

RECOMMENDATION OF THE MINISTERIAL COUNCIL

Recommendation No. 2013/XX /MC-EnC

of 24 October 2013

on energy efficiency

The Ministerial Council of the Energy Community,

Having regard to the Treaty establishing the Energy Community ("the Treaty"), and in particular Articles 2(d), 24 and 100(ii) thereof,

Whereas the Ministerial Council on 18 December 2009 adopted Decision 2009/05/MC-EnC incorporating Directive 2006/32/EC on energy end-use efficiency and energy services, Directive 2002/91/EC on the energy performance of buildings ("Directive 2002/91/EC") and Directive 92/75/EEC on the indication by labeling and standard product information of the consumption of energy and other resources by household appliances ("Directive 92/75/EEC"), as well as eight Implementing Directives, into the Energy Community *acquis*,

Whereas the Ministerial Council on 24 September 2010 adopted Decision No 2010/02/MC-EnC amending Decision 2009/05/MC-EnC of 18 December 2009 on the implementation of certain Directives on Energy Efficiency, respectively Directive 2010/31/EU of the European Parliament and of the Council on the energy performance of buildings, recasting and repealing Directive 2002/91/EC, and Directive 2010/30/EU of the European Parliament and of the Council on the indication by labeling and standard product information of the consumption of energy and other resources by energy-related products, recasting and repealing Directive 92/75/EEC,

Whereas Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC, was published in the Official Journal of the European Union L315/1 on 14.11.2012,

Whereas the Permanent High Level Group, at its meeting of 14 March 2013, agreed to set up an Energy Efficiency Coordination Group and adopted its mandate, which includes the preparation for adoption of Directive 2012/27/EU in the Energy Community,

Whereas the Permanent High Level Group, at its meeting on 19 June 2013, discussed the adoption of Directive 2012/27/EU and endorsed the present Recommendation, as a basis for preparing the adoption of a binding decision, possibly in 2014.,

HEREBY RECOMMENDS:

In order to better prepare the implementation of Directive 2012/27/EU, each Contracting Party should take the following steps to promote energy efficiency:

– **ENERGY EFFICIENCY TARGETS¹**

By 31 December 2015, each Contracting Party should set an indicative national energy efficiency target based on either primary or final energy consumption, primary or final energy savings, or energy intensity.

The target should be set at least, at the level of minimum 20% of the final energy consumption by 2025, and 30% by 2030 having in view that the current Energy Services Directive requires that an indicative target of minimum 9% is achieved by 2018.

The Contracting Parties should notify those targets to the Energy Community Secretariat in accordance with Article 24(1) and Annex XIV, Part 1 of Directive 2012/27/EU. When doing so, they should also express those targets in terms of an absolute level of primary energy consumption and final energy consumption in 2025 and 2030 and should explain how, and on the basis of which data, this has been calculated.

– **EFFICIENCY IN ENERGY USE**

Building renovation

By 30 June 2016, each Contracting Party should establish a long - term strategy for mobilising investment in, the renovation of the national stock of residential and commercial buildings, both public and private. This strategy should be updated every three year thereafter, and submitted to the Secretariat as part of the National Energy Efficiency Action Plans.

Exemplary role of public bodies' buildings

Without prejudice to Article 7 of Directive 2010/31/EU, each Contracting Party should ensure that, as for the first 4 years from 30 June 2015, a minimum 2 % of the total floor area of heated and/or cooled buildings owned and occupied by its central government is renovated each year to meet at least the minimum energy performance requirements that it has set in application of Article 4 of Directive 2010/31/EU. The share should be increased at 3% in the fifth year of application till 2025, and 2030.

The 2% and respectively 3% should be calculated on the total floor area of buildings with a total useful floor area over 500 m² owned and occupied by the central government of the Contracting Party concerned that, on 1 January of each year, do not meet the national minimum energy performance requirements set in application of Article 4 of Directive 2010/31/EU.

Purchasing by public bodies

Contracting Parties should ensure that central governments purchase only products, services and buildings with high energy-efficiency performance, insofar as that is consistent with cost-

¹ All targets set in this Recommendation are indicative and will be further reviewed before preparing a future binding decision on implementation of Directive 2012/27/EU in the Energy Community.

effectiveness, economical feasibility, wider sustainability, technical suitability, as well as sufficient competition, as referred to in Annex III of Directive 2012/27/EU.

Energy efficiency obligation schemes

Each Contracting Party should set up an energy efficiency obligation scheme. That scheme should ensure that energy distributors and/or retail energy sales companies that are designated as obligated parties under paragraph 4 operating in each Contracting Party's territory achieve a cumulative end-use energy savings target by 31 December 2025, respectively 31 December 2030 without prejudice to paragraph 2.

