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To:

**Danish Energy Agency**

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**Response by the Danish Society for Nature Conservation to the Draft Danish position to the European Commission's public consultation with regard to the review of the Energy Efficiency Directive EED**

The Danish Society for Nature Conservation welcomes the opportunity to comment on the draft Danish position regarding the EED, and would in this regard like to express our full support and endorsement to the content of the response to the aforementioned by The Danish Ecological Council.

Sincerely,

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Copenhagen 15.1.2016

## **Response from The Danish Ecological Council to the draft Danish position to the European Commission's public consultation with regard to the review of the energy efficiency directive EED**

The Danish Ecological Council (DEC) welcomes the possibility to comment the draft Danish position regarding the EED.

Firstly, we recall our draft response to the EU Commission public consultation with regard to the review of the EED, which was sent to you last year with the aim of giving our statements to be used for the preparation of the Danish draft position.

Secondly, we will comment on the draft Danish position in consultation.

We agree with the Danish position that ambitious targets for energy efficiency are important in order to ensure a cost effective transition of the European energy system.

We find that the Danish ambitions must be considerably higher than "just" waiting for the Commission's Impact Assessment in order to decide the cost effective instruments. The evidence for the cost-effectiveness of more ambitious targets is already delivered by several studies.

We find that the Danish position should express support for the text adopted by the European Parliament in their "Energy Union Report" from mid December 2015, where support is expressed for a 40 % energy efficiency target in the following paragraphs:

*"D. whereas Parliament has twice called for binding 2030 climate and energy targets of at least 40 % reduction in CO<sub>2</sub> emissions, at least 30 % for renewables and 40 % for energy efficiency, to be implemented by means of individual national targets; whereas binding national and EU targets for energy efficiency and renewables create growth and jobs and would help secure the EU's technological leadership in these fields;*

*6. Acknowledges the European Council's weak 2030 targets for climate and energy, namely to reduce greenhouse gas emissions by 40 %, to increase the share of renewables in the European energy mix to 27 % and to increase energy efficiency by 27 %; recalls that Parliament has repeatedly called for binding 2030 climate and energy targets of at least a 40 % domestic reduction in GHG emissions, at least 30 % for renewables and 40 % for energy efficiency, to be implemented by means of individual national targets;*

*89. Recalls Parliament's resolutions of 5 February 2014, 26 November 2014 and 15 October 2015, which call for three binding energy and climate targets for 2030, in particular the 40 % energy efficiency target; emphasises that the post-2020 EU energy efficiency target should be binding and implemented through individual national targets; urges the Commission to develop various 2030 energy efficiency scenarios, including at the level fixed by Parliament of 40 %; urges the Council, which has called for an EU-wide target of at least 27 %, to revise its objective upwards in line with Parliament's adopted target;"*

*Quotation: The EP Plenary's adopted text in their "Energy Union report" – 15.12.15*



Individual national targets need to be set to ensure accountability, but we find that the principle of binding instruments on which the existing EED is based must be maintained as the core of the EED.

We also find that the Danish position must support the tweet from Commissionaire Miguel Arias Cañete from December 17<sup>th</sup>:

*“Almost 1m Europeans work in the energy efficiency sector. Next year, I will go for higher, binding targets”.*

*Quotation: Tweet from Miguel Areas Cañete December 17<sup>th</sup> 2015*

We recognize that a number of benefits from increased energy efficiency are mentioned in the draft Danish position, but would like to further emphasize, that job creation is a very important effect that should be mentioned in the Danish position in line with reduction of energy dependency, lower energy costs for businesses and consumers, increase in productivity and improved competitiveness.

We find the text about flexibility imprecise and would like to see it much more targeted in order to avoid possibilities for watering down the actual targets in the EED as already seen done in many EU member states with the existing EED.

We agree that the target setting must be based on cost-effective instruments, but urge the Danish government to include in its position that an analysis of cost-effectiveness must be based on the upper end of the EU 2050 target of reducing the Green House Gas emission by 80 – 95 % in 2050 compared to 1990 in light of the Paris agreement’s decision to pursue efforts to limit the global temperature increase to 1,5 degrees Celsius.

We support the Danish draft response in saying that the requirements laid out in Article 7 must be extended to 2030 or longer as a central instrument in the revised EED. This must be followed by an ambition of increasing the annual energy efficiency targets especially in article 7 accordingly to reach at least 40 % savings in 2030.

We do not agree that the flexibility mechanism should be extended beyond 2020. The four already inserted exemptions must be revised and at least some of them removed since they are no longer necessary and the overall possibility of watering down the EE target by 25 % must be reduced drastically.

We find that the possibility to bank already achieved energy savings must be maintained in order to avoid stop-and-go effects, but strongly recommend that borrowing should no longer be an option after 2020.

We recommend to include text in the Danish position concerning further assurances of additionality and the avoidance of double counting.

We also encourage the Danish position to include an ask for clearer guidance on how to calculate life-times of energy savings in countries which have chosen such an approach. It is crucial to include in the revised EED that the life-time to be used is not the lifetime of the appliance installed, but the lifetime that would have gone before the instalment would have been done anyway. The latter is more correct and represents a much shorter lifetime based on real additionality.

We agree that the demands for billing information must take total costs for operators into consideration compared to the expected effect of energy efficiency that can be obtained hereby.

We agree that the mandatory review and monitoring of implementation must stay in the revised EED.



We also agree that further investigation is needed in order to understand the limits for renovation of public buildings in different countries taking into consideration the climate, the architectural culture and the actual potentials for savings.

Likewise, we agree that clearer guidance on how to interpret the wording in the article for target setting for the alternative measures in Article 5 is needed. According to the investigation from the Coalition for Energy Savings, several national targets have not been set correctly – amongst them the Danish.

In conclusion, we support that the EED and the already existing mandatory instruments are extended in an even better and more efficient way in order to reach energy savings in the range of at least the 40 % as adopted by the European Parliament.

### Summary:

- Denmark must support the EP's ask for a 40 % EE target – and support Cañete that has said that he will in 2016 go for a higher EE target than at least 27 %. An even higher EU target may in fact be adequate seen in the light of the Paris agreement
- Mandatory instruments for energy efficiency must be adjusted in the revision of the EED especially in article 7 accordingly to the 40 % reduction target in 2030
- Individual national targets are necessary for accountability but it is important that the post 2020 EED is based on mandatory instruments as it is the case with the present EED
- The extension of the EED until 2030 or longer must not allow for watering down at the same scale as existing the EED
- The Danish position must include that the EU needs to focus on the upper end of its 80 – 95 % reduction target by 2050 in the light of the Paris agreement's intention to pursue efforts on limiting the temperature increase to 1.5 degrees Celsius
- The possibility of banking from one year to the next must be maintained, while borrowing should be excluded
- More text on importance of avoiding double counting is needed
- If life-times are to be used, a stricter and more correct definition of life-times is needed
- Mandatory review and monitoring of implementation is still needed
- More investigation and clearer target setting requirements are needed for the renovation of public buildings

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