

**Report of the Secretariat to the Ministerial Council on
Implementation of Article 7 “Energy Efficiency
Obligations,, of the Energy Efficiency Directive
2012/27/EU**

10 October 2019

Abbreviations

EED – Energy Efficiency Directive 27/2012/EU

EEOs - Energy efficiency obligation scheme

NEEAP - National Energy efficiency action plan

IFI – International Financial Institution

GiZ – German Technical Cooperation

EU – European Union

Ktoe – kiloton of oil equivalent

1. Evaluation of Energy Efficiency Directive - Article 7 implementation

1.1 Background

The Energy Efficiency Directive 2012/27/EU introduces in Article 7 a mandatory savings target implemented through an Energy Efficiency Obligation Schemes (EEOs); the target set for the Contracting Parties is lower than for the EU Member States and requires energy companies to achieve yearly energy savings of 0,7 % of annual sales to final consumers. For this, each Contracting Party shall establish an Energy Efficiency Obligation Scheme, or may use alternative policies measures that would deliver an amount of end-use energy savings over the 2017-2020 obligation period. Article 7 is a key provision of the EED, as, next to Article 5 on Buildings renovations target, sets a mandatory level of savings.

In the Obligation scheme, the obligated parties (energy companies) designated by a state authority, have to carry out measures which help final consumers improve their energy efficiency. These may include improving the heating system in consumers' homes, installing double glazed windows, or better insulating roofs and walls to reduce energy consumption, etc.

Other than implementation through the Obligation Scheme, Article 7, allows Contracting Party to choose the implementation through 'Alternative policy measures', implemented by the government or other public authorities that have the effect of reducing end-use consumption. In implementing this provision, Contracting Parties can choose from a wide range of policy measures, energy using sectors and individual energy efficiency improvement actions.

These policy measures may include energy or carbon taxes; financing instruments or fiscal incentives, stricter buildings codes, voluntary agreements, training, education or information measures etc. If these are not enough to deliver the savings target, a combination of both Obligation Scheme and Alternative policy measures may be used.

To ensure proper implementation of Article 7 and Annex V and the possibility for adjustment of the national or regional policy measures, as well as the savings calculation methodology used, the EED required Contracting Parties to notify their detailed implementation plans the Secretariat, by 15 March 2017, even before the deadline for the overall Directive transposition, 15 October 2017. These plans are required to include the Contracting Parties' planned, proposed or legally defined design and methodology for the operation of their Energy Efficiency Obligation Scheme and/or Alternative Policy Measures to reach the energy savings target under Article 7.

1.2 Calculation of baseline and allowances

The end-use energy savings target of Article 7 as transposed by Energy Community Contracting Parties is based on the average annual final energy sales for the three years prior to 1 January 2016, namely 2013-2015.

➤ Excluding Transport

Article 7 Paragraph 1 allows the sales of energy by volume, used in transport to be partially or fully excluded from calculation of the target. To be noted that even where transport consumption is subtracted from the calculation of the target, energy savings derived through energy efficiency measures focused on transport sector remain eligible for meeting Article 7 targets.

➤ **Additional allowances**

Article 7, Paragraph 2(b) to (d) of the EED give further allowances for energy savings from the following measures to count towards the annual – and hence cumulative - energy savings target:

- Excluding from the calculation all or part of the sales, by volume, of energy used in industrial activities listed in Annex I to Directive 2003/87/EC; Nevertheless, this Directive is not implemented in the Energy Community and hence this allowance cannot be used.
- Allowing savings achieved in transformation, transmission and distribution of energy as a result of the implementation of the requirements set out in Article 14 (4), point (b) of Article 14(5) and Article 15(1) to (6) and (9); and
- Saving achieved from early actions newly implemented since 31 December 2008 that continue to have an impact in 2020 and that can be measured and verified.
- The Contracting Parties may use a slow start, according to Article 7.2 (a) by carrying out the calculation by using values of 0,5% in 2017 and 2018; 0,7 % in 2019 and 2020;

These additional allowances, in combination with the “slow start” shall not represent more than a 25% reduction of the baseline cumulative target (i.e. after excluding energy consumption in Transport sector). As the slow start allowance alone represents 20% of this reduction, these additional allowances are therefore restricted to 5% of the baseline cumulative target.

