## Basic information

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|---|---|
| **2016/0376(COD)**<br>COD - Ordinary legislative procedure (ex-codecision procedure)<br>Directive | Procedure completed |
| Energy efficiency<br>Amending Directive 2012/27/EU 2011/0172(COD)<br>**Subject**<br>3.60.08 Energy efficiency | |

## Key players

### European Parliament

| Committee responsible | Rapporteur | Appointed |
|---|---|---|
| ITRE Industry, Research and Energy | POCHE Miroslav (S&D) | 05/12/2017 |
| | Shadow rapporteur<br>PIEPER Markus (PPE)<br>VAN BOSSUYT Anneleen (ECR)<br>GERBRANDY Gerben-Jan (ALDE)<br>BENITO ZILUAGA Xabier (GUE/NGL)<br>JÁVOR Benedek (Verts/ALE)<br>TAMBURRANO Dario (EFDD)<br>CIOCCA Angelo (ENF) | |

| Committee for opinion | Rapporteur for opinion | Appointed |
|---|---|---|
| ENVI Environment, Public Health and Food Safety | GUTELAND Jytte (S&D) | 14/02/2017 |

### Council of the European Union

### European Commission

| Commission DG | Commissioner |
|---|---|
| Energy | ARIAS CAÑETE Miguel |

### European Economic and Social Committee

European Committee of the Regions

| Key events | | | |
|---|---|---|---|
| **Date** | **Event** | **Reference** | **Summary** |
| 30/11/2016 | Legislative proposal published | COM(2016)0761 | Summary |
| 12/12/2016 | Committee referral announced in Parliament, 1st reading | | |
| 27/02/2017 | Debate in Council | | |
| 28/11/2017 | Vote in committee, 1st reading | | |
| 20/12/2017 | Committee report tabled for plenary, 1st reading | A8-0391/2017 | Summary |
| 15/01/2018 | Debate in Parliament | | |
| 17/01/2018 | Decision by Parliament, 1st reading | T8-0010/2018 | Summary |
| 17/01/2018 | Results of vote in Parliament | | |
| 17/01/2018 | Matter referred back to the committee responsible for interinstitutional negotiations | | |
| 10/07/2018 | Approval in committee of the text agreed at 1st reading interinstitutional negotiations | GEDA/A/(2018)005699<br>PE625.417 | |
| 12/11/2018 | Debate in Parliament | | |
| 13/11/2018 | Decision by Parliament, 1st reading | T8-0442/2018 | Summary |
| 13/11/2018 | Results of vote in Parliament | | |
| 04/12/2018 | Act adopted by Council after Parliament's 1st reading | | |
| 11/12/2018 | Final act signed | | |
| 11/12/2018 | End of procedure in Parliament | | |
| 21/12/2018 | Final act published in Official Journal | | |

| Technical information | |
|---|---|
| **Procedure reference** | 2016/0376(COD) |
| **Procedure type** | COD - Ordinary legislative procedure (ex-codecision procedure) |
| **Procedure subtype** | Legislation |
| **Legislative instrument** | Directive |
| **Amendments and repeals** | Amending Directive 2012/27/EU 2011/0172(COD) |
| **Legal basis** | Rules of Procedure EP 61<br>Treaty on the Functioning of the European Union TFEU 194-p2 |
| **Mandatory consultation of other institutions** | European Economic and Social Committee<br>European Committee of the Regions |
| **Stage reached in procedure** | Procedure completed |
| **Committee dossier** | ITRE/8/08696 |

