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DIRECTORATE-GENERAL FOR ENERGY

Directorate C - Renewables, Research and Innovation, Energy Efficiency
Energy efficiency

Report of the Work of the Task Force on Mobilising Efforts to Reach the EU Energy Efficiency Targets for 2020

*This report has been prepared by the Commission services to reflect the work of the Task
Force on mobilising efforts to reach the EU Energy efficiency targets for 2020*

Executive summary

The estimates of primary and final energy consumption in 2017 based on the recently released data by Eurostat indicate that the EU is no longer on track to meet its 2020 targets for energy efficiency. Primary and final energy consumption has been rising since 2014. The analysis shows that there is no single cause of the increase in energy consumption since then, although it could partly be attributed to good economic performance since 2014, low-oil prices and colder winters in 2015 and 2016, even though the effect is different across sectors.

To address the growing energy consumption trends over the recent years, the Commission services set up a dedicated Member States' Task Force on mobilising efforts to achieve the 2020 targets for energy efficiency. The first Task Force meeting took place on 26 September 2018 when **Member States broadly recognised the fact that the EU is currently not on track for achieving the 2020 target for energy efficiency** and that it is important to guarantee that the target is met. Therefore, there is a need to mobilise additional efforts to reverse this trend.

This work and efforts made as part of ensuring that the EU energy efficiency targets for 2020 are achieved will greatly contribute to the 2030 policy framework and to the achievement of the energy efficiency target for 2030, which requires to reduce primary and final energy consumption in the EU by 32.5% as compared to their projected values (which is equivalent to reduce them respectively by 26% and 20% from the levels achieved in 2005 as accounted by Eurostat).

The Commission services asked the Member States to provide input on the additional measures planned or taken to address the gap, including on how the Commission could support them. The assessment shows that a majority of Member States are actively working on the implementation of the existing measures or strengthening the existing framework, which are expected to contribute to the achievement of their national indicative energy efficiency targets for 2020.

As a result of the consultation process with the Member States and stakeholders, the Commission services have identified the following actions in view of mobilising efforts to reach the Union's energy efficiency targets for 2020:

1) Ensuring full implementation of the existing legislation, in particular

- a) Full achievement of the energy savings obligation under Article 7 of the EED;
- b) Implementation of the requirement for buildings undergoing major renovations to achieve minimum energy performance standards (Article 7 of the EPBD);
- c) Full implementation of requirement to carry out regular inspections under Articles 14&15 of the EPBD.

2) Putting in place additional measures to address the gap

- a) Mobilising financing under the structural funds;
- b) Additional national measures.

3) Action taken by the Commission

- a) Intensify dissemination of information and exchange of best practice, including through dedicated workshops and seminars;
- b) Strengthen Member States' market surveillance of product efficiency requirements;
- c) Capacity building for promoting renovations in the public sector, including using energy performance contracting.

Lessons learned from the current period in view of reaching the EU energy efficiency targets for 2030

There are a number of lessons learned in the current period such as the need for a targeted policy framework to plan the investments, better understanding of remaining barriers, capacity building and awareness raising which will facilitate the achievement of the Union's target for 2030, and it is expected that this will be reflected in the preparations of the final integrated national energy and climate plans under the Energy Union Governance.

Monitoring and next steps

As the first step to monitor the achievement of the Union's target for energy efficiency, Member States are invited to report on the actions taken and their results in their annual progress reports under the Energy Efficiency Directive, which are to be submitted by April 2019.

The Commission services will continue monitoring energy consumption trends in the context of the annual Energy Union progress report on energy efficiency. In addition, the Commission services will continue monitoring the implementation and transposition of energy efficiency legislation in the Member States, and will continue working closely with the Member States and stakeholders in order to provide the necessary support to Member States so that they can implement the identified measures in view of reaching the 2020 targets.

The Commission services aim to convene the next Task Force meeting in the summer 2019, after Eurostat estimates on energy consumption for 2018 are released, with a view of enabling the assessment of progress.

1. Introduction and purpose of the Task Force

Estimates of primary and final energy consumption in 2017 based on the released data by Eurostat¹ indicate that the EU is currently no longer on track to meet its 2020 targets for energy efficiency. Primary and final energy consumption has been rising since 2014. This trend has overwhelmed the good progress that had been made since 2006 and seems to be present in virtually all Member States.