1.3 Implementation status

To the date of this report, no Contracting Party sent a Notification to the Secretariat including their plans on how to implement Article 7, in spite the fact that at least one, Serbia has fully prepared it with technical assistance during 2018/2019. In Montenegro, early calculations on Article 7 target and how this could be covered by either alternative policy measures or Energy Efficiency Obligations were made with EU technical assistance, a formal Notification was not sent to the Secretariat.

In Kosovo*, the calculation of the Article 7 target and modelling of various options to meet this was conducted in 2019 with EU technical assistance, but no Notification was sent to the Secretariat yet.

Nevertheless, most Contracting Parties used other reports such as Annual Reports on the progress achieved to meeting the overall 2020 target, and National Energy Efficiency Plans to report on the calculation of the target and the implementation of Article 7.

1.3.1 Baseline and target calculation

The progress to date with the implementation of Article 7 in each Contracting Party is as follows:

Albania

Albania has currently ongoing activities towards the implementation of Article 7 of the EED with the support of EU technical assistance. At the date of this report, there is no full or partial implementation of Article 7, but the National Energy Efficiency Action Plan acknowledges Obligation Schemes but sets no Baseline, Exemptions or other implementing dispositions. The 2017-2020 NEEAP includes measures of Obligation Schemes but only in Industry, and not related to Article 7 of the EED. It is unclear whether these measures are actually referring to Voluntary Agreements, which are eligible Alternative Policy Measures. In the 2018 Annual report Albania reports the savings expected from these measures to count towards Article 7 target.

The target savings reported in the NEEAP and in the 2018 Annual Report amounted to 11.8 ktoe by 2020, which appears to be very low in comparison with the 61.5 ktoe, calculated by the consultant supporting the Ministry of Infrastructure and Energy and the Agency for Energy Efficiency revising the Energy Efficiency Law and preparing the secondary legislation for the Obligation Scheme, which is expected to be approved in the end of 2019.

Bosnia and Herzegovina

The Energy Efficiency Obligation Scheme outline and the proposed Approach for Bosnia and Herzegovina were developed by the EEO Working Group with the technical assistance of USAID EIA project, and set the overall structure for the Energy Efficiency Obligation (EEO) scheme in BiH. Furthermore, the EEO Working Group in Bosnia and Herzegovina developed the Guidelines for EEO legislation, with a framework EEO model that should be defined in primary and secondary legislation of both entities and District Brcko according to the complex structure of the country and its jurisdictions. The EEO Working Group has developed the Amendments to the existing Entities' Energy Efficiency laws, the EEO Decree, EEO Savings Target Methodology and EEO Collection Fee Calculation Methodology, and the Rulebook for the Supervision of Obligated Parties. In addition, the EEO Model has been included in the adopted Federation of Bosnia and Herzegovina Energy Efficiency Action Plan, the draft Energy Efficiency Action Plan for Republika Srpska. The EEO is also defined in the Framework Energy Strategy of Bosnia and Herzegovina.

National Energy Efficiency Action Plan of Bosnia And Herzegovina for the period 2016 - 2018 defines the following programs related to the Energy Efficiency Obligation Schemes, and the Obligated parties:

- Federation of Bosnia and Herzegovina: Program for energy efficiency obligation schemes in the Federation of Bosnia and Herzegovina through electricity distributors.
- Federation of Bosnia: Program for energy efficiency obligation schemes in the Federation Bosnia and Herzegovina through heating energy distributors.
- Republika Srpska: Program for energy efficiency obligation schemes in the Republic of Srpska through electricity distributors.
- Republika Srpska: Program for energy efficiency obligation schemes in the Republika Srpska through heating energy distributors.

Regarding Article 7 implementation, in 2018 Annual report Bosnia and Herzegovina notified a target and expected savings of 77,33 ktoe for the period 2017-2020; all savings will be produced by EEO scheme and not by alternative policy measures.

Nevertheless, the implementation of the Energy Efficiency Obligation Schemes is lagging behind.

Georgia

In Georgia, the Energy Efficiency Law, transposing Article 7 was approved by the Council of Ministers in June 2019, but not yet approved by the Parliament, and therefore is not yet implemented.

Regarding Article 7 implementation, according to the draft NEEAP, the Notified baseline is 1.299,8 ktoe and the cumulative savings until 2020 will be 323,8 ktoe. Nonetheless, the NEEAP 2017-2020 is

not yet adopted, therefore, the proposed measures will deliver less cumulative savings by 2020, than foreseen.