That target should be at least equivalent to achieving new savings each year from 1 January 2015 to 31 December 2025 of 1 %, and respectively 1.5% from 2025 to 2030, of the annual energy sales to final customers of all energy distributors or all retail energy sales companies by volume, averaged over the most recent three-year period prior to 1 January 2014. The sales of energy, by volume, used in transport may be partially or fully excluded from this calculation.

Energy audits and energy management systems

Contracting Parties should promote the availability to all final customers of high quality energy audits which are cost-effective and:

- (a) carried out in an independent manner by qualified and/or accredited experts according to qualification criteria; or
- (b) implemented and supervised by independent authorities under national legislation.

For the purpose of guaranteeing the high quality of the energy audits and energy management systems, the Contracting Parties should establish transparent and non-discriminatory minimum criteria for energy audits based on Annex VI of Directive 2012/27/EU.

Contracting Parties should develop programmes to encourage SMEs to undergo energy audits and the subsequent implementation of the recommendations from these audits.

Contracting Parties should also develop programmes to raise awareness among households about the benefits of such audits through appropriate advice services.

Contracting Parties should encourage training programmes for the qualification of energy auditors in order to facilitate sufficient availability of experts.

Metering

In addition to the obligations under Article 13(1) and (2) of Directive 2006/32/EC, Contracting Parties should implement the following:

- Where heating and cooling or hot water are supplied to a building from a district heating network or from a central source servicing multiple buildings, a heat or hot water meter should be installed at the heating exchanger or point of delivery.

In multi-apartment and multi-purpose buildings with a central heating/cooling source or supplied from a district heating network or from a central source serving multiple buildings, individual

consumption meters should also be installed by 30 June 2018 to measure the consumption of heat or cooling or hot water for each unit where technically feasible and cost-efficient. Where the use of individual meters is not technically feasible or not cost-efficient, to measure heating, individual heat cost allocators should be used for measuring heat consumption at each radiator, unless it is shown by the Contracting Party in question that the installation of such heat cost allocators would not be cost-efficient. In those cases, alternative cost-efficient methods of heat consumption measurement may be considered.

Where multi-apartment buildings are supplied from district heating or cooling, or where own common heating or cooling systems for such buildings are prevalent, Contracting Parties may introduce transparent rules on the allocation of the cost of thermal or hot water consumption in such buildings to ensure transparency and accuracy of accounting for individual consumption. Where appropriate, such rules should include guidelines on the way to allocate costs for heat and/or hot water that is used as follows:

- (a) hot water for domestic needs;
- (b) heat radiated from the building installation and for the purpose of heating the common areas (where staircases and corridors are equipped with radiators);
- (c) for the purpose of heating apartments.

Billing information

Where final customers do not have smart meters as referred to in Directives 2009/72/EC and 2009/73/EC, Contracting Parties should ensure, by 30 June 2016, that billing information is accurate and based on actual consumption, in accordance with point 1.1 of Annex VII of Directive 2012/27/EU, for all the sectors covered by this Directive, including energy distributors, distribution system operators and retail energy sales companies, where this is technically possible and economically justified.

This recommendation is without prejudice to the obligations under Article 13(3) of Directive 2006/32/EC.

Cost of access to metering and billing information

Contracting Parties should ensure that final customers receive all their bills and billing information for energy consumption free of charge and that final customers also have access to their consumption data in an appropriate way and free of charge.

Consumer information and empowering programme

Contracting Parties should take appropriate measures to promote and facilitate an efficient use of energy by small energy customers, including domestic customers. These measures may be part of a national strategy.

Penalties

Contracting Parties should lay down the rules on penalties applicable in case of non-compliance with the national provisions adopted pursuant to Articles 7 to 11 and Article 18(3) of Directive 2012/27/EU and should take the necessary measures to ensure that they are implemented. The

penalties provided for should be effective, proportionate and dissuasive. Contracting Parties should notify those provisions to the Secretariat by 31 December 2015 and should notify it without delay of any subsequent amendment affecting them.

– EFFICIENCY IN ENERGY SUPPLY

Promotion of efficiency in heating and cooling

By 31 December 2016, Contracting Parties should carry out and notify to the Secretariat a comprehensive assessment of the potential for the application of high-efficiency cogeneration and efficient district heating and cooling, containing the information set out in Annex VIII of Directive 2012/27/EU. If they have already carried out an equivalent assessment, they should notify it to the Secretariat.