In order to better understand the drivers behind these energy consumption trends the Commission organised a dedicated workshop in May 2018 with various experts and issued a report presenting these issues in more detail². Following the workshop in May, the Commission decided to set up a dedicated Member States' Task Force on mobilising efforts to achieve the 2020 targets for energy efficiency aimed at better understanding the causes behind the increased consumption trends and identify concrete solutions and responses to address the challenge.

The first Task Force meeting took place on 26 September 2018 when the Commission services presented the analysis on the growing consumption trends. **Member States broadly recognised the fact that the EU is not on track to achieve the 2020 target for energy efficiency** and that it is important to guarantee that the target is met. Therefore, there is a need to mobilise additional efforts to reverse this trend.

Based on the discussion held on 26 September, the Commission services asked the Task Force members for input to the analysis on the possible causes of the EU not being on track and information on specific planned or undertaken actions to address this challenge at national level including new measures to achieve additional energy savings by 2020. In addition, the Commission sought input from the Task Force on how the Commission could support Member States in taking up the identified action(s) to allow the desired effect by 2020.

The second meeting of 27 November 2018 discussed and agreed the way forward on how to better address collectively the challenge. The responses are outlined in chapter 3 of this report.

2. Summary of Task Force findings

During the first Task Force meeting of 26 September 2018, the Commission services presented the analysis of the possible factors that have influenced the increased consumption trends over the last years since 2014. There are differences between sectors with the main increase in energy consumption observed in buildings (residential and services) followed by transport, while energy consumption in industry grew very little. Consumption for energy supply (generation,

¹ DG ENER updated estimates of 2017 primary and final energy consumption in the EU28, based on the Eurostat early estimates of energy balances available at: http://ec.europa.eu/eurostat/statistics-explained/index.php?title=Energy_balances_-_early_estimates&oldid=357912

² <https://ec.europa.eu/energy/en/studies/drivers-recent-energy-consumption-trends-across-sectors-eu28>.

transmission and distribution) fell, because of the shift to renewable energy in electricity generation.

This trend is observed also globally as confirmed by the latest International Energy Agency (IEA) Energy Efficiency Market Report 2018³, which shows the increase in global energy demand of 1.9% in 2017. This is the largest annual increase since 2010 outweighing progress on energy efficiency, mainly driven by transport and industry (the latter mainly in emerging economies), but also by buildings sector. The report concludes that the implementation of energy efficiency policy has slowed, putting at risk the recent gains. On the other hand, the report recognises that energy efficiency policy contributed to decoupling energy demand from economic growth to some extent.

The Commission analysis presented to the Task Force shows that there is no single cause of why energy consumption in the EU has increased since 2014, although it could partly be attributed to good economic performance since then, low-oil prices and colder winters in 2015 and 2016, even though the effect varies across sectors. Member States broadly agreed with this analysis and pointed out additional causes depending on their national context that may have contributed to it:

- 1) delayed implementation of energy efficiency policies;
- 2) difference in the estimated energy savings and the actual energy savings achieved;
- 3) insufficient consideration of the impact of behavioural aspects such as the rebound effect;
- 4) lack of funding for energy efficiency policies and restrictions by EU state aid rules.

More specifically, in relation to the specific sectors, the analysis points out to the following factors including those highlighted by Member States:

a) Buildings sector (residential and services)

In the residential sector, energy use rose by 7.4% between 2014 and 2016. However, this increase was largely a result of colder winter weather, following the exceptionally warm winter of 2014, given that space heating energy consumption accounts for around 2/3 of residential energy consumption. Energy consumption in the residential sector and, to a lesser extent, in the services sectors are significantly influenced by winter temperatures.

Weather-corrected heating energy consumption has been relatively flat since 2010, following a decade of reductions. The implications for short-term residential energy consumption growth are unclear. To what extent these trends are related to lifestyle changes, for example the increasing penetration of smaller appliances and ICT in EU households should be further analysed. For public buildings, a greater level of energy comfort is mentioned as one of the factors contributing to the increased energy consumption trend.

