EUROPEAN COMISSION PUBLIC CONSULTATION ON THE REVIEW OF DIRECTIVE 2012/27/EU ON ENERGY EFFICIENCY

Answer Paper

By the ROMANIAN ENERGY CENTER (CRE)

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It is managed and financed by its member companies, mainly the electricity, coal, oil and gas companies at the present, and works to secure for them the freest and most favorable conditions for competition and progress in order to ensure development, growth and well-being in Romania.

Note: This document has been elaborated by the members of CRE organization with the support of the following associations active in the energy field in Romania:

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EXECUTIVE SUMMARY

This document aims at outlining brief considerations on the Directive 2012/27/EU on energy efficiency, as transposed into Romanian legislation by Law No. 121/2014 on energy efficiency[1], as well as some lessons learned from the process of the implementation of energy efficiency projects in Romania on the basis of the applicable current legal framework (which includes, but is not limited to, Law No. 121/2014).

In view of removing the barriers encountered in relation to the energy efficiency projects, the main proposals included in this document refer to the following aspects:

a) Article 6 needs to supplement with amendments and clarifications the public procurement procedures applicable to energy efficiency contracting destined to ensure the effectiveness of such procedures;

b) Articles 9 and 11 are to provide for new measures, considering the lack of monitoring of the minimum functionality of the metering and billing provisions, as well as the barriers identified in relation with the implementation of smart metering programs;

c) Article 20 should be amended in consideration of the necessity of appropriate financing mechanisms for energy efficiency projects, including credit lines, guarantee schemes (risk sharing facilities), on-bill repayment and on-tax financing schemes, Energy Performance Contracting (EPC) and energy funds; and

d) Article 24 is to detail and supplement the data to be reported as per Annex XIV.

As general remark, the amendments to the Energy Efficiency Directive should be considered in the larger context of the EU common climate and energy policy; thus, the European Commission should propose an integrated approach, that would take into account not only the experience accumulated from the implementation of the EED, but also the lessons learnt from the implementation of other mechanisms (Effort Sharing Decision and the ETS) aiming at the 2030 target.

Other comments and considerations are provided as explanations meant to clarify the answers to the questions that are part of this public consultation. Please refer to our answers below.

[1] Published in the Official Gazette of Romania, Part I, No. 574 of 1 August 2014.

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***If you are answering on behalf of an organization or institution, please enter the full name of your organization or institution:**

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***If you are answering on behalf of an organization or institution, please enter your full name and position title:**

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Part I – General questions

1. Article 1: Subject matter and scope and Article 3: Energy efficiency target

1.1. What is the key contribution of the EED to the achievement of the 2020 energy efficiency target?

The Romanian Energy Center (CRE) organization considers the following contributions of the EED to the achievement of the 2020 energy efficiency target:

- Member states will be more focused on the increasing of performance of energy efficiency programs

- Member States shall ensure the elimination of any existing legislative barriers which may preclude the awarding of the energy performance contracts.

1.2. How has the EED worked together with the Effort Sharing Decision, other energy efficiency legislation (on buildings, products and transport) and ETS? Could you describe positive synergies or overlaps?

Members of the Romanian Energy Center (REC) association consider that EED and the other energy efficiency regulations, as well as the ESD and the ETS as essential instruments for achieving the EU common climate and energy policy.

Energy efficiency regulations are clearly self-supporting, in the sense that legislation on energy efficient products, building renovation and high efficiency co-generation contributes to the achievement of the targets for the energy consumption reduction established in the EED. Conversely, EED helps accelerating the measures envisaged under the other energy efficiency legislation, such as by incentivizing public authorities to acquire energy efficient products and services).

Secondly, we note that the implementation of energy efficient technologies and the energy savings (such as those in high efficiency cogeneration (plants) - CHP can lead to significant reductions of the greenhouse gases (GHG). Thus, EED and measures aimed at increasing energy efficiency can assist in reaching the GHG emissions reductions targets.

Hence, the members of CRE association consider that the European Commission should aggregate the lessons leant and the outcome resulting from the implementation of both the EED and the ESD so far and propose an integrated approach, that would take these into account when putting forth new proposals for the amendment of the EED and for a joint effort of Member States to reduce their GHG emissions to in a 2030 perspective, respectively.