Georgia announced that it will make use of the “slow start” under Article 7.2 (a) and will also exclude Transport sector consumption from the baseline.

Instead of implementing an EEO scheme, Georgia plans to implement a set of alternative policy measures linked with technical/investment measures which reduce final energy consumption. The main alternative policy measures in the latest Draft NEEAP are the following:

1. Financing schemes for energy efficiency
- 2: Incentivising / mandating energy efficiency in industry
- 3: Training and education, including energy advisory programmes
- 4: Standards and norms and labelling schemes in appliances.

Since neither the Law, nor the NEEAP is adopted, it is difficult to assess the expected level of savings from Article 7 implementation.

Kosovo*

Kosovo* adopted the Energy Efficiency Law in December 2018, and Article 7 implementation modality consists of a combination of both EEOs and alternative policy measures. The full implementation is ongoing with technical assistance provided by EU to the Ministry of Economy.

Regarding Article 7 implementation, according to the Draft NEEAP 2019-2021 and the 2018 Annual Report, the notified baseline is 915 ktoe with a target of 51,2 ktoe.

Kosovo* will make use of the “slow start” under Article 7.2 (a) as well as 7.2 (c) and (d) and will also exclude Transport from the baseline. These will account for 25 % reduction in the baseline cumulative target.

It is not clear what amount of savings will derive from Alternative Policy Measures, but until now the Ministry of Economy identified the following measures from the NEEAPs to be eligible towards Article 7:

- Energy Efficiency measures in residential buildings
- Energy Efficiency improvement in central public buildings
- Energy Efficiency improvement in municipal public buildings
- Energy Efficiency improvement in public lighting
- Energy Efficiency improvement in Small and Medium size Enterprises.

The Law on Revolving Energy Efficiency Fund was adopted in December 2018 and the Fund became operational in September 2019; this is expected to co finance public buildings renovations and the savings will be counted towards Article 7, as alternative policy measures.

Moldova

Moldova adopted the Energy Efficiency Law in July 2018 and it has transposed Article 7 in the National Law through Energy Efficiency Obligations as default approach; the Obligated Parties are expected to contribute to the Energy Efficiency Agency with the equivalent of their obligations; the Agency will make the investments and the savings will be counted against their Obligations under Article 7. Up to present, there is no implementation in practice, as the Energy Efficiency Agency and the Energy Efficiency Fund were merged into a single body in 2019.

Regarding Article 7 implementation, according to the draft NEEAP, the notified baseline is 1.746 ktoe with a cumulative target calculated, assuming that the Obligation Scheme will be launched in 2018 and will deliver savings in 2019 and 2020 of 36,68 ktoe.

Moldova will make use of the “slow start” under Article 7.2 (a) as well as 7.2 (c) and (d) and will also exclude Transport from the baseline. These will account for 25 % reduction in the baseline cumulative target.

In order to ensure that the needed secondary framework, the Ministry of Economy and Infrastructure is drafting the necessary acts for establishing the Program on Energy Efficiency Obligation Schemes.

According to the 2018 Annual Report, all savings should come from the EEO scheme. Nevertheless, as an option to complement the EEO scheme, the Government is also having a dialogue with country’s Development Partners on proposing new financing instruments and mechanisms for Moldovan consumers – public and private. The total amount of project proposals developed by the parties involved exceeds 300 million EUR, their further exploration being a matter of the country’s readiness to borrow. All the resources to be mobilized under these initiatives fit the Alternative policy Measures” concept, which may be enacted to complement the Obligation Scheme.

To date, there is no Obligation scheme or alternative policy measures notified as such to the Secretariat.

Montenegro

The Law on Amendments to the Law on Efficient Use of Energy was adopted by the Parliament of Montenegro in April 2019 and entered into force in May 2019. Supported by the Regional Energy Efficiency Programme and GIZ, the Ministry of Economy analysed implementation of Article 7 of the Directive on the Energy Efficiency Obligation schemes through alternative measures. However, the official notification required under Article 7 to the Secretariat is still pending.

The analysis has identified only electricity market participants as obliged parties and having in mind, that de facto, only one electricity supplier covers majority of the consumers Ministry of Economy has decided not to introduce EEO schemes at this moment. The main reasons for that are:

- i) There is no real competition between stakeholders in the electricity market which would positively contribute to the successful implementation of the EEO scheme, and
- ii) Introduction of the EEO scheme in such a situation would lead to increase of electricity prices to final consumers, beyond a reasonable impact.