³ <https://webstore.iea.org/market-report-series-energy-efficiency-2018>

b) Industry sector

The volume of industrial production rose at an annual rate of 1.4% between 2013-2016, and accelerated to 3.4% in 2017, which partly have contributed to an increase in energy consumption by 0.3% between 2014-2016, and could drive the energy consumption further up in the coming years. The economic crisis led the industry sector to make structural changes in order to ensure cost-efficiency, which in turn was responsible for low energy consumption trends over the recent years. As part of the cost-saving measures, energy intensive companies have introduced energy saving measures and energy management systems that in several Member States were supported by financing incentives and fiscal measures, and in some cases well before the Energy Efficiency Directive was enforced.

c) Transport sector

Transport sector energy use rose by 4.2% between 2014 and 2016. About 82% of the final energy consumption in transport is on road transport and oil products (gasoline and diesel) are by far the most important energy carriers used in this sector.

In the short-run, the strong economic conditions are likely to continue driving up both passenger travel and freight transport, which will result in increased energy demand in this sector. In addition, growing trend of the market share of larger sports utility vehicles (SUVs) would also negatively affect this trend.

The introduction of freight standards, the tightening up of test procedures for passenger vehicles and supportive local and national policy environments for electric vehicle penetration are likely to drive down energy consumption in the medium-term that will be beyond 2020. However, many Member States struggle with the increasing share of old vehicles which are cheaper to buy but which are more fuel consuming than the new more efficient vehicles subject to the CO2 standards. In addition, inefficient mobility systems including increased transport activity levels and congestions in big cities also have contributed to the increased energy demand in the transport sector.

3. Recommended action(s) for getting back on track for 2020 targets

The Commission services have analysed all the contributions received from the Member States (15 in total) in the context of this exercise and it can be concluded that all those Member States are actively working to implement the existing measures, which are expected to contribute to the achievement of their national indicative energy efficiency targets and the EU target for 2020. The latest annual reports show that also other Member States are working actively to reach their indicative energy efficiency targets for 2020. Some of the Member States have put a focus on strengthening the existing policies, e.g. energy efficiency obligation scheme.

A few Member States have indicated that they have set up a dedicated process to analyse closer the increasing energy consumption trend and have put in place a plan to introduce additional actions to address it.

As a result of this consultation process with the Member States and the stakeholders the Commission services have identified the following actions as an effective way forward to facilitate the achievement of the Union's energy efficiency target for 2020. Those could be divided into the three groups:

3.1. Ensuring full implementation of the existing legislation

Given the delays in the transposition and the implementation of the key energy efficiency legislation in the Member States, it is urgent to implement fully the required legislation, including powerful measures such as the energy saving obligation under Article 7 of the Energy Efficiency Directive and the requirement to ensure regular inspections under Article 14 and 15 of the Energy Performance of Buildings Directive.

The Commission services have examined the transposition and implementation of the EED in all the Member States. EU Pilot information requests were sent to all Member States in 2017. Based on the analysis of the replies, the Commission concluded that some points appeared not to be in conformity with the EED, and therefore prepared letters of formal notice (LFNs), the first step in the infringement procedure. The first letters of formal notice were issued in July 2018, a “second wave” is planned for November, and the remainder in January 2019. One of the significant points raised was the risk of not achieving the energy savings required under Article 7 of the EED by 2020.

In terms of the implementation of the EPBD, 20 Member States have already completed national transposition in conformity with its provisions. With regard to the other eight Member States, the Commission is checking the transposition status in the context of the infringement procedure, and we are confident that over the next few months we might be able to close most of the pending eight cases.

Some of the provisions and obligations of the energy efficiency legislation should be specifically pointed out thanks to their significant effect on the overall energy efficiency target for 2020.

a) Full achievement of energy savings obligation under Article 7 of the EED

Article 7 is a key policy to trigger energy savings in the demand side. It is estimated that the energy savings obligation in Article 7 contributes around half of the total savings estimated from the Directive. The strength of this instrument shows that it is and remains to be crucial to foster the full and effective implementation of Article 7 in each Member State.

