation wave.

Knauf Energy Solutions is a GreenTech company building the world's Virtual Energy Infrastructure (VEI). VEI replaces power generation with metered savings from energy efficiency renovations. It deploys smart connected technology to enable buildings to actively support the transition to a net zero carbon energy system. For more information visit www.knaufenergy.com email Marie.Cletienne@knaufenergy.com or call +32 (0)472 92 43 18

<p>Article 8 Energy savings obligation</p> <p>1. Member States shall achieve cumulative end-use energy savings at least equivalent to:</p> <p>(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. Sales of energy, by volume, used in transport may be excluded, in whole or in part, from that calculation;</p> <p>(b) new savings each year from 1 January 2021 to 31 December 2023 of 0,8 % of annual final energy consumption, averaged over the most recent three year period prior to 1 January 2019. By way of derogation from that requirement, Cyprus and Malta shall achieve new savings each year from 1 January 2021 to 31 December 2023 equivalent to 0,24 % of annual final energy consumption, averaged over the most recent three-year period prior to 1 January 2019.</p> <p>(c) new savings each year from 1 January 2024 to 31 December 2030 of 1,5 % of annual final energy consumption, averaged over the three-year period prior to 1 January</p>	<p>Article 8 (new) Energy savings obligation</p> <p>1. Member States shall achieve cumulative end-use energy savings at least equivalent to:</p> <p>(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. Sales of energy, by volume, used in transport may be excluded, in whole or in part, from that calculation;</p> <p>(b) new savings each year from 1 January 2021 to 31 December 2023 of 0,8 % of annual final energy consumption, averaged over the most recent three year period prior to 1 January 2019. By way of derogation from that requirement, Cyprus and Malta shall achieve new savings each year from 1 January 2021 to 31 December 2023 equivalent to 0,24 % of annual final energy consumption, averaged over the most recent three-year period prior to 1 January 2019.</p> <p>(c) new savings each year from 1 January 2024 to 31 December 2030 of 1,5 % of annual final energy consumption, averaged over the three-year period prior to 1 January. <i>By derogation Member States may double count savings, up to a maximum of a third of the total savings commitment for any given period, where such savings take place in housing and are based on digital energy efficiency metering technologies that have been certified at the EU or national level.</i></p>
<p>Justification</p> <ul style="list-style-type: none"> • The European Renovation Wave Communication [SWD (2020) 550 final] explicitly committed (Page 16, paragraph 4) to "...establish a trusted scheme for certifying energy efficiency meters in buildings that can measure actual energy performance improvements." • It also recognised (Page 12, paragraph 1) that "... Member States can reduce risk perception and scale up market incentives, such as energy-saving tariffs, pay-per-performance public support schemes and energy-saving tenders to attract private intermediaries and aggregators." • The emergence of cost effective and scalable energy efficiency metering technologies can provide highly accurate information on the actual energy efficiency savings delivered by a retrofit. • Highly accurate digital energy efficiency meters are the foundation for creating a Pay4Performance (P4P) approach and moving away from compensating tick box measures. 	

P4P approaches can transform the market and deliver the scale and quality of renovation that is needed to tackle energy poverty and meet Europe's climate ambitions.

- Member States should be encouraged to develop innovative policy approaches that increase the credibility of the energy savings obligations and drive renovation. This amendment will create a strong incentive to do so.