## Documentation gateway

**European Parliament**

| Document type | Committee | Reference | Date | Summary |
|---|---|---|---|---|
| Committee draft report | | PE604.805 | 31/05/2017 | |
| Amendments tabled in committee | | PE607.814 | 04/07/2017 | |
| Amendments tabled in committee | | PE607.853 | 04/07/2017 | |
| Amendments tabled in committee | | PE607.848 | 07/07/2017 | |
| Amendments tabled in committee | | PE607.849 | 11/07/2017 | |
| Committee opinion | ENVI | PE604.565 | 20/09/2017 | |
| Committee report tabled for plenary, 1st reading/single reading | | A8-0391/2017 | 20/12/2017 | Summary |
| Text adopted by Parliament, partial vote at 1st reading /single reading | | T8-0010/2018 | 17/01/2018 | Summary |
| Text agreed during interinstitutional negotiations | | PE625.417 | 17/07/2018 | |
| Text adopted by Parliament, 1st reading/single reading | | T8-0442/2018 | 13/11/2018 | Summary |

**Council of the EU**

| Document type | Reference | Date | Summary |
|---|---|---|---|
| Coreper letter confirming interinstitutional agreement | GEDA/A/(2018)005699 | 29/06/2018 | |
| Draft final act | 00054/2018/LEX | 11/12/2018 | |

**European Commission**

| Document type | Reference | Date | Summary |
|---|---|---|---|
| Legislative proposal | COM(2016)0761 | 30/11/2016 | Summary |
| Document attached to the procedure | SWD(2016)0399 | 01/12/2016 | |
| Document attached to the procedure | SWD(2016)0401 | 01/12/2016 | |
| Document attached to the procedure | SWD(2016)0402 | 01/12/2016 | |
| Document attached to the procedure | SWD(2016)0403 | 01/12/2016 | |
| Document attached to the procedure | SWD(2016)0404 | 01/12/2016 | |
| Document attached to the procedure | SWD(2016)0405 | 01/12/2016 | |
| Document attached to the procedure | SWD(2016)0406 | 01/12/2016 | |

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|---|---|---|---|
| Commission response to text adopted in plenary | SP(2018)838 | 19/12/2018 | |

**National parliaments**

| Document type | Parliament /Chamber | Reference | Date | Summary |
|---|---|---|---|---|
| Contribution | AT_BUNDESRAT | COM(2016)0761 | 24/01/2017 | |
| Contribution | PT_PARLIAMENT | COM(2016)0761 | 26/01/2017 | |
| Contribution | CZ_CHAMBER | COM(2016)0761 | 03/05/2017 | |
| Contribution | CZ_SENATE | COM(2016)0761 | 04/05/2017 | |
| Contribution | IT_SENATE | COM(2016)0761 | 29/05/2017 | |
| Contribution | IT_CHAMBER | COM(2016)0761 | 26/06/2017 | |
| Contribution | FR_ASSEMBLY | COM(2016)0761 | 09/04/2018 | |

**Other institutions and bodies**

| Institution/body | Document type | Reference | Date | Summary |
|---|---|---|---|---|
| CofR | Committee of the Regions: opinion | CDR0831/2017 | 12/07/2017 | |

**Additional information**

| Source | Document | Date |
|---|---|---|
| European Parliament | Briefing | |
| European Commission | EUR-Lex | |

**Final act**

Directive 2018/2002
OJ L 328 21.12.2018, p. 0210 Summary

# Energy efficiency

2016/0376(COD) - 17/01/2018 - Text adopted by Parliament, partial vote at 1st reading/single reading

The European Parliament adopted by 485 votes to 132, with 58 abstentions, **amendments** to the proposal for a directive of the European Parliament and of the Council amending Directive 2012/27/EU on energy efficiency.

The matter was **referred back to the committee responsible** for interinstitutional negotiations.

The main amendments adopted in plenary concern the following issues:

**Union's binding target and national targets**: Parliament proposed setting a 35 % energy efficiency target by 2030 at EU level, compared to the European Commission's proposed goal of 30 %.

In order to achieve this overall objective, each Member State shall set its own indicative targets in terms of energy efficiency.

The Directive:

- establishes a common framework of measures to promote energy efficiency within the Union, implementing the **'energy efficiency first' principle throughout the full energy chain**, including energy generation, transmission, distribution and end-use;
- paves the way for further **energy efficiency improvements** beyond 2030, in line with the Union's long-term energy and climate goals for 2050 and the Paris Agreement.

