

ENERGY. FUTURE. RESPONSIBILITY.

Challenges and Tool for Regional Planning

Requirements of EE&ES Directive on municipal and regional energy efficiency

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What obligations the ESD really puts on the Public Sector ... and in general on the Member States

- What is really written in the Energy Services Directive – some read the ESD as they would have preferred to see it written
- What was discussed in the Energy Working Group when certain formulations were agreed on
- What was the starting point when a certain issue was put on the table for the first time in the EWG
- For those who negotiated it, the ESD is quite clear – for those who were not involved in the process, several basic issues appear to be totally unclear
- Quite a few interpretations heard are really far from those agreed in Brussels during the negotiations

What is the Public Sector

- No clear definition in the Commission's proposal
- Two discussed proposals to define it
 - a) bodies governed by the public law – how clear this would have been?
 - b) as in Directives on Public Procurement – the broadest possible
- Based on discussions it was decided that the MS should have flexibility and therefore the formulation is *“MS shall ensure that measures (by the PS) shall be taken at appropriate national, regional and/or local level”*
- What is “the appropriate level” should be assessed in connection to the original aim to have the broadest possible definition – our interpretation
 - government organisations cannot be excluded
 - the adequate share of the local authorities – somewhere between 50-80 %
 - role of other PS entities is not so relevant in relation to the national 9 % target

What are the requirements to improve energy efficiency

- Originally the proposal was to have a separate binding 1,5 times higher target for the Public Sector
- Next step was to have the same overall % but still as a separate target
- Finally as a compromise the formulation became *“MS shall ensure that the PS fulfils an exemplary role in the context of this directive”*
- How the meaning of this “exemplary role” should then be interpreted – our interpretation
 - those defined as the *“appropriate national, regional and/or local level PS entities”* should adopt the 9 % target
 - justification – if the target is less than the overall national target, the exemplary role is not really fulfilled

What are the requirements to take action

- Member States shall ensure that energy efficiency measures are taken by the public sector
- At least two measures shall be used from the list set out in Annex VI
 - energy audits and implementation of the resulting cost-effective recommendations
 - fiscal instruments including Energy performance contracting to be used
 - four measures related to purchase of energy efficient equipment, appliances, buildings and vehicles
- The MS have an obligation to
 - publish guidelines on energy efficiency and energy savings as a possible assessment criterion in competitive tendering for public contracts
 - facilitate and enable the exchange of best practices between the public sector bodies both at national and international level

WHAT IS WRITTEN IN THE DIRECTIVE

- Article 4 General target

“MS shall adopt and aim to achieve an overall indicative energy savings target of 9 % for the ninth year of application of this Directive to be reached by way of energy services and other **energy efficiency improvement measures**”

- Annex I Methodology for calculating the national energy savings target

“The national indicative target shall be reached by way of energy services and other **energy efficiency improvement measures**”

- Annex IV General framework for measurement of energy savings

“In measuring the realised energy savings as set out in Article 4 **with a view to capturing the overall improvement in energy efficiency** and to ascertaining the impact of individual measures, a harmonised calculation model...shall be used to measure the annual improvement in energy efficiency for the EEAPs.”