Therefore the Ministry of Economy has decided to achieve savings required by Article 7 by Alternative Policy Measures.

Regarding Article 7 implementation, according to the NEEAP, the notified baseline is 490 ktoe with a target of 27,33 ktoe.

In 2018 Annual Report submitted to Energy Community Secretariat, alternative measures will continue to be implemented until 2020, and the implementation of eco design regulation will be one of the main alternative measures.

Montenegro will make use of the “slow start” under Article 7.2 (a) and will also exclude Transport from the baseline.

North Macedonia

The most relevant progress made in 2019 was the finalisation of the Energy Efficiency Law compliant with Directive EU/2012/27 on energy efficiency. The Law was approved by the Cabinet in October 2019 and its adoption by the Parliament is expected before the end of 2019. In the law, both options are possible, energy efficiency obligations and alternative policy measures. The analysis for most suitable EEO scheme model, or the combination with policy measures will only be conducted after the adoption of the Law.

Regarding Article 7 implementation, according to the NEEAP, the Notified baseline is 1.258 ktoe with a target of 70,4 ktoe. The expected savings until 2020 notified to the Secretariat are 70,5 ktoe.

North Macedonia will make use of the “slow start” under Article 7.2 (a) and will also exclude Transport from the baseline. It is not clear how much of the 25% limit of exemptions of the baseline cumulative target will these will provide.

A preliminary list of proposed measures that will be under investigation are as follows:

- For the residential sector: Use of efficient lighting, “white goods” appliances, HVAC systems etc.
- For the public and private service sector: Use of efficient heating systems, Solar Water Heaters for substitution of electric boilers, efficient central AC systems, efficient lighting etc.
- For the industrial sector: Introduction of Efficient Electrical Motors, Improvements of Power Factor, Introduction of Efficient Lighting, Introduction of energy management system, Introduction of new industrial technology, etc.

The Macedonian approach to implementation of Article 7, is to start from the maximum “acceptable” price increase of the designated energy carrier, and calculate the amount of savings that can accrue from the obligation scheme involving this. After that, it would be possible to distribute the target between the obligation scheme approach and alternative measures contributing to Article 7 target.

Serbia

Serbia is currently amending the Law on Efficient Use of Energy adopted in March 2013, and one of the amendments regards the implementation of Article 7.

Serbia will make use of the “slow start” under Article 7.2 (a) as well as 7.2 (c) and (d) and will also exclude Transport from the baseline and according to Paragraph 2 (c) and (d) of Article 7 allowance for further reductions from savings in energy transformation and distribution as well as via early actions. These will account for 25 % reduction in the baseline cumulative target.

The Ministry for Mining and Energy (MME) of Serbia after making an analysis of eligible alternative policy measures and their contribution to the target, has indicated to the Secretariat that it will only use these, and not an Energy Efficiency Obligation Scheme until 2020.

Three core eligible measures are estimated to provide sufficient savings and if properly and fully implemented would cover 116,5% of the target savings as follows:

- Obligation on large energy consumers (74,0% contribution to target):

Serbia has built on the requirements of Article 8 of the EED for large energy consumers to undertake audits and/or implement a suitable Energy Management System (EMS) by including an obligation to deliver a quantified level of energy savings via implementing energy efficiency measures. The policy measure is enabled by Article 16 of the Law on Efficient Use of Energy and the by law “Regulation on determining the limit values of annual energy consumption on the basis of which are determined which companies are obligated, annual energy saving goals and application for energy consumption”.

- IFI support for energy efficiency measures (41,1% contribution to target):

International financial institutions (IFIs) including the European Bank for Reconstruction and Development (EBRD), the World Bank, and KfW provide financial support to accelerate the uptake of energy efficient technologies via sovereign loans, grants and credit lines for on-lending by local financial institutions. This financial assistance is supported by technical assistance to build the market and raise awareness.

- Budget Fund for Energy Efficiency (1,4% contribution to target):

Since 2014, the Ministry of Mining and Energy is operating a Budget Fund for Energy Efficiency and organises periodic public calls for projects, in order to support the implementation of energy efficiency measures in the public sector (municipalities). The resources are allocated from the central budget of the Government of Serbia, on a yearly basis, initially in the amount of approximately 1 Million Euro, and in 2019, this contribution was raised to approximately 6 Million Euro. Moreover, as of 2019, an energy efficiency levy is introduced in energy bills. The revenues collected this way, will most probably be sent to the Budget Fund for Energy Efficiency to enlarge its scope of interventions.