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1.3. How has the EED worked together with existing national legislation? Could you describe any positive synergies or overlaps?

In our views, the EED should work together with the existing national legislation. We are aware that the correlation of the new legislation is not fully in line with the existing legislation (e.g.: a major impediment for entering into energy performance contracts (EPC) by contracting authorities and Public Acquisition Legislation). The national government has to align all the requirements of the legislation.

1.4. What are the main lessons learned from the implementation of the EED?

From CRE's point of view, the main lessons learned from the implementation of the EED are:

- Different implementation potential of the Member States;
- Existence of the legislative implementation barriers (ex: energy performance contracts and public acquisition legislation).

1.5. Which factors should the Commission have in mind in reviewing the EU energy efficiency target for 2030?

CRE considers that the European Commission should take into account removing legislative barriers of energy performance contracting and also encouraging the Member States in achieving energy efficiency targets.

1.6. What should the role of the EU be in view of achieving the new EU energy efficiency target for 2030?

In our views, EU should coordinate and lead the efforts of the Member States in the following actions:

- setting and negotiating the efficiency targets for each country
- the role of monitoring the implementation stage
- receiving the information from the Member States periodically for the stage of implementation, aggregating such information and preparing consolidated reports;
- to report periodically the stage of implementation
- to propose the correction / adjustment measures for modifying the directive, after the public consultation of the Member States.

1.7. What is the best way of expressing the new EU energy efficiency target for 2030:

- (•) Expressed as energy intensity
- ( ) Expressed in an absolute amount of final energy savings
- ( ) Expressed in both primary and final energy consumption in 2030
- (•) Expressed only in primary energy consumption in 2030

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- ○ Expressed only in final energy consumption in 2030
- ○ Other (please specify

1.8. For the purposes of the target, should energy consumption be:

- ◉ Expressed as energy, regardless of its source (as now)
- ○ Expressed as avoided non-renewable energy
- ○ Expressed as avoided fuel-use (but including biomass)
- ○ Other (please specify)

Motivation: Energy losses in transmission and distribution networks are not represented in the final consumption. This is the reason why the reduction of energy losses in electric networks cannot be taken into account when calculating energy savings for end users.

Article 6: Purchasing by public bodies of energy efficient buildings, goods and services

2.1. In your view, are the existing EU energy efficiency requirements for public procurement sufficient to achieve the needed impact of energy savings?

CRE members consider that additional measures are necessary, at least for achieving energy savings in the public sector, with respect to public buildings such as schools, kindergartens, hospitals and so on. More specifically, we consider that a major impediment for entering into energy performance contracts **("EPCs")** by contracting authorities lies in the qualification as public debt of the amounts to be paid under the relevant EPC (i.e. the capital expenditure needed in connection with implementing energy efficiency measures in the public buildings). Such interpretation is embraced by the Ministry of Public Finances in Romania and is actually in line with Eurostat's recently released (7 August 2015) Guidance Note on the impact of energy performance contracts on government accounts. The effect of this qualification is that the energy performance contract would be seen as an instrument of public debt (even if it is not explicitly listed among public debt instruments by the applicable Romanian public finance legislation), which, in turn, triggers two main consequences:

(i) the necessity to obtain the approval of the so-called Commission for the Authorisation of Local Loans (in Romanian, *Comisia de autorizare a împrumuturilor locale*), which is the body authorising the undertaking of public debt-related contractual obligations by local public authorities, and

(ii) even more important, the obligation for the amounts owed by the contracting authority under the energy performance contract to observe a public indebtedness threshold of 30 per cent of the average revenues of the previous three years of the respective public authority. Both of the above consequences may prove to be insurmountable barriers for the contracting of energy efficiency services, since, on one hand, the activity of the above Commission is not always consistent or predictable and, on the other hand, the level of public indebtedness of many municipalities has already reached the maximum threshold, meaning that such municipalities cannot enter into energy performance contracts (and,

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therefore, are unable to achieve the desired energy savings) as long as their public indebtedness level will not decrease.