WHAT IS WRITTEN IN THE DIRECTIVE

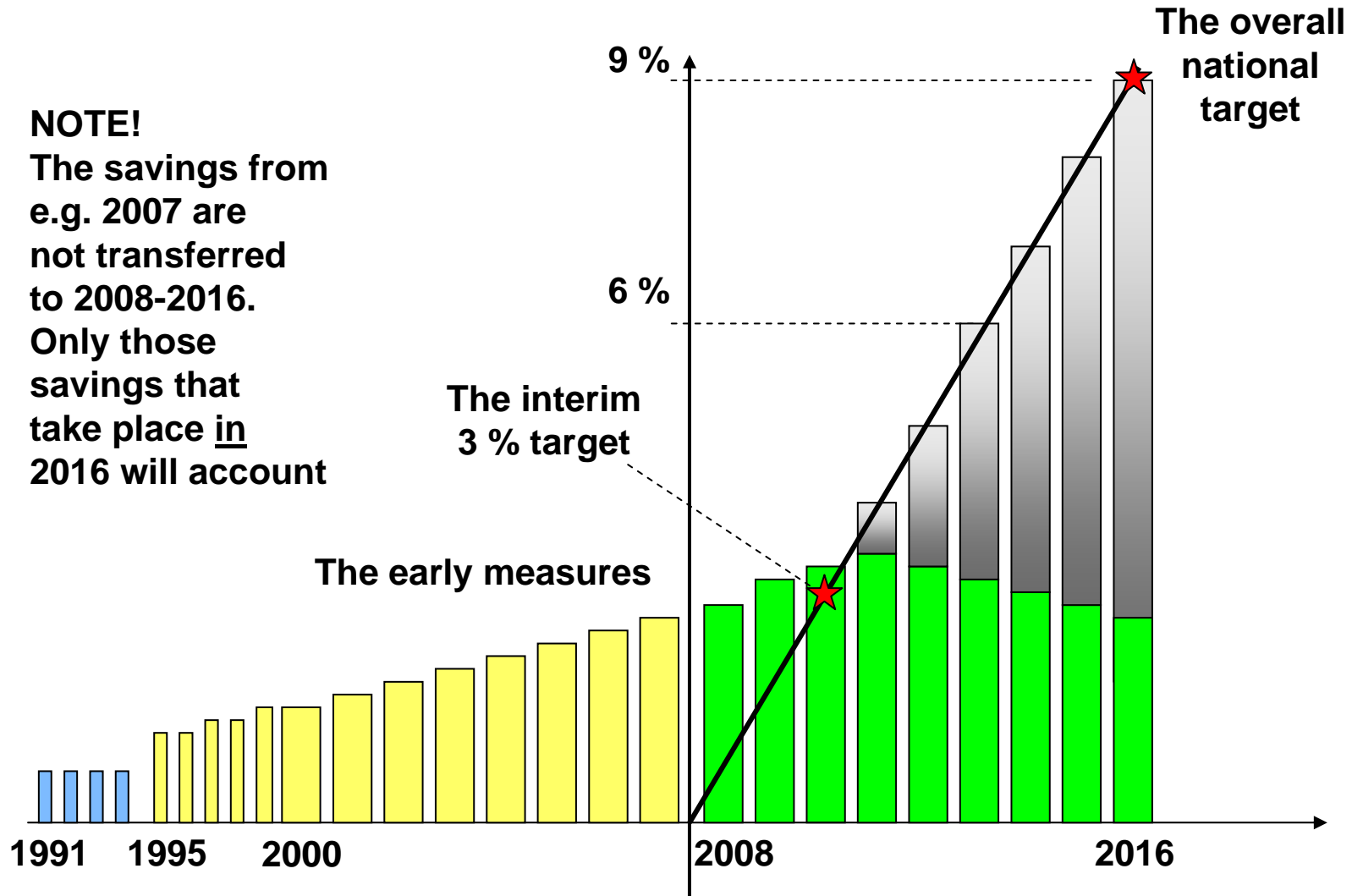
- Article 3 (h)
“energy efficiency improvement measure”: **all actions** that lead to verifiable and measurable or estimable energy efficiency improvement
- Article 3 (c)
“energy efficiency improvement”: an improvement in **energy end-use efficiency** as a result of technological, behavioural and/or economical changes
- Article 3 (b)
“energy savings”: an amount of saved energy determined by measuring and/or estimating consumption before and after implementation of one or more EEI measures, whilst ensuring normalisation for external conditions that affect energy consumption

EARLY MEASURES – WHAT ARE THOSE?

- Early measures are the reason why uniform target for all MS was agreed on
 - Since there is no time to analyse the situation on real energy saving potentials in the MS, the acceptance of early measures will give the same effect (Commission 27.01.2004 and 28.9.2004)
 - The year was originally 1991, then 1995 and finally “1995 but in certain cases where circumstances justify it, 1991”
- Therefore
 - As a general rule all EEI measures implemented 1995 or later can be taken into account in the national target - if the energy saving is still in effect in 2016
 - Savings from EEI measures prior 2008 or after are in principle equally accepted
- However, the concrete meaning of one last minute amendment is not clear
 - Measures of technological nature should either have been updated to take account technological progress or be assessed in relation to benchmark for such measures

HOW THE EARLY MEASURES AFFECT IN PRACTISE

NOTE!
 The savings from
 e.g. 2007 are
 not transferred
 to 2008-2016.
 Only those
 savings that
 take place in
 2016 will account



ESD IMPLEMENTATION STRATEGY IN FINLAND