Aside from the three core policy measures identified above, three further ongoing and planned measures are included in Serbia’s third NEEAP and which are considered eligible under Article 7 obligations:

- Public Lighting improvement
- Regulation on vehicle CO2 emissions
- Ecodesign regulations.

Regarding Article 7 implementation, according to the draft NEEAP, the Notified baseline is 6.047 ktoe with target savings of 317, 5 ktoe.

Ukraine

Ukraine has made good progress in 2019 by finalising the draft Energy Efficiency Law in line with the Energy Efficiency Directive; nevertheless, this draft was not approved yet by the Cabinet of Ministers, and hence not debated in the Parliament. The current draft Law clearly states that Ukraine intends to achieve Article 7 target by using the savings from the implementation of alternative policy measures through the two funds: the Energy Efficiency Fund with public budget contribution of approx. EUR 53 million in 2018 and EUR 57 million in 2019; a Multi-donor Trust Fund managed by the International Finance Corporation (IFC); this is funded by a contribution from the EU of EUR 104 million, and from IFC of approx. EUR 214 Million; both Funds are co-financing residential buildings renovation, and the savings will contribute to Article 7 obligations.

Regarding Article 7 target calculation, the Notified baseline is 46.578 ktoe with a savings target of 3.260 ktoe cumulative savings until 2020. Transport and non-energy consumption have been excluded from the calculations.

The last version of Draft Law “On Energy Efficiency” introduces alternative measures (Article 7(9) EED), such as:

- development and implementation of State target programs in the field of energy efficiency;
- improvement of the legal framework for taxation of energy use in accordance with the EU legislation including carbon emission tax;
- provision of financial support to stimulate the introduction of energy-efficient technologies and reduce the consumption of energy by consumers;
- conclusion of voluntary agreements aimed at introduction of energy-efficient technologies that lead to reduction in energy consumption;
- approval of production standards, provisions and rules for improvement of energy efficiency of goods and services, including buildings and vehicles (except for the cases when the adoption of such standards, provisions and rules is mandatory in accordance with requirements of Energy Community legislative acts);
- introduction of energy labelling (except cases of energy labelling implementation in accordance with requirements of Energy Community legislative acts);
- energy efficiency education and awareness raising, stimulating introduction of the energy efficient technologies and reducing energy consumption;
- other measures resulting in the provision of annual energy savings by consumers.

1.3.2. Main Alternative Policy Measures and sectors considered under Article 7 in the Contracting Parties

Given the fact that the Energy Efficiency Directive was adopted in the Contracting Parties in December 2015 with full implementation due no later than September 2017, the Energy Efficiency Obligation scheme had very little time to be designed and implemented in the Contracting Parties. Therefore, the large majority of the Contracting Parties choose Alternative Policy Measures” versus the default approach with Energy Efficiency Obligation Scheme” to implement Article 7.

Only Bosnia and Herzegovina and Moldova explicitly choose the default approach with an Energy Efficiency Obligation scheme, but none of them has yet implemented the schemes. Bosnia and Herzegovina prepared with USAID technical assistance an Obligation Scheme in which electricity distributors in each entity and District Brčko are the obligated parties, that collect an energy efficiency obligation fee from electricity customers with the bills, and implement energy efficiency programmes

with the two existing Energy Efficiency Funds or other implementers. Moldova choose through the Energy Efficiency Law to oblige all energy suppliers that pay the monetary equivalent of their savings targets to the Energy Efficiency Agency that implements measures on the suppliers' behalf. Nevertheless, currently Moldova is also preparing an Article 7 implementation programme that is also looking into 'alternative policy measures' to complement the Obligation Scheme.

Since none of these schemes are implemented, it is difficult to assess their effectiveness at the date of this Report.

Albania has through the Energy Efficiency Law an obligation of large companies to implement measures and deliver savings against the country's NEEAP target, but this is not a true Obligation Scheme in the spirit of the Directive.

On the other hand, Contracting Parties that choose "alternative policy measures" as implementation approach failed to notify this to the Secretariat in line with Article 7(9) and to demonstrate how the criteria in paragraph 10 are met.