**Promoting investment**: the Commission shall start a dialogue with both public and private financial institutions to map out potential policy mechanisms in order to **mobilise private financing** for energy efficiency measures and energy renovations.

Given the large potential for energy efficiency improvements in the **building sector**, investments in this sector shall be particularly considered, with a primary focus on residential buildings with low-income households at risk of energy poverty. The Commission shall consider options on how to bundle small projects into larger ones. It shall also provide guidance for Member States on how to unlock private investment no later than 1 January 2019.

**Energy savings obligation**: the proposed Directive foresees that Member States shall be required to achieve a cumulative end-use energy savings for the entire obligation period, which is equivalent to new savings in order of **at least 1.5 %.**

Member stated that this requirement could be met by energy savings that stem from policy measures provided it can be demonstrated that those measures result in individual actions that **deliver verifiable energy savings after 2020**. Savings in each period should build cumulatively upon the amount of savings to be achieved in the previous period(s).

As part of the energy efficiency obligations mechanism, Member States shall promote the adoption of measures that tackle the **heating and cooling potential for energy savings**, eventually providing additional rewards for interventions resulting in pollution mitigation.

Furthermore, all opportunities to increase energy efficiency, including from higher performing fuel used in transport shall be eligible towards the cumulative end-use energy savings requirement.

**Alternative public policy measures**: Members stated that in designing alternative policy measures to achieve energy savings, measures shall be implemented as a priority in those households and in social housing.

**Provision of energy efficiency services**: the Commission shall ensure that the provision of services in the energy efficiency market is carried out in a **competitive and transparent framework** which allows the final consumer to benefit from lower costs and better quality of services. To this end, Member States shall ensure that businesses, particularly SMEs have a non-discriminatory access to the market in energy efficiency services, thereby enabling them to participate on equal terms with vertically integrated operators.

**Billing information**: smart meters shall allow end-users to access their energy consumption data. Where meters or heat cost allocators are installed, billing and consumption information is **reliable, accurate and based on actual consumption or heat cost allocator readings**.

Billing information, information tools and annual statements shall provide all the necessary information to enable consumers to regulate their energy consumption, compare offers and **switch suppliers**.

The **protection of data** and privacy of final users should be ensured in accordance with the relevant Union legislation.

**Financing energy efficiency by European banks**: Parliament proposed that the EIB and the EBRD shall, together with national promotional banks, design, generate and finance programmes and projects tailored to the efficiency sector, including for energy poor households.

**Evaluation report**: the Commission shall evaluate the Directive by 28 February 2024 at the latest, and every five years thereafter, and present a report assessing the general effectiveness of the Directive and the need to adjust further the Union's energy efficiency policy **in accordance with the objectives of the Paris Agreement**, economic and innovation developments.

# Energy efficiency

2016/0376(COD) - 30/11/2016 - Legislative proposal

PURPOSE: to improve Directive 2012/27/EU of the European Parliament and of the Council on energy efficiency.

PROPOSED ACT: Directive of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: Directive 2012/27/EU of the European Parliament and of the Council is an element to progress towards the Energy Union, under which energy efficiency should be treated as an energy source in its own right. The **'energy efficiency first'** principle should be taken into account when setting new rules for the supply side and other policy areas.

The European Council of October 2014 set a **27 % energy efficiency target for 2030**, to be reviewed by 2020 'having in mind a Union level of 30%. In December 2015, the European Parliament called upon the Commission to also assess the viability of a **40 %** energy efficiency target for the same timeframe.

The Commission proposed to review and consequently amend the Directive to adapt it to the 2030 perspective.

Energy efficiency is one of the most cost effective ways to support the transition to a low carbon economy and to create growth, employment and investment opportunities. Moderation of energy demand is one of the five dimensions of the Energy Union Strategy adopted on 25 February 2015.