2.2. How could public procurement procedures be improved in the future with regard to high energy efficiency performance?

From our experience, one of the main obstacles related to the procurement procedures concerning energy performance contracts is in connection with the preparation of the technical-economical documentation (such as feasibility studies) that, under Romanian law, are a precondition to the launching of a tender or similar competitive selection procedure. The Romanian applicable legislation tends to impose the precise determination, by the contracting authority, of a specific technical solution, in relation to which the technical-economic indicators shall be substantiated in various documents (such as the aforementioned feasibility study) and approved upfront. However, this limits the possibility of a contracting authority to discuss technical alternatives with the bidders (*i.e.* in a competitive dialogue procedure). That is to say, municipalities that are unexperienced with energy efficiency projects (such the case is with the overwhelming majority of Romanian municipalities) will find it difficult to determine by themselves the precise energy efficiency measures that are able to achieve the most energy savings in public buildings. Therefore, the solution would be to have ESCOs who participate in a competitive selection procedure identify and propose those measures to the respective municipality.

2.3. Do you think that there is sufficient guidance in your country to characterise "energy efficient products, services and buildings"?

CRE members consider that the national guidance to characterise the “energy efficient products, services and buildings” can be improved.

2.4. Have you seen information campaigns or other public initiatives in your or in another EU country that explain public procurement of energy efficient products, services and buildings?

Yes.

We are aware of such information campaigns and public initiatives in Romania although both should receive a wider mass-media coverage.

<u>If yes</u>, how useful have they been to increase awareness? Please describe.

Members of CRE association find it rather difficult to approximate the awareness impact of the information campaigns or public initiatives.

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2. Article 7: Energy efficiency obligation schemes

3.1. Are you aware of any energy efficiency measures that have been carried out or are planned in your country, by the utilities or third parties in response to an energy efficiency obligation scheme?

In CRE's opinion, there is no applicability in Romania since there is no regulation in terms of energy efficiency obligation scheme.

3.2. In your view, is Article 7 (energy efficiency obligation scheme or alternative measures) an effective instrument to achieve final energy savings?

We believe Article 7 could be improved because, currently, it does not allow obligated parties to count savings obtained in a given year but could be reported and less made with the monitoring of the Energy Efficiency Department of the Romanian Energy Market Regulator (ANRE).

3.3. What are, in your view, the main challenges or barriers to implementing Article 7 effectively and efficiently in your country? Please select up to 5 options from the list.

- (•) To select or introduce the right set of measures for achieving 1.5% energy savings (annually)
- ( ) Too great flexibility to use wide range of measures: energy efficiency obligation scheme and alternative measures
- ( ) Strong opposition from energy suppliers and distributors to set up an energy efficiency obligation scheme
- ( ) Lack of effective enforcement
- (•) Lack of sufficient knowledge and skills of involved parties
- (•) Lack of awareness (by the end-users) of the energy efficiency obligation schemes or alternative measures
- (•) Developing the calculation methodology in line with the requirements of Annex V
- ( ) Ensuring sound and independent monitoring and verification of energy savings
- ( ) Avoiding double counting
- (•) High administrative burden
- ( ) Ensuring consistent application of the requirements with other energy efficiency legislation (e.g. building codes)
- ( ) Limited timeframe (2014-2020) that makes it hard to attract investment for long term measures
- ( ) Other (please specify)

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3.4. Do you believe that the current 1.5% level of energy savings per year from final energy sales is adequate?

- ○ Strongly agree
- ○ Agree
- ○ Disagree
- ○ Strongly disagree
- ◉ No opinion

Such assessment is inaccurate without data/ technical studies for evaluation.

3.5. Should energy efficiency obligation schemes have specific rules about energy savings amongst vulnerable consumers?

Energy efficiency obligation schemes are not applicable in Romania, the alternative measures are being used, and hence we cannot refer to some specific rules.

4. Articles 9-11: Metering, billing information and cost of access to metering and billing information

4.1. Overall adequacy: Do you think the EED provisions on metering and billing (Articles 9-11) are sufficient to guarantee all consumers easily accessible, sufficiently frequent, detailed and understandable information on their own consumption of energy (electricity, gas, heating, cooling, hot water)?