Three Contracting Parties have prepared these notifications, Kosovo*, Montenegro and Serbia with technical assistance from EU, but did not submit these officially to the Secretariat to the date of this Report.

The most frequent Alternative Policy Measures proposed by the Contracting Parties through the Annual Reports or the NEEAPs are as follows:

- Mandatory energy efficiency improvements at large consumers and industry (Georgia and Serbia)
- Training and education (Georgia and Ukraine)
- Energy efficiency measures in public lighting (Kosovo* and Serbia)
- Implementation of eco design regulation (Montenegro and Serbia)
- Public Energy efficiency fund that co-finances energy efficiency investments in public or residential building (Georgia, Kosovo*, Serbia, Ukraine)
- Energy Labelling of additional energy related products, not mandatory through the Energy efficiency Acquis (Georgia, Ukraine)
- Renovation of public buildings with donors and International Financial Institutions' programmes (Kosovo*, Montenegro, Serbia)
- A levy on energy consumption that pays for energy efficiency measures (Serbia, Ukraine).

In terms of sectors, the preference is for public and private buildings renovations, and manufacturing industry.

Table 1 summarises the baseline calculations, the target amount and the modality of implementation of Article 7 in each Contracting Party.

Table 1. Contracting Parties' targets and their approach to Article 7 implementation

<i>Contracting Parties</i>	<i>Baseline Consumption ktoe</i>	<i>Savings Target ktoe</i>	<i>Obligation Scheme</i>	<i>Alternative Policy Measures</i>
Albania	1.172	61,5 (Consultant's calculation)	X* potentially an Obligation Scheme with large industry as Obligated party	
Bosnia and Herzegovina	2.914	77,33	X	
Georgia	1.299,8	323,8		X
Kosovo*	915	51,2		X
Moldova	1.746	36,68 (calculated only for 2019 and 2020)	X	Possibly
Montenegro	490	27,33		X
North Macedonia	1.258	70,4	Possibly	Possibly
Serbia	6.047	317,5		X
Ukraine	46.578	3.260		X

2. Conclusions and Recommendations

The Report presents the implementation status of Article 7 in the Contracting Parties after 2 years from the deadline for transposition (September 2017).

A few Contracting Parties adopted or amended national laws to comply with the Directive in 2018 and 2019 (Kosovo*, Moldova, Montenegro, North Macedonia – approved by the Government), and many are still working on these (Albania, Bosnia and Herzegovina, Georgia, Serbia, Ukraine).

Having this in view, the implementation of Article 7 has started a lot later than it should, and hence, it was practically impossible to design and implement a proper Energy Efficiency Obligation Scheme. Moreover, many Contracting Parties are quite small, and there are not many energy distributors or suppliers that can be nominated as obligated parties. In the absence of market competition, many governments feared that an EEO may trigger significant retail prices increase and this would be not affordable for large population segments.

Therefore, the large majority of Contracting Parties opted for implementation through alternative policy measures.

One of the important obligation lagging behind is the Notification of the implementation approach to the Secretariat, which was due by 30 March 2017. To date, no Contracting Parties has done this officially. Some have prepared it with significant EU technical assistance, but this was not sent out.

Using the Annual Report, or the NEEAP to calculate savings from alternative policy measures and attribute these to the Article 7 target is fine in principle. The caveat is, that this way is difficult to assess if all or partial measures are eligible in line with the criteria set by the Directive in Article 7 (10), and hence all or partial savings may be attributed.

The calculation of the baseline consumption, the use of allowances and the calculation of the target in the cumulative way for the entire 4 years (2017-2020) in which Article 7 is implemented under the Directive 27/2012/EU appeared to be rather difficult, and hence the data presented in Table 1 may be either incomplete or simply not correct.

However, having in view, that EED was amended through Directive 2018/2002/EU adopted in the EU, in which Article 7 is continued until 2030, and this Acquis will be also implemented in the Energy Community, it is recommended that Contracting Parties start preparing also Energy Efficiency Obligation scheme for the implementation of Article 7.

Alternative policy measures, when scrutinised for eligibility, may not be able to fully deliver the target set in Article 7, especially if this is brought to the same level as in the EU, namely 0,8% of the final energy consumption. Therefore a combination of Energy Efficiency Obligation scheme and alternative policy measures will be needed to meet the target.