First of all, it is important for Member States to transpose and implement the policy measures they notified to achieve the savings obligation by end 2020. Secondly, Member States should ensure a proper measurement and verification of reported energy savings, including ensuring regular monitoring and control of the implemented measures to check whether they really deliver on the ground. This would allow making necessary improvements and adjustments for those measures that are lagging behind and do not deliver the estimated savings. Verification and measurement of savings thus is a central part of the policy implementation as required by Article

7, which amongst others also requires that Member States propose corrective action if the measures do not deliver the expected results.

By ensuring stricter control and verification of the reported savings, Member States would be able to identify deviation from the reported/ expected savings and identify the necessary corrective measures to fill the gap. Strict rules of verification (including a properly selected representative sample verified independently from obligated and participating or entrusted parties) would ensure that the reported savings are closer to the reality.

The Commission services will closely follow up on the annual progress to ensure that the required savings of 1.5% from final energy sales are delivered each year in view of achieving the energy savings obligation for the existing period 2014- 2020.

b) Implementation of the requirement for buildings undergoing major renovations to achieve minimum energy performance standards (Article 7 of the EPBD)

Article 7 of the EPBD requires that buildings undergoing under major renovations have to achieve minimum energy performance standards. The evaluation for the recent review of the Directive showed that the implementation or enforcement of this obligation is sometimes weak – minimum energy performance standards are not always applied. Loopholes are used that lead to higher energy consumption and higher costs for the inhabitants. The improved implementation of this already existing obligation represents a quick win.

These minimum energy performance standards for major renovations are generally required at building permit stage, i.e. at the municipality or region. The Commission services therefore approached the Covenant of Mayors that gathers over 7,000 active signatories, mostly cities and regions, on the topic of energy efficiency.

The Covenant of Mayors (CoM) showed strong willingness to assist the Member States and the Commission on this issue through for example national workshops (to be held in 2019) that will focus on the buildings sector. Additionally, the Covenant offered to raise this topic on their other communication channels such as newsletters or webinars, to raise awareness among participating cities and regions.

Feedback so far received from CoM signatories suggested some actions that may contribute to overcoming barriers to the implementation of requirements for major renovations at local level, such as capacity building for local professionals in the construction and energy sector and for municipal officers, and improved communication channelled through one-stop-shops at local level.

Such capacity building initiatives will continue to be supported under the Horizon2020 Energy Efficiency Call for Proposals 2019-2020 through projects that directly stimulate demand for energy skills in the construction sector, including inter-alia the development, up-scaling and combination of tools and initiatives at local level and the support to public authorities for the development of new frameworks for covering requirements for skilled workers in public procurement.

One-stops-shops, which are one of the key elements of the Smart Finance for Smart Buildings initiative⁴, will continue being supported at EU level through an exchange of good practices through Manag'Energy, and funding through Horizon 2020, the EU Project Development Assistance facilities and the European Structural and Investment Funds.

c) Full implementation of the requirement to carry out regular inspections under Articles 14&15 of the EPBD

Articles 14 and 15 of the EPBD require Member States to lay down the necessary measures to establish regular inspections of heating and air-conditioning systems. These inspections should evaluate the performance of those systems, propose recommendations for its improvement, which may be based on a comparison with the best available systems, and record the results. As an alternative to regular inspection schemes, Member States may opt for measures to ensure the provision of advice to users on the replacement of their systems or on other relevant modifications (which should result in equivalent impact to that achieved by inspections).

The recommendations offered by this type of actions - inspections or alternative measures are relatively easy to implement, offer quick energy savings and, generally at a low or even no-cost and thus can offer a possibility to achieve energy savings in the short term by 2020.

As of November 2018, those Member States that choose to follow the inspection option have completed the process to set up the inspection schemes. In order to be effective, inspection schemes should be followed by close evaluation of results to determine their impact and ways to improve the schemes themselves.

From the information available, the most important missing link identified is the low level of effective implementation of the recommendations resulting from inspections. The user will carry out not all the measures identified in an inspection.

To overcome the barriers to the effective implementation of the recommendations resulting from inspections (e.g. lack of funds or lack of expertise), inspection schemes could be better integrated with other support measures such as for example, in case of a recommendation for boiler substitution giving information to the user about installers or funding schemes.

