



**CONCERTED ACTION  
ENERGY EFFICIENCY  
DIRECTIVE**

# **Update on Article 7 implementation in Member States**

**Executive Summary Report 8.3b**

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# 1 Summary

This report serves to update the overview of Article 7 implementation plans of Member States that was first conducted in March 2013. Notification reports were due by 5<sup>th</sup> December 2013; these provide a clearer picture of Member States' implementation plans. It should be noted that the data used for this overview is based on the situation in mid-January 2014.

Article 7 of the Energy Efficiency Directive (EED) requires Member States to set up an energy efficiency obligation scheme for energy suppliers and/or distributors that achieves yearly end-use energy savings of 1.5%. As an alternative, Member States can implement other policy measures that lead to the same amount of savings as an obligation scheme. Combinations of these two implementation options are also permissible. The technical requirements of Article 7 are defined in Annex V of the EED.

Acceptable alternative measures consist of:

- (1) energy and CO<sub>2</sub> taxes
- (2) financing schemes or instruments or fiscal schemes
- (3) regulations or voluntary agreements
- (4) standards and norms aimed at improving the uptake of energy efficiency products which go beyond existing EU legislation
- (5) energy labelling schemes, except for EU mandatory schemes
- (6) training and education programmes.

It should be emphasised that these measures are examples and thus other measures encouraging energy efficiency improvements may also be acceptable.

By 5<sup>th</sup> December 2013, Member States had to notify the European Commission of the measures they plan to use for the implementation of Article 7 and of the detailed methodology for operation of their energy efficiency obligation scheme and/or alternative measures and/or the energy efficiency fund.

The results from the survey on the following topics are summarised below:

- Options according to Article 7 (2) (energy saving target adaptation)
- Measures reported in the Article 7 notification (5<sup>th</sup> December 2013 report)
- Challenges in Article 7 implementation

## **Options according to Article 7 (2)**

Most Member States use a combination of two or more of the four eligible options to reduce the energy saving target of Article 7 by a maximum of 25%. The option most frequently chosen (by 14 Member States) is counting early actions towards the energy saving target, closely followed by starting with a lower yearly target and incrementally increasing it to 1.5%, and excluding industrial activities subject to the EU ETS from the calculation of the energy saving target. At the moment, only 4 Member States announced their intention to count certain energy savings from the energy transformation and transmission sectors towards the achievement of the energy savings target. One country does not plan to adapt the energy saving target at all.

## **Measures reported in the Article 7 notification**

Most Member States (11) plan to implement Article 7 with alternative measures (Article 7 (9)). 9 Member States report their plans of using a combination of energy efficiency obligations and alternative measures. At present, 4 MS plan to comply with Article 7 through an energy efficiency obligation only. There are a lot of different alternative measures planned to achieve the energy saving target in Member States. These range from subsidy schemes to audit schemes and energy taxes. It can be observed that most Member States report a mix of measures to comply with the requirements of Article 7.

### Challenges in Article 7 implementation

Budgetary constraints, the tight implementation timeline and political agreement on the measures are seen quite equally as the main challenges in the decision process for Article 7 implementation. In the near future, Member States see the following main challenges in the implementation of Article 7:

- Final political decisions on measures, finalisation of necessary legislation
- Financing of the necessary energy efficiency measures
- Technical issues concerning monitoring and reporting of Article 7
- Setting up new schemes
- Adaptation of existing schemes

## 2 Conclusions

Although Member States notified the European Commission before 5<sup>th</sup> December 2013 on their implementation plans for Article 7, a few issues are still open. These issues mainly concern the technicalities of Article 7 and the further process of Article 7 notification and implementation. The main conclusions from the research are listed below.

- Not all countries had informal bilateral meetings with the European Commission after the 5<sup>th</sup> December 2013 notification. The status of the feedback that was given at these meetings was clearly identified as informal by the European Commission.
- Double counting remains an important problem in many Member States' implementation plans. This observation will be taken into account in the formulation of the next CA EED topic for Article 7.
- A final decision on the eligibility of measures as well as on the interpretation of the additionality requirement (e.g. renewable energy sources, refurbishment of buildings) would be appreciated by Member States.
- Organisational issues concerning the possibility of amending the Article 7 notifications, as well as the next steps in the evaluation of Article 7 implementation plans, were discussed.
- A general conclusion from the discussions is that, with Member States' implementation plans available, it is time to discuss Article 7 issues at the Concerted Action on a more detailed level.

## 3 Practical Examples

The Article 7 notifications from 5<sup>th</sup> December 2013 of EU Member States can be found on the website of the European Commission:

[http://ec.europa.eu/energy/efficiency/eed/article7\\_en.htm](http://ec.europa.eu/energy/efficiency/eed/article7_en.htm)

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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](http://www.eed-ca.eu) or contact the CA EED Coordinator Lucinda Maclagan at [lucinda.maclagan@rvo.nl](mailto:lucinda.maclagan@rvo.nl)



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