## Energy end-use efficiency and energy services

2003/0300(COD) - 23/01/2008 - Follow-up document

This report has been prepared by the Commission in accordance with requirements set out in Directive 2006/32/EC on energy end-use efficiency and energy savings. Under the terms of the Directive, each Member State is required to prepare a "National Energy Efficiency Action Plan" (NEEAPs) and to notify it to the Commission by 30 June 2007. Not all Member States managed to meet this obligation. Hence this report is based on 17 NEEAPs only and as such offers a partial response only. This, the first such report, provides an overview of the range of strategies and measures presented by the Member States and it identifies good practices which merit closer examination.

Energy conservation and energy efficiency improvements are of increasing importance within the context of environmental sustainability and the security of energy supply. The NEEAPs provide a practical demonstration of Member States' commitment to achieving reduced CO2 targets. The report notes that whilst efficiency improvements are already being achieved and leading to a decrease in energy intensity, the total energy consumption in Europe is, nevertheless, increasing. This in turn leads to increased CO2 emissions and fossil fuel import dependency.

To recall, the Directive requires that the Member States adopt a 9% indicative energy end-use savings target by 2016 and that the legal framework for promoting energy efficiency is up and running by the end of 2016. Further, by 2010 the Member States must have established a national indicative savings target. In other provisions, the Directive requires that the public authorities set an exemplary role in order to encourage other actors to undertake energy efficiency action plans. In short, they are to demonstrate to others that they are stepping up to the challenge and leading by example.

## A first assessment:

The first review of the 17 NEEAPs submitted indicates that five Member States have adopted a savings target that goes beyond the minimum target of 9%. Several Member States say they intend to achieve higher savings targets but fail to specify, formally, how they are going to achieve this. Several NEEAPs envisage that a sizeable portion of their total savings, over the nine-year period, will come from so called existing or "early actions". Six NEEAPS do not cover the entire nine-year period set by the Directive.

As far as the exemplary role of the public sector is concerned the report notes that several Member States have set out comprehensive action plans, demonstrating that they are stepping up to the challenge and leading by example. On the other hand, several Member States state that they will comply with the Directive's provisions on public sector requirements but fail to describe how. On the matter of promoting energy efficiency, it appears that most of the Member States will advocate energy efficiency through general information campaigns and/or targeted efforts linked to incentive schemes. An array of incentive schemes (financial and fiscal) are set out in the NEEAPs. Many are horizontal in nature, addressing more than one sector. Other instruments include voluntary agreements; market based instruments; and energy service companies (ESCOs). In other measures, many Member States have set up the institutional infrastructure to facilitate an energy efficiency programme (i.e. Energy Agencies) as well as putting considerable effort into considering transport and spatial planning initiatives (i.e. fuel efficiency initiatives).

Among the NEEAPs reviewed by the Commission, several present comprehensive strategies and plans that are likely to deliver savings beyond the required 9%. However, many of the plans offer a "business-as-usual" approach that fail to offer forward-thinking, visionary strategies..

## **Moving forward:**

Within the coming months, the Commission will continue to analyse and review the NEEAPs with a view to assessing whether they are realistic. In the meantime infringement procedures against those Member States who have failed to notify their NEEAPs will continue.

## **Conclusions:**

To conclude the report, the Commission notes that the NEEAPs offer an opportunity to focus on energy efficiency – a matter of strategic importance to the EU. Whilst, at first glance the NEEAPs offer some encouragement, they also reveal considerable gaps between political commitment and measures adopted. The Commission, therefore, looks forward to the submission of further plans and the exchange of best practice. Progress towards strategic objectives, as agreed in March 2007, will be assessed in the second Strategic Energy Review, which in turn will help formulate recommendations for future policy developments. This will almost certainly include an energy efficiency component. The report concludes by setting out, in Annex, data on the calculation of CO2 benefits from the savings targets, as provided for in the Energy Services Directive.