In general, the results of inspections could also be used to identify opportunities in other initiatives (e.g. grant schemes, financing schemes or information campaigns) to better target those measures that could be easily carried out by the user and thus result in higher energy savings.

⁴ SFSB was published as part of the 'Clean Energy for All Europeans' package in November 2016. It includes practical solutions to mobilise private financing for energy efficiency and renewables in buildings, following a threefold objective: 1) using public funds more effectively, 2) more assistance to create project pipelines, and 3) changing the risk perception of financiers and investors.

3.2. Putting in place additional measures to address the gap

In addition to the full implementation of the existing legislation and the existing measures announced in the Member States' National Energy Efficiency Action Plans, additional action by Member States would positively contribute to closing the gap towards the 2020 target. A number of Member States have recently introduced or plan to introduce additional measures, which would allow achieving energy efficiency gains by 2020. In many cases, those measures depend on the available financing at national or at EU level. However, it was also pointed out that some measures would not ensure the expected energy savings in the short term, but within a certain time lag.

a) Mobilising financing under the structural funds

First, it is important to make full use of the funding available for increasing energy efficiency under the European Structural and Investment Funds (thematic objective 4, low-carbon economy).

The latest data available to the Commission show that the implementation of the 2014-2020 programmes is generally progressing well, with about 44% (or € 7.4 billion) of the overall planned allocations from the European Regional Development Fund and the Cohesion Fund for energy efficiency investments in buildings and enterprises (€ 17.0 billion in total) already allocated to projects by the end of 2017⁵. A number of Member States, including Bulgaria, Croatia, Ireland, Lithuania, Luxembourg, Hungary, Netherlands, Poland and Sweden have kick-started the implementation of their energy efficiency measures under the 2014-2020 programmes, with project selection rates in this area already above 60% in the end of 2017. However, other Member States have seen delays with the implementation of these allocations in the beginning of the period with eight having selection rates below 30% at the end of 2017.

It should be noted that under the 2014-2020 programmes, project selection has to be completed by end 2020 while implementation of the projects can still go on until the end of 2023. It is important to make good use of the remaining funding opportunities, supporting high quality projects that make an efficient contribution towards the energy efficiency targets.

The feedback received from Member States show that they have proposed a set of additional measures mainly in the residential and transport sectors. Some of these measures could be financed under the European Structural and Investment Funds in the current programming period 2014-2020, when compatible with the regulatory framework and the relevant operational programs⁶.

⁵ Data for end 2018 to be transmitted by Member States by 31 January 2019. To ensure transparency, the Commission publishes updated data on European Structural and Investment Funds, including progress towards the agreed indicator target values, available at <https://cohesiondata.ec.europa.eu/>

⁶ For more information on the operational programmes in each Member State, contact the responsible Managing Authorities, see http://ec.europa.eu/regional_policy/en/atlas/managing-authorities/

b) Implementing additional measures at national level

Those additional measures (see an overview in annex) indicated by Member States suggest that the majority of them are targeting the residential sector and could be categorised as financing schemes, subsidies and fiscal incentives aimed at renovation measures such as replacement of windows, upgrading the heating and ventilation systems including replacement of boilers. Measures targeting the public sector such as installation of more efficient lighting systems are also been introduced. To strengthen the impact, some Member States are putting in place large awareness raising campaigns or strategies including reinforcing the information centres aimed at wider public and market actors to increase their overall engagement and understanding of energy efficiency benefits.

A few Member States mention that they see the energy savings potential in the industry sector through implementation of recommendations from energy audits. Even though the follow-up on audits through specific measures to improve energy efficiency in industry is not mandatory, several Member States provide incentives for companies, foresee mechanisms for risk sharing, or even make energy efficiency actions mandatory under specific conditions. A specific question was therefore asked to the Task Force participants and in parallel to business organisations to explore how to encourage more companies to act on audits' recommendations systematically (though for example use of ELENA project development assistance). The feedback received from the stakeholders show that there is potential for energy savings and energy audits have been overall beneficial for the industry. Several follow-up mechanisms and success factors based on businesses experiences have been mentioned by stakeholders, but some challenges still remain.