IMPACT ASSESSMENT: the assessment showed that a level higher than 27 % energy efficiency in 2030 would bring higher benefits with regard to jobs and economic growth, security of supply, greenhouse gas emission reductions, health and environment. Based on this multidimensional analysis a political decision of a **binding 30 % energy efficiency target** was taken. Underpinned by dedicated policies at the EU, national and regional level, this target will bring substantial multiple benefits for Europe. Such a target represents a drop in final energy consumption of 17% compared to 2005. It will increase economic growth, leading to an increase in GDP of around 0.4% (EUR 70 billion).

In terms of social impacts, the preferred option would have a positive effect on employment: a review of more than 20 studies concluded that for every EUR 1.2 million spent on energy efficiency approximately 23 jobs are directly supported in the energy efficiency industry.

CONTENT: the proposal for an amending Directive presented by the Commission aims to improve the current Directive (Directive 2012/27/EU) on energy efficiency.

The proposal seeks to:

- **set a 30% binding energy efficiency target for 2030 at EU level** which will give Member States and investors a long term perspective to plan their policies and investments and to adapt their strategies towards energy efficiency;
- **extend beyond 2020 the energy saving obligation while retaining the rate of 1.5%** of annual energy sales and the possibility to use both energy efficiency obligation schemes and alternative measures while making it clear that Member States can achieve the required energy savings through an energy efficiency obligation scheme, alternative measures, or a combination of both approaches;
- improve the **provision of consumer information on their heating and cooling consumption** and their rights in metering and billing of thermal energy strengthened, in particular for people living in multi-apartment buildings. In order to improve frequency of information, an obligation for heat meters to be remotely readable is introduced;
- **strengthen social aspects of energy efficiency** by requiring that energy poverty must be taken into account in designing energy efficiency obligation schemes and alternative measures;
- amending the article on **delegated powers** in order to delete the current time limit on the delegation, replacing it with the standard five year period;
- add a **general review clause** to the Directive, under which the Commission must evaluate the Directive and submit a report to the European Parliament and Council by 28 February 2024, and then every five years.
- amend the default primary energy factor (PEF) in Annex IV to take into account technological advances.

# Energy efficiency

2016/0376(COD) - 20/12/2017 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Industry, Research and Energy adopted a report by Miroslav POCHE (S&D, CZ) on the proposal for a directive of the European Parliament and of the Council amending Directive 2012/27/EU on energy efficiency.

The committee recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the Commission proposal as follows.

**Union's binding target and national targets**: Members proposed setting a 40 % energy efficiency target by 2030 at EU level, compared to the European Commission's proposed goal of 30 %.

Member States shall set their **national binding energy efficiency targets** taking into account that the Union's 2030 energy consumption has to be **no more than 1 132 Mtoe of primary energy and no more than 849 Mtoe of final energy**. This means that primary energy consumption should be reduced by 34 % and final energy consumption should be reduced by 31 % in the Union compared to 2005 levels.

In general, countries whose energy consumption per capita is below the Union average should be given more flexibility when setting their targets.

**Promoting investment**: the Commission shall start a dialogue with both public and private financial institutions to map out potential policy mechanisms in order to mobilise private financing for energy efficiency measures and energy renovations.

Given the large potential for energy efficiency improvements in the **building sector**, investments in this sector shall be particularly considered, with a primary focus on residential buildings with **low-income households** at risk of energy poverty.

The Commission shall provide guidance for Member States on how to unlock private investment no later than 1 January 2019.

**Public bodies' buildings**: from 1 January 2021, the provisions of the Directive shall apply to all heated and/or cooled buildings owned and occupied by public authorities with due regard for their respective competences and administrative set-up.

**Energy savings obligation**: the proposed Directive foresees that Member States shall be required to achieve a cumulative end-use energy savings for the entire obligation period, which is equivalent to new savings in order of at least 1.5 %.

Member stated that this requirement could be met by energy savings that stem from policy measures provided it can be demonstrated that those measures result in individual actions that **deliver verifiable energy savings after 2020**. Savings in each period should build cumulatively upon the amount of savings to be achieved in the previous period(s).