CRE considers the EED provisions on metering and billing insufficient because there are not provided ways to monitor the minimum functionality required by the regulator for all utilities.

4.2. Do you think it appropriate that the requirement to provide individual metering and frequent billing (Articles 9(1), 9(3) and 10(1)) is subject to it being technically feasible and/or cost effective?

Our organization finds the requirement to provide individual metering and frequent billing (Articles 9(1), 9(3) and 10(1)) as a subject to it being technically feasible and/or cost effective , when it can be justified in technical-economic terms (Cost Benefits Analysis – CBA - positive) and also technical feasibility.

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4.3. Should such conditions of being technically feasible and/or cost effective be harmonized across the EU?

In CRE's opinion, these conditions of being technically feasible and/or cost effective ought to be harmonized across the EU because specific consumption varies from one country to another.

4.4. How would these conditions of being technically feasible and/or cost effective affect the potential for energy savings and consumer empowerment?

From CRE's point of view, these conditions of being technically feasible and/or cost effective will not affect the potential for energy savings and consumer empowerment since the specific consumer consumption is very low.

4.5. Smart meters: Do you think that A) the EED requirements regarding smart metering systems for electricity and natural gas and consumption feedback and B) the common minimum functionalities, for example to provide readings directly to the customer or to update readings frequently, recommended by the Commission[2] together provide a sufficient level of harmonization at EU level?

CRE considers that A) the EED requirements regarding smart metering systems for electricity and natural gas and consumption feedback and B) the common minimum functionalities provide an acceptable level of harmonization at EU level.

However, EU recommendations of best practices, should provide a basic level of specific consumption that can be harmonized at EU level.

<u>If no</u>, do you think the common minimum functionalities should be the basis for further harmonization?

[2] C(2012)1342

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4.6. What obstacles have national authorities/actors faced in introducing on a large scale individual meters that accurately reflect the final customer's actual energy consumption? Do you have any good experiences to share on how to overcome these obstacles?

CRE has observed that in the field of electricity metering the following barriers have been identified in the implementation of smart metering:

-Potential significant investments needed to implement the smart metering system;

-Reluctance by some stakeholders regarding the implementation of smart metering opportunity.

Regarding the introduction of individual meters for gas, water and heat there are public debates in finding the best solutions.

By promoting pilot projects there have been highlighted benefits of implementing smart metering: in terms of distribution operators for energy management, for the electricity suppliers in forecasting the consumption. Consumer's interest is rather reduced on matters of smart metering.

5. Article 20: Energy efficiency national fund, financing and technical support

5.1. What should be the most appropriate financing mechanisms to significantly increase energy efficiency investments in view of the 2030 target?

CRE considers energy efficiency investments can be stimulated only through a mix of financing policies and instruments that would respond to the needs of various industry segments and actors. However, several financing mechanisms should be given a particular attention and support from the Member States, as further detailed below,

Financial institutions should be encouraged in making available **credit lines** dedicated for energy efficiency investments, both in respect of companies - corporate investors, including project developers, and individual households. This would be the case particularly for public credit institutions, but also private entities. Credit lines can make a serious impact in conjunction with the grants and funding schemes available under EU programs (regional development, etc.). Financial institutions should be also encouraged to offer technical assistance in order to make energy efficiency projects bankable.

Dedicated credit lines should be further supported by the implementation of specific **guarantee schemes** (**risk-sharing facilities**) by public institutions and dedicated energy

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funds. Guarantee schemes would thus increase the accessibility, lower the risks and decrease the costs of credit.

Member States should consider also implementing appropriate **on-bill repayment and on-tax financing schemes** that would provide incentives for energy efficiency investments for companies and individuals alike. In this respect, taxes on property can be reduced for the refurnished buildings.

In addition to the three major mechanisms referred to above, (i) the use of **energy performance contracts** on a larger scale valid both at national level and throughout Europe, profitable for investors, after all aspects related to their application have been clarified; and (ii) a more prominent role to be played by **energy funds** should help in boosting the energy efficiency investments.