Energy efficiency gains of those actions as a result of energy audits can be counted towards the saving obligations under Article 7 (subject to the specific requirements defined by each national scheme), and business organisations highlighted that this has worked well in France and Italy.

3.3. Action taken by the Commission

All Member States that have submitted their contributions as part of this exercise, have suggested that there is a need for a further action at EU level in order to accelerate the energy efficiency efforts. Amongst those are regulatory initiatives (stricter EU energy-efficiency and CO₂-reduction standards for products placed on the European market or revision of state aid rules) and non-regulatory actions at EU level addressing different sectors such as providing guide on financing options, key factors to be considered for energy efficiency renovations of public sector buildings (national and regional governments, municipalities), identification of the renovation projects of scale and mobilise the necessary funds or creating a EU database compiling the EPCs of all Member States etc. Most of these initiatives suggested will feed into the overall energy efficiency policy development process, and would contribute to the 2030 target as they may not be adopted before 2020.

As an immediate action in the context of this exercise, the Commission services will support Member States to facilitate achieving the EU energy efficiency target for 2020 through the following means:

a) Intensify exchange of information and best practice

The Commission is already assisting Member States in the implementation of energy efficiency legislation through various channels and means, notably through the Concerted Action and relevant Committees, and bilateral meetings with the Member States. Feedback from the Member States shows that exchange of best practice should be intensified to facilitate the full and correct implementation of the energy efficiency legislation.

As part of the regular practice, Commission services will invite the Member States to present their best practices in the forthcoming Committee meetings under the EED and EPBD. In addition, Member States will be invited, at the EED forthcoming Committee meetings, to indicate particular topics for which additional workshops or seminars should be organised.

b) Strengthening Member States' market surveillance of product efficiency requirements

Ecodesign and Energy labelling are key policy instruments in the field of energy efficiency. They regulate a wide range of energy-related products, from washing machines, refrigerators and TVs, to heating and cooling appliances, including also major industrial products like electric motors or water pumps. It has been estimated that these policy instruments would deliver about half of the efforts needed to reach the EU energy efficiency target for 2020. While the requirements are set at EU level, the enforcement, i.e. making sure that the products effectively comply, is ensured at national level by market surveillance authorities. Resources devoted to this crucial activity are limited, and non-compliance is causing significant reductions of the expected energy savings (about 10%).

To address this issue the Commission services are already supporting Member States in several ways and now is intensifying these efforts in order to secure additional energy savings by 2020.

For instance, the Commission services are currently setting up a large Concerted Action for market surveillance following the principles of the Concerted Action for EED and EPBD. Its budget has been increased from 6.0 M€ to 6.9 M€. It is also considering to contract directly laboratories for a campaign of product testing, in close cooperation with the ADCO (Administrative Cooperation group), which ensures coordination on market surveillance at EU level. This proposal received a positive feedback at the recent ADCO meeting on 22 November 2018. The next step took place in December 2018, when 17 authorities from 14 Member States declared their interest through a dedicated questionnaire. The Commission services are collecting further information on the specific needs of each authority to ensure that a relevant and suitable laboratory testing tender can be put in place.

a) Capacity building for promoting renovations in the public sector, including through the use of EPCs

Feedback from Member States show that it would be useful to exchange information and build knowledge on energy efficiency improvement measures targeting the public sector and use of financing options. In the context of the requirements under Article 5 of the EED, it would allow accelerating the renovations in public sector and ensure full implementation of this provision, and also contributing towards the achievement of the national savings requirements under Article 7 (especially for those Member States which are currently lagging behind).

As an immediate action, the Commission will put greater emphasis on financing options for public buildings in the forthcoming national round-tables organised under the Sustainable Energy Investment Forums. Moreover, the updated Eurostat guidance (in September 2017) on the accounting treatment of energy performance contracts in the public sector should allow unlocking important energy efficiency investments in the coming years. The EIB in cooperation with Eurostat has issued (on 8 May 2018) a practical guide to public authorities aimed to provide detailed guidance on how the accounting rules should be applied when considering energy performance contracts.

Information on this topic has been presented at many events, including during various events organised within the framework of the Sustainable Energy Investment Forums. Most of these presentations are available on Europa website⁷. More targeted guidance depending on the needs of the Member States can be provided to increase the capacity in application of the accounting rules when considering energy performance contracts.