As part of the energy efficiency obligations mechanism, Member States shall promote the adoption of measures that tackle the heating and cooling potential for energy savings, eventually providing additional rewards for interventions resulting in pollution mitigation.

**Alternative public policy measures**: Members stated that blending components of fuels in transport can be counted towards the energy efficiency target.

In designing alternative policy measures to achieve energy savings, Member States shall take into account the effect on low-income households, including those affected by energy poverty, and ensure measures are implemented as a priority in those households and in social housing.

**Provision of energy efficiency services**: the Commission shall ensure that the provision of services in the energy efficiency market is carried out in a competitive and transparent framework which allows the final consumer to benefit from lower costs and better quality of services. To this end, Member States shall ensure that businesses, particularly SMEs have a non-discriminatory access to the market in energy efficiency services.

**Billing information**: Members considered that accurate bills shall be guaranteed when smart meters functionalities are turned on. The billing information shall based on actual consumption. Clear and understandable information shall be provided to all final customers.

Billing information, information tools and annual statements shall provide all the necessary information to enable consumers to regulate their energy consumption, compare offers and **switch suppliers**.

The **protection of data and privacy** of final users should be ensured in accordance with the relevant Union legislation.

**Financing energy efficiency by European banks**: Members introduced a new provision requiring financial institutions - the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD) - to develop financial instruments suitable for large scale investments in energy efficiency.

**Evaluation report**: the Commission shall evaluate the Directive by 28 February 2024 at the latest, and every five years thereafter, and present a report assessing the general effectiveness of the Directive and the need to adjust further the Union’s energy efficiency policy in accordance with the **objectives of the Paris Agreement**, economic and innovation developments.

# Energy efficiency

2016/0376(COD) - 13/11/2018 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 434 votes to 104 with 37 abstentions a legislative resolution on the proposal for a directive of the European Parliament and of the Council amending Directive 2012/27/EU on energy efficiency.

The European Parliament’s position adopted at first reading under the ordinary legislative procedure amended the Commission proposal as follows:

**Indicative energy efficiency target**: Directive 2012/27/EU as amended would establish a common framework of measures for the promotion of energy efficiency in the Union to ensure that the Union's main objectives of improving energy efficiency **by 20% by 2020 and by at least 32.5% by 2030 are achieved**.

By 2023 at the latest, the Commission shall assess this objective in order to revise it upwards in the event of a substantial reduction in costs or where this is necessary to meet with the Union's international commitments for decarbonation. There would be **no binding targets set at Member State level** by 2020 and 2030, and Member States would remain free to set their national contributions on the basis of primary or final energy consumption, or primary or final energy savings, or energy intensity.

Member States shall define their national indicative contributions taking into account that the Union's energy consumption in 2030 shall not exceed 1 273 Mtoe of primary energy and/or 956 Mtoe of final energy. This means that primary energy consumption in the Union shall be reduced by 26% and final energy consumption by 20% compared to 2005 levels.

**Energy savings obligation**: the energy savings obligation has an important role in the creation of local growth and jobs, and shall be maintained to ensure that the Union can achieve its energy and climate objectives by creating further opportunities and to break the link between energy consumption and growth.

Member States shall achieve a cumulative end-use energy savings target at least equivalent to:

- **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;
- **new savings each year from 1 January 2021 to 31 December 2030 of 0.8% of annual final energy consumption**, averaged over the most recent three-year period prior to 1 January 2019.

Member States shall be able to make use of an energy efficiency obligation scheme, alternative policy measures, or both. The amended text provides various options, including whether **energy used in transport is included**, in whole or in part, in the calculation baseline, shall be provided in order to give Member States flexibility in how they calculate the amount of their energy savings, whilst ensuring that the required cumulative end-use energy savings equivalent to new annual savings of at least 0.8 % are reached.

In designing policy measures to fulfil their obligations to achieve energy savings, Member States shall take into account the need to **alleviate energy poverty** (which affects around 50 million households in the Union), in accordance with criteria established by them, by requiring a share of energy efficiency measures be implemented as a priority among vulnerable households, including those affected by energy poverty and, where appropriate, in social housing.