Other financing options could be also considered, as ancillary instruments.

5.2. Should there be specific provisions aimed at facilitating investment in specific areas of energy efficiency?

CRE considers that there should be specific provisions aimed at facilitating investment in specific areas of energy efficiency.

If yes, specify your answer from the below list:

- (•) Building renovation
- (•) Efficient appliances and equipment in households
- (•) District heating and cooling network development
- ( ) Energy use by industries
- (•) SMEs
- (•) Companies
- (•) City and community infrastructures in relation to transport, waste heat recovery, waste-to-energy
- ( ) Other (please specify)

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5.3. Do you agree that one way to increase the impact of energy efficiency investments could be through making the energy performance/savings monitoring mandatory under Article 20 whenever public funds/subsidies are used for EE investments? Such monitoring could be done, for example, via on-line platforms, by users in the regular intervals.

- ○ Strongly agree
- ◉ Agree
- ○ Disagree
- ○ Strongly disagree
- ○ No opinion

6. Article 24: Reporting and monitoring and review of implementation

6.1. Do you think that the existing reporting and monitoring system under the EED is a useful tool to track developments with regard to energy efficiency in Member States?

Yes.
CRE considers the existing reporting and monitoring system under the EED an useful tool to track developments with regard to energy efficiency in Member States.

If yes, why is it a useful tool?

The annual reports to be submitted by the Member States in accordance with the requirements of Article 24 of the EED contain a set of measurable indicators which can indeed allow the monitoring of progress towards the achievement of energy efficiency targets.

In addition, we find extremely useful that the annual reports record the updates occurred with respect to the legislative and non-legislative measures implemented by the Member States in the previous year aimed at increasing the energy efficiency and reaching the established targets. Successful measures adopted by certain Member States may prove an important source of inspiration and an incentive for other Member States and the experience thus accumulated may help the overall progress towards the envisaged targets.

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6.2. Do you think that the reporting of national indicators (for example, value added/ energy consumption, disposable income, GDP etc. for year (n-2)[3] under Annex XIV (1)(a)) of the EED should be simplified?

Yes.

Certain national indicators are already reported by the Member States to other EU bodies, such as to EUROSTAT. In order to avoid a redundancy of the information received and, potentially, discrepancies between the data communicated, we believe the reports under Annex XIV (1) of the EED should contain only such data which cannot be retrieved from other sources, such as EUROSTAT.

6.3. Do you think additional indicators (in addition to those referred to in Annex XIV (1)(a) – (e)) are needed to improve monitoring to assess Member States' progress towards their energy efficiency targets?

Yes.

Generally, the indicators already referred to in Annex IV (1) offer a fair image of the impact of the energy efficiency mechanisms and the progress towards achieving the relevant targets.

However, the following addition may be considered:

- adding the “energy intensity” indicator among those included in Annex IV (1) (a);

[3] In the year before last [year X(1) – 2], where ”X” is the current year.

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Part II – Technical questions (on Articles 6 and 7)

7. Article 6: Purchasing by public bodies of energy efficient buildings, goods and services

7.1. Do you believe that measures on public procurement of energy efficient products, services and buildings should become mandatory also for public bodies at regional and local levels?

CRE considers that measures on public procurement of energy efficient products, services and buildings should also be mandatory for public bodies at local and regional level, these measures can increase the chances of achieving the targets set by the EU.

7.2. In your view, what are the main barriers that preventing the use of energy efficiency requirements in the existing public procurement procedures (please select from the list and explain your reply:

- (•) There is a lack of awareness about the use of energy efficiency requirements in public procurement
- (•) There is insufficient expertise and/or knowledge on the use of energy efficiency requirements in public procurement
- ( ) Thresholds are too high which is why energy efficiency requirements do not apply to many contracts
- ( ) Incompatibility of energy efficiency requirements with other procurement criteria (sustainable requirements, low price, safety requirements, technical requirements)
- ( ) Higher energy efficiency criteria in public procurements may imply higher prices
- ( ) Lack of clarity of the energy efficiency requirements for public procurement
- ( ) Energy efficiency requirements for public procurement are not very clear and difficult to check