4. Lessons learned from the current period in view of reaching the EU energy efficiency targets for 2030

This work and efforts made as part of ensuring that the EU energy efficiency targets for 2020 will be achieved will greatly contribute to the 2030 policy framework and to the achievement of the 2030 target. There are a number of lessons learned from the implementation of energy efficiency policies in the current period that will facilitate the achievement of the Union's target for 2030, and this most probably is reflected in the preparations of the integrated national energy and climate plans under the Energy Union Governance. The following lessons should be mentioned in this context:

- Need for a strong and targeted policy framework to plan the investments including the ex-post assessment of effectiveness of the existing policy measures to ensure that the estimated savings are actually achieved.
- Focus on addressing the remaining barriers for policy uptake to increase the effectiveness of the existing policies rather than developing new policy measures. In this context, targeted awareness raising campaigns would help reaching out to the consumers and communicating about the benefits associated with energy efficiency.
- Capacity building and exchange of best practice using existing policy support instruments to facilitate policy implementation in the Member States through, for example, the Concerted Action, relevant Committees and workshops/ seminars.
- More rapid and efficient absorption of funding under the European Investment and Structural Funds to support energy efficiency investments.
- Ensure better and targeted use of public financing thanks to dedicated support mechanisms – e.g. the Smart Financing for Smart Buildings (SFSB) initiative. Those include the development together with the EIB of flexible energy efficiency and renewable financing platforms that could be deployed at national level to allow more attractive financing options

⁷ <https://ec.europa.eu/energy/en/financing-energy-efficiency/sustainable-energy-investment-forums>

to final beneficiaries⁸. In addition, capacity building of public and private stakeholders to develop large-scale investment programmes and financing schemes through the national roundtables, public events and webinars organised by the Commission as part of the Sustainable Energy Investment Forums⁹, and finally use of project development assistance under the ELENA facility, to support project promoters to prepare ambitious and large-scale bankable investment programmes in the field of sustainable energy.

5. Monitoring of progress and next steps

Achieving the Union's energy efficiency targets for 2020 is the foundation for achieving the new more ambitious targets for 2030, in view of our commitments under the Paris Agreement reflected in the long-term strategy for 2050¹⁰; and for ensuring the overall credibility of the Union's global work on energy and climate policy.

This process will contribute to establishing the solid energy efficiency framework for 2030 which will help Member States to deliver the 2030 targets in an efficient and reliable way.

As the first step to monitor the achievement of the Union's target for energy efficiency, Member States are invited to report on the results in their annual progress reports under the Energy Efficiency Directive. The Commission services will monitor the results as part of its annual Energy Union progress report on energy efficiency.

The Commission services aim to convene the next Task Force meeting in the summer 2019 after Eurostat estimates on energy consumption for 2018 are released with a view of enabling the assessment of progress.

⁸ This will be achieved through: risk sharing instrument (guarantee facility), technical assistance and possible capital grants to unlock additional private and public financing for energy efficiency investments in buildings. It would also optimise the use of public funds, including European Structural and Investment Funds in combination with funding through the European Fund for Strategic Investments.

⁹ Until now, 12 public events were organised (in Riga, Brussels, Prague, Madrid, Copenhagen, Dublin, Warsaw, Milan and Bucharest), as well as two national roundtables (in the Czech Republic and Denmark), and 4 webinars. Overall, more than 30 events are to take place in 2016-2019 in up to 15 Member States.