**Consumer information**: the amended Directive reinforces the minimum right of consumers to have **accurate, reliable and clear information** on their energy consumption in a timely manner.

Where meters or heat cost allocators are installed, Member States shall ensure that billing and consumption information is **reliable, accurate and based on actual consumption or heat cost allocator readings**, namely:

- for natural or legal persons purchasing heating, cooling or domestic hot water for their own end use,
- or natural or legal persons occupying an individual building or a unit in a multi-apartment or multi-purpose building supplied with heating, cooling or domestic hot water from a central source who has no direct or individual contract with the energy supplier.

At the latest 22 months after the date of entry into force of the amending Directive, newly installed heat meters and heating cost allocators shall be **remotely readable** to ensure that consumers have frequent and cost-effective consumption information.

# Energy efficiency

2016/0376(COD) - 11/12/2018 - Final act

PURPOSE: to achieve the EU's target of increasing energy efficiency by 20% by 2020 and by at least 32.5% by 2030.

LEGISLATIVE ACT: Directive (EU) 2018/2002 of the European Parliament and of the Council amending Directive 2012/27/EU on energy efficiency.

CONTENT: Directive 2012/27/EU as amended establishes a common framework of measures to promote energy efficiency within the Union in order to ensure that the Union's 2020 headline targets on energy efficiency of 20 % and its 2030 headline targets on energy efficiency of at least 32.5 % are met and paves the way for further energy efficiency improvements beyond those dates.

The Commission shall assess the Union's 2030 headline targets on energy efficiency with a view to submitting a legislative proposal by 2023 to revise those targets upwards in the event of substantial cost reductions resulting from economic or technological developments, or where needed to meet the Union's international commitments for decarbonisation.

***National indicative targets***

The Directive provides for the establishment of national indicative energy efficiency contributions and targets for 2020 and 2030. There are no binding targets at Member State level in the 2020 and 2030 perspectives, and the freedom of Member States to set their national contributions based either on primary or final energy consumption or primary or final energy savings, or on energy intensity, should continue not to be restricted. Member States should set their national indicative energy efficiency contributions taking into account that the Union's 2030 energy consumption has to be no more than 1 273 Mtoe of primary energy and/or no more than 956 Mtoe of final energy. This means that primary energy consumption in the Union should be reduced by 26 %, and final energy consumption should be reduced by 20 % compared to the 2005 levels.

***Energy saving obligations***

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

- 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;

- **new savings each year from 1 January 2021 to 31 December 2030 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 2030 equivalent to 0.24 % of annual final energy consumption, averaged over the most recent three-year period prior to 1 January 2019.

Member States shall continue to achieve new annual savings 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.

***Obligation schemes***

To meet their obligations to achieve the required volume of savings, Member States should be able to make use of an energy efficiency obligation scheme, alternative policy measures, or both.

Various options, including whether energy used in transport is included, in whole or in part, in the calculation baseline, should be provided in order to give Member States flexibility in how they calculate the amount of their energy savings, whilst ensuring that the required cumulative end-use energy savings equivalent to new annual savings of at least 0.8 % are reached.

***Social provisions***

Member States will have to take into account the need to reduce fuel poverty by requiring, to the extent necessary, that part of energy efficiency measures under national energy efficiency obligation mechanisms, alternative public policy measures, or programmes or measures financed under a National Energy Efficiency Fund, be implemented as a priority for vulnerable households, including those in fuel poverty, and, where appropriate, in social housing.

*Consumer information*

The amended Directive reinforces the minimum right of consumers to have accurate, reliable and clear information on their energy consumption in a timely manner.

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

Where final customers do not have smart meters, Member States shall ensure that billing information is reliable, accurate and based on actual consumption.

ENTRY INTO FORCE: 24.12.2018.

TRANSPOSITION: no later than 25.6.2020 or 25.10.2020 depending on the provisions.