From our experience, we noted that the Romanian legislative framework is rather rigid and definitely not adapted for the implementation of energy efficiency projects. Particular issues derive from the perspective of the preparatory steps prior to the launching of a tender (or other public procurement procedure), the identification of the nature of the contract (*i.e.* works vs. services), the qualification as public debt of the payments owed by

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the contracting authority to the ESCO, the possibility to schedule payments under an agreement throughout its duration (payment of the contract invoice in installments), the limitations set on the amount of the advance payments that a contracting authority could make under an energy performance contract.

7.3. In your view, should all EU public procurement rules relating to sustainability (including in particular energy efficiency in buildings, the use of renewable energy sources, etc.) be gathered into a single EU guidance framework?

Yes.
CRE deems such measure very useful as it would eliminate many uncertainties on how the general public procurement rules would apply in case of energy performance contracting.

7.4. Do you think that there is sufficient guidance/framework to know what is meant by "energy efficient products, services and buildings"?

We consider that the level of guidance/framework to know what is meant by "energy efficient products, services and buildings" could be improved.

7.5. While energy efficient products will be cheaper to operate, their initial cost might be higher and a longer period of time will be needed to "pay back" this higher cost. Is this a problem and if so, how can public authorities overcome it?

Yes.
This may be a problem from the perspective of the available budgetary resources (as in Romania, many projects require co-financing from public authorities).

8. Article 7: Energy efficiency obligation schemes

8.1. Emerging evidence suggests that most of the measures introduced under Article 7 have long lifetimes (20-30 years) and will continue have an impact beyond 2020. Do you share this view?

Yes.
The real energy gain is not the lifetime character of the measure but the fact that the measures were implemented earlier than it should have been. In this case a lot of savings will have a shorter lifetime than 20-30 years.

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8.2. What is your view on the potential benefits (listed) of energy efficiency obligation schemes?

	Strongly agree	Agree	Disagree	Strongly disagree	No opinion
Lower energy bills for consumers	X				
Better awareness of energy efficiency potential by consumers		X			
Better relationship between energy suppliers, distributors and customers		X			
Lower energy generation (and transmission) costs for the utilities	X				
Improved business and administrative environment for up-coming innovative energy services		X			
Aggregation of small-scale investments (pooling/bundling)		X			
Development of new financing models – e.g. energy performance contracting	X				
Stimulation of energy efficient renovation of buildings	X				
Increased competitiveness in the energy markets	X				
Other					

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Members of CRE are strongly in favor and mainly agree because all indicated potential benefits (e.g. reduction of energy bill, easier implementation of energy efficiency measures, reduction of the cost of energy generation / transmission, using innovative energy services, using energy performance contracting and increasing the competitiveness in the energy markets) represent important directions in reaching the approved targets.

Lower energy bill is a desire for customers and a target for regulator. Educating the customers is a necessary objective in order to increase the acceptability of the energy efficiency measures.

We consider that the improvement of relationship between energy suppliers, distributors and customers will conduct to a transparent and functional energy market. Reduction of energy generation (and transmission) costs for operators determines the increasing capability to compete of the operators.

8.3. Are you aware of any developments in the energy services markets that have benefited particular actors (e.g. service providers, suppliers, distributors, etc.) in Member States having an obligation to define the obligated parties under the energy efficiency obligation scheme?

Not applicable since Romania has chosen alternative measures in terms of energy efficiency development.

8.4. If you think that some requirements of Annex V need more precise guidance please list those requirements and specify briefly what further information you think would be useful.

No.

CRE considers that this should be the task of the Member States.

8.5. As you might know, the current framework of Article 7 is set until 2020, linked to the energy efficiency target for 2020, which will expire at the end of 2020. In your view, should the Article 7 obligations continue beyond 2020 in view of the new energy efficiency target for 2030?

Yes.
CRE considers that the Article 7 obligations should continue beyond 2020 in accordance to the new energy efficiency target for 2030.

