



CONCERTED ACTION
ENERGY EFFICIENCY
DIRECTIVE

Efficiency in energy supply

Executive Summary

WGR 7.1

Core Theme 7
Working Group Report 1

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The main objective of Article 14 of the Energy Efficiency Directive (EED) is to encourage identification of potential for cost effective delivery of energy efficiency, and to foster secure delivery of these measures. It principally encourages exploration of the use of high efficiency cogeneration and efficient district heating and cooling, but also addresses other energy efficient heating and cooling supply options.

Article 15 on Energy Transformation, Transmission and Distribution of the Energy Efficiency Directive and the related Annex XI is aimed at maximising grid and infrastructure efficiency and promoting demand response.

The main outcomes of the CA EED participants discussions were:

- Establishment of a common understanding of Articles 14 and 15.
- Discussion and understanding of both the challenges and opportunities of implementation
- Discussion of possible roadmaps for future work of CA EED participants
- Prioritisation of activities to be performed between and during future discussions of CA EED participants

The discussions identified a variety of challenges to implementation, including:

- Large variations in heating and/or cooling demand between Member States (MS), due to climatic conditions as well as building design.
- Although MS may profit from exchange of experiences regarding promotion of district heating and cooling (DHC) and combined heat and power (CHP), they will have to each follow their own path reflecting the specific political environment, the particular division of roles between state and market, the organisational structure of the energy sector etc. in which they are operating.
- Implementation of the EED is challenged by conflicting interests, vis-à-vis the Energy Performance of Buildings Directive (EPBD) which stipulates that new buildings will be “near zero energy buildings” by 2020 and the Renewable Energy Directive which promotes an increase in the renewable energy share of electricity markets, among others.
- Some countries are faced with the fact that current consumer protection regulation and strict heat price regulation prevents them from generating the sufficient revenue required to attract investment from efficient DHC and CHP systems.
- CHP plants need to run at base load capacity in district heating (DH) systems in order to generate sufficient revenue for them to become financially viable. This is a particular challenge in areas with a short heating season, and in areas with large shares of intermittent renewable energy such as solar energy and wind.
- Promotion of CHP and DHC through public funding and other incentive schemes is hampered by EU state aid rules.
- There is a strong need for dissemination of existing tools, methods and data, for heating and cooling mapping and for potential assessment.
- There is a need to summarise and disseminate relevant information regarding specific experience at MS level, of cost-effective support schemes for promotion of CHP and DHC.

A number of good practices to be considered by MS in the coming work were also identified, through presentations of related policies in SI and DK and during the discussions. These included:

- The implementation framework should cover the entire energy sector, energy demand and supply sources; including heating, electricity, commodity fuels as well as local renewable sources of energy and waste heat resources, so as to ensure that high efficiency CHP and DHC is promoted in the most efficient and cost-effective way.
- High efficiency CHP and DHC should be carefully planned against individual heating and cooling systems so as to minimise double supply of heating and cooling in any geographical area.

- High efficiency CHP and DHC should be promoted via mechanisms aligned with the national overall energy policy, as well as the broader national policy context, the organisational set-up of the sector and the implementation capacity available at MS level.
- There should be a key sponsor identified for the implementation of Articles 14 and 15, such as one ministry, in order to secure a proper coordination of efforts across the many stakeholders.
- Key stakeholders, such as ministries of energy, environment, industry, finance and others; as well as key stakeholders from the power sector, and other sectors key to the implementation should be involved in the process of implementation.

The following five issues were prioritised for further work by CA EED participants:

1. Comprehensive assessment of potential for CHP and district energy
2. Exemptions from authorisation of individual installations
3. The role of regulators
4. Authorisation of individual installations
5. Assessment of energy efficiency (EE) potential in grid infrastructure

Value added

The first discussions between CA EED participants created the foundation for the planning of further discussions, by identifying the most urgent topics to be covered.

Alongside this, the discussions also offered insights into major challenges for implementation and experiences of relevant policies in selected countries.

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The Concerted Action for the Energy Efficiency Directive (CA EED) was launched by Intelligent Energy Europe (IEE) in spring 2013 to provide a structured framework for the exchange of information between the 29 Member States during their implementation of the Energy Efficiency Directive (EED).

For further information please visit www.eed-ca.eu or contact the CA EED Coordinator Lucinda Maclagan at lucinda.maclagan@agentschapnl.nl



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