¹⁰ https://ec.europa.eu/clima/policies/strategies/2050_en

Annex – Overview of measures reported by the Member States¹¹

1. Strengthening the existing measures:

| | |
|----------------|--|
| Bulgaria | Improve calculation methodology, monitoring and verification of the Energy Efficiency Obligation scheme, raise awareness of the obligated parties |
| | Implementation of the existing measures and improve information collected and provided by different financial mechanisms, better assessing the impact |
| | Improve the data and information collection on the impact of energy efficiency projects (supported by different financing mechanisms) |
| Czech Republic | Energy Consulting and Information Centres (ECIS) – to raise awareness on energy efficiency |
| Cyprus | Enforcing of energy performance certificates |
| | Incentives for new buildings and building renovated to receive 5% extra building factor if they demonstrate higher energy efficiency that the minimum mandatory levels set by EPBD law |
| | Tax incentives (a lower VAT rate) for renovations of existing households, excise duty on vehicles with a view to reducing CO2 emissions |
| Portugal | Awareness-raising campaigns and support for the implementation of energy efficiency measures through the provision of national financing mechanisms |
| Netherlands | The amended long-term energy-efficiency agreement for ETS-companies |
| | Updating the lists of Recognised Energy Efficiency Measures to include the latest standards, investment prices and the technological developments |
| Slovakia | Improve data collection and monitoring of energy savings |

2. Additional measures (already in the pipeline or planned):

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|----------------|---|
| Bulgaria | Raising overall awareness not only of those with specific responsibilities and obligations but also of the general public regarding the policies, measures and benefits of increasing energy efficiency as a priority |
| | Mobilise efforts to implement energy efficiency measures in the buildings, industry and transport sectors having high energy savings potential |
| Czech Republic | Energy Efficiency awareness raising strategy (including carrying out feasibility studies on the benefits of energy efficiency measures) |
| Germany | Buildings - Unify the existing regulatory framework (energy saving act, energy saving ordinance, renewable energies heat act) into one single law |
| Cyprus | Develop an energy efficiency obligation scheme for energy distributors |
| | Set of new measures to promote energy efficiency investments in households, in businesses and in the transport sector (i.e. new support schemes, voluntary agreements with businesses, putting in place a revolving fund, measures to increase the use of cycling and public transport, eco-driving etc.) ¹² |
| | Energy retrofits in public sector (retrofits of municipal buildings, targeted energy |

¹¹ This overview is based on the feedback received from Member States and lists in particular those measures which are relevant in view of the work of the Task Force to mobilise efforts to achieve the EU energy efficiency targets for 2020.

¹² Street lighting projects, enhanced information campaigns, increased green energy levy and other measures have been announced in Cyprus NEEAP of 2017 in view to achieve the 2020 target.

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|-------------|--|
| | efficiency measures at schools, pilot projects for combined heat and power generation etc.) |
| France | Establish a support mechanism to trigger uptake of recommendations from energy audit by large companies (with a payback time above 4 years) |
| Lithuania | Establish a support mechanism to trigger uptake of recommendations from energy audit by large companies |
| | Replacement of boilers in households not connected to the centralised heating supply systems with more efficient technologies - by using renewable energy for heat production |
| Netherlands | Obligation to the provision of information (as of 1 July 2019) for each company or institution that is covered by the existing obligation will have to provide information on which measures have been taken |
| Portugal | New energy efficiency regulations for the different activity sectors and for Public Lighting (to achieve Article 7 savings obligation) |
| | Provision of billing information of final energy consumers, especially regarding the information on their consumption |
| Spain | New Climate Change and Energy Transition Bill (planned for end 2018) to facilitate the creation of new set of policy measures and financing programs |
| Slovakia | Buildings - renovation measures (replacement of windows and boilers), upgrading the heating system and replacement of household appliances such as refrigerators |
| | Transport - Promoting scrapping scheme for cars |

3. Overview of possible support actions by the Commission to facilitate the achievement of 2020 target:

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| Dissemination of best practices, consultation and information through workshops and information sessions at EU level, strengthening the CA EED |
| Providing information on possible modalities and limits of the financing under the ESIF |
| Identification of additional funding and financing mechanisms for energy efficiency |
| A centralised EU testing service to support Market Surveillance Authorities |
| Capacity building in the public sector (e.g. a comprehensive guide on energy efficiency measures for public sector (national and regional governments, municipalities) on financing options, key factors to be considered) |
| Guidance on increasing awareness of energy performance certificates and financing support for renovations of existing buildings |
| Awareness raising information (on benefits of more energy efficient products) for greater uptake of eco-design on energy labelling regulations) |
| Harmonising lifetimes for certain energy efficiency measures |
| EU repository of energy efficiency measures undertaken in the Member States (including design and M&V) which could be replicated in other countries |