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If yes, what factors should be considered for the future Article 7 (please select up to 5 options from the list, and explain your reply if possible):

- ○ The amount of savings to be achieved should be set at a more ambitious level for post 2020 (exceeding the existing 1.5%)
- ○ The energy efficiency obligations scheme should be kept as the only possible instrument to achieve the required savings
- ◉ The possibility to choose between the energy efficiency obligations scheme and/or alternative measures should be retained
- ○ The possibility to exclude sales in transport from the baseline should be removed
- ◉ The possibility to exclude sales in transport from the baseline should be kept but restricted to the fixed amount to ensure the level playing field
- ○ The exemptions under paragraph 2 – applying a lower calculation rate (for the first years), and excluding sales in ETS industries, as well as allowing savings from measures targeting energy generation and supply – should be removed altogether
- ○ The exemptions under paragraph 2 should be retained but the level and number of exemptions should be reviewed
- ○ The possibility for 'banking and borrowing' energy savings from different years should be removed (paragraph 7(c))
- ◉ The possibility for 'banking and borrowing' energy savings should be kept with a possibility to count savings towards the next obligation period (paragraph 7(c))
- ○ Other (please specify)

CRE members consider it is important that the Member States are given the option to choose between implementing energy efficiency obligation schemes or alternative measures (e.g. energy or CO_2 taxes, financial incentives, education programs, etc.) since Member States are in the best position to assess which measures will be the most efficient in order to reach the EED targets.

Further more, while the possibility to exclude sales in transport from the baseline should be kept, instruments should be put in place (restrictions to a fixed amount could be a solution) so that the energy savings are calculated in a fair manner for all Member States.

Finally Member States should be given the opportunity to plan their investments according to their needs, so that a significant effort towards energy savings achieved in one year could be accounted for a period or 2-3 years, as long as the overall target is reached.

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8.6. Do you think that the scope of eligible measures allowed under Article 7 should be clarified?

Yes.
From CRE's point of view, the scope of eligible measures allowed under Article 7 should be clarified.

If yes, please explain your answer further:

- ○ The scope of eligible measures should only be end-use energy savings (as it is at the moment)
- ◉ The scope of eligible measures should be expanded
- ○ Other (Please specify)

If the scope should be expanded, please specify which of the following possibilities would be appropriate:

- ◉ Measures to switch fossil fuel heating and cooling fully or partially to renewable energy (e.g. through individual appliances, district heating and cooling, centralized distributed units supplying larger building complexes or groups of buildings)
- ○ Measures to increase efficiency of district network infrastructure and generation, including through thermal storage facilities
- ◉ Measures to make energy generation from small scale generation more efficient, below the ETS threshold
- ○ Switch to self-consumption, auto-generation and energy positive buildings
- ○ Participation in demand response, including from providing storage capacities
- ○ Primary energy savings from the utilization and recovery of waste heat (e.g. in district networks)
- ◉ Savings from energy management systems
- ◉ Energy savings from better organization of activities
- ○ Other (please specify)

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8.7. What role should the EU play in assisting the Member States in the implementation of Article 7?

Provision of Article 7/Annex V	Strongly agree	Agree	Disagree	Strongly disagree	No opinion
Calculation methods		X			
Materiality		X			
Additionality			X		
Lifetimes			X		
Price demand elasticities[4] for taxation measures in real terms					X
Indicative list of eligible energy saving measures		X			
Monitoring and verification procedures	X				
Reporting	X				
Other					

Based on our experience, we noted that in many instances the energy efficiency measures may be taken only after or in conjunction with structural works. Considering the wide variety of situations which may occur in practice, members of CRE believe that both additionality and lifetime should not be subject to regulation at the level of the directive, in order to allow the stakeholders to find the best structures suiting their needs. On the other hand, the materiality, the calculation methods, indicative lists of eligible measures and

[4] Price demand elasticity is a measure used in economics to show the responsiveness, or elasticity, of the quantity demanded of a good or service.

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monitoring procedures are elements in respect of which a higher harmonization may bring effective advantages.

8.8. What role should the EU play in assisting the Member States in the implementation of Article 7?

From CRE's point of view, EU should have the role to monitor and evaluate the implementation requirements of Article 7 and to consider potential legislative barriers in each Member State.

