MINUTES

2nd Joint meeting of the Ecodesign Consultation Forum and ad hoc Consultation Forum under the Energy Efficiency Directive

Primary Energy Factor

Brussels, 17 June 2016

Participants: See “Attendance List” in Annexes

On 17 June 2016 a second meeting of the ad-hoc consultation forum under the Energy Efficiency Directive and the Ecodesign Consultation Forum on the use of the "Primary energy factor" took place in Brussels. The first meeting was held on December 2014 and a stakeholders' technical meeting in January 2016.

1. BACKGROUND

The meeting was in the context of the review of the default coefficient for electricity generation of 2.5 in Annex IV of the EED.

The European Commission, with the support of a tendered study led by Fraunhofer ISI, presented four calculation methods for discussion, which differ for three main aspects:

a) The CHP method to allocate the share of primary energy to electricity (IEA vs. Finish method), on which there is agreement to use the Finish method, which is the method in Annex II of the EED.

b) The RES accounting method (Total primary energy vs. Non-RES primary energy approach).

c) System boundaries, i.e. to what extent to use life cycle approach to apply.

One month before the meeting, the European Commission had sent to all participants a discussion paper with its proposal within annex the tendered study. The European Commission had proposed for the discussion to revise the PEF value to 2.2. The options assumed for this calculation are: CHP Finish method; Total primary energy for RES; life cycle perspective for the conventional fuels.

2. OUTCOME AND CONCLUSIONS

On the technical content and methodology:

1) Participants had no opposition to the common assumptions of the four methods: geographical coverage (EU28+Norway), use of yearly data, use of conventional conversion efficiency (100% RES, 33% nuclear, 10% geothermal, technical real data for fossils and biomass).
2) All methods are calculated by using the PRIMES 2012 Reference scenario data. The European Commission made this choice to include in the PEF value pictured today the effect of today's policies in near future electricity generation. This is in line with the request by some Member States and stakeholders to apply a "consequential" approach (i.e. what will be the consequence on the PEF value of a certain policy applied today). Many participants appreciated moving away from a backward looking approach. To this purpose, the use of extrapolated data for Eurostat instead of PRIMES could still be explored.

3) The option to try to calculate a "Marginal" market position (e.g. which energy source is the last one dispatched every hour) was eventually dropped, in favour of the Average position that the European Commission had proposed since the beginning. This is also an effect of the clarification of the difference between the terms "Marginal" and "Consequential", seen as synonyms by some participants.

On the procedure:

4) Several participants – both stakeholders and Member States – showed concern on the impact of a revised PEF value on other legislation (Ecodesign, Energy labelling, EPBD).

5) It was made clear that the European Commission intends to continue using the PEF value for electricity in the Ecodesign and in the Energy labelling directives.

6) It was made clear that the European Commission intends to keep non-binding values of PEFs in the context of the EED and of the EPBD.

7) Being the EED under review, the European Commission wants to propose to include the PEF review in this process, to take advantage of a single review effort.

8) It is the European Commission's intention to introduce a regular review of the PEF value – possibly every 5 years. The current work aims to set a methodology that that can be used as a basis for future updates.

Overall, there was no opposition to the process, rather support for the update of the value and the identification of a basis methodology (particularly NL).

3. NEXT STEPS:

Member States and stakeholders were invited to send views on three points by 4/7/2016: RES accounting method, System boundaries, PRIMES vs. extrapolation of Eurostat data. Notably:

1) As for the RES accounting method, what are your views on the options Total primary energy and Non-RES primary energy approach?

2) Which system boundaries would you find appropriate? What are your views on a life cycle approach in the calculation of the PEF for electricity?

3) In order to include the effect in the next future of current policies in the calculation, do you think PRIMES data satisfy this need or would you opt for an extrapolation of Eurostat data?

The European Commission will finalise the procedure to include the PEF review in the EED review co-decision process.
# ANNEX – Attendance List

**Commission Services**

- Austria
- Czech Republic
- Germany
- Finland
- France
- Spain
- Ireland
- Latvia
- Luxembourg
- The Netherlands
- Portugal
- Sweden
- Slovakia
- The United Kingdom
- Norway
- AEGPL
- AIE
- ANEC / BEUC
- BUSINESSEUROPE
- CECAPI
- CECED
- CENTC371
- COGEN Europe
- ECOS
- EFIEES
- EGEC
- EHI
- EHPA
- EPEE
- ESTIF
- EUEW
- EUHA
- EURELECTRIC
- EURIMA
- EUROFUEL
- EUROGAS
- EUROHEAT & POWER
- European Copper Institute
- MARCOGAZ
- ORGALIME