8.9. Please state which best practice examples could be promoted across the EU and how?

CRE considers that EU should publish the Best Practices Guideline in order to promote a set of best practice examples.

8.10. Would it be appropriate and useful to design a system where some types of energy savings achieved in one Member State would count towards obligations carried out either by governments or by economic operators in another country, just as the option to cooperate on greenhouse gas emissions reductions already exists?

In principle, EED aims at ensuring that all Member States make efforts towards implementing energy efficient technologies and achieving the agreed energy savings targets. The GHG emissions reduction mechanism could be used in this case as well, but only to the extent the cooperation between Member States towards reaching the relevant targets would not be exempt each State from taking a certain minimum energy efficiency measures.

8.11. Would it be appropriate and useful to design a system where energy efficiency obligations would also include elements aiming at gradually increasing the minimum share of renewable energy applicable to energy suppliers and distributors?

Yes.

We consider necessary a system where energy efficiency obligations also include elements aiming at gradually increasing the minimum share of renewable energy applicable to energy suppliers and distributors. The optimum solution should be the result of the study.

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8.12. Could the option of establishing an EU wide 'white certificate' trading scheme be considered for post 2020?

- Strongly agree
- Agree
- Disagree
- Strongly disagree
- No opinion

CRE considers that there should be a capitalization of the EU ETS experience.
The sale of white certificates can be made where there is demand and supply. At the moment there are only three countries involved in emitting white certificates. The implementation of this system is necessary to be made at European level and especially at national level (as seen in Italy).

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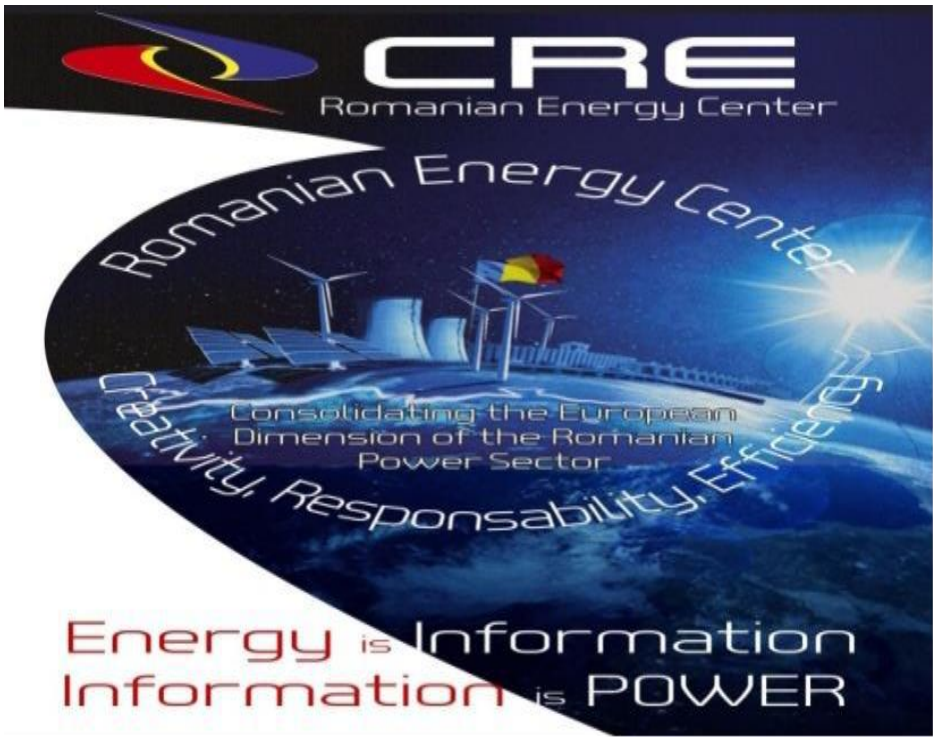

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It is managed and financed by its member companies, mainly the electricity, coal, oil and gas companies at the present, and works to secure for them the freest and most favorable conditions for competition and progress in order to ensure development, growth and well-being in Romania.