Contracting Parties should adopt policies which encourage the due taking into account at local and regional levels of the potential of using efficient heating and cooling systems, in particular those using high-efficiency cogeneration. Account should be taken of the potential for developing local and regional heat markets.

Contracting Parties should ensure that a cost-benefit analysis in accordance with Part 2 of Annex IX of Directive 2012/27/EU is carried out when, after 31 December 2015:

- (a) a new thermal electricity generation installation with a total thermal input exceeding 50 MW is planned, in order to assess the cost and benefits of providing for the operation of the installation
- (b) an existing thermal electricity generation installation with a total thermal input exceeding 50 MW is substantially refurbished, in order to assess the cost and benefits of converting it to high-efficiency cogeneration;
- (c) an industrial installation with a total thermal input exceeding 50 MW generating waste heat at a useful temperature level is planned or substantially refurbished, in order to assess the cost and benefits of utilising the waste heat to satisfy economically justified demand, including through cogeneration, and of the connection of that installation to a district heating and cooling network;
- (d) a new district heating and cooling network is planned or in an existing district heating or cooling network a new energy production installation with a total thermal input exceeding 50 MW is planned or an existing such installation is to be substantially refurbished, in order to assess the cost and benefits of utilising the waste heat from nearby industrial installations.

Energy transformation, transmission and distribution

Contracting Parties should ensure that national energy regulatory authorities pay due regard to energy efficiency in carrying out the regulatory tasks specified in Directives 2009/72/EC and 2009/73/EC regarding their decisions on the operation of the gas and electricity infrastructure.

Contracting Parties should in particular ensure that national energy regulatory authorities, through the development of network tariffs and regulations, within the framework of Directive 2009/72/EC and taking into account the costs and benefits of each measure, provide incentives for grid operators to make available system services to network users permitting them to implement

energy efficiency improvement measures in the context of the continuing deployment of smart grids.

Contracting Parties should ensure the removal of those incentives in transmission and distribution tariffs that are detrimental to the overall efficiency (including energy efficiency) of the generation, transmission, distribution and supply of electricity or those that might hamper participation of demand response, in balancing markets and ancillary services procurement. Contracting Parties should ensure that network operators are incentivised to improve efficiency in infrastructure design and operation, and, within the framework of Directive 2009/72/EC, that tariffs allow suppliers to improve consumer participation in system efficiency, including demand response, depending on national circumstances.

Contracting Parties should ensure, by 31 December 2016, that:

- (a) an assessment is undertaken of the energy efficiency potentials of their gas and electricity infrastructure, in particular regarding transmission, distribution, load management and interoperability, and connection to energy generating installations, including access possibilities for micro energy generators;
- (b) concrete measures and investments are identified for the introduction of cost-effective energy efficiency improvements in the network infrastructure, with a timetable for their introduction.

– HORIZONTAL PROVISIONS

Availability of qualification, accreditation and certification schemes

Where a Contracting Party considers that the national level of technical competence, objectivity and reliability is insufficient, it should ensure that, by 30 June 2016, certification and/or accreditation schemes and/or equivalent qualification schemes, including, where necessary, suitable training programmes, become or are available for providers of energy services, energy audits, energy managers and installers of energy-related building elements as defined in Article 2(9) of Directive 2010/31/EU.

Information and training

Contracting Parties should ensure that information on available energy efficiency mechanisms and financial and legal frameworks is transparent and widely disseminated to all relevant market actors, such as consumers, builders, architects, engineers, environmental and energy auditors, and installers of building elements as defined in Directive 2010/31/EU.

Contracting Parties should establish appropriate conditions for market operators to provide adequate and targeted information and advice to energy consumers on energy efficiency.

Energy services

Contracting Parties should promote the energy services market and access for SMEs to this market by:

- (a) disseminating clear and easily accessible information on:
 - (i) available energy service contracts and clauses that should be included in such contracts to guarantee energy savings and final customers' rights;
 - (ii) financial instruments, incentives, grants and loans to support energy efficiency service projects;
- (b) encouraging the development of quality labels, inter alia, by trade associations;

- (c) making publicly available and regularly updating a list of available energy service providers who are qualified and/or certified and their qualifications and/or certifications in accordance with Article 16 of Directive 2012/27/EU, or providing an interface where energy service providers can provide information;
- (d) supporting the public sector in taking up energy service offers, in particular for building refurbishment, by:
 - (i) providing model contracts for energy performance contracting which include at least the items listed in Annex XIII of Directive 2012/27/EU;
 - (ii) providing information on best practices for energy performance contracting, including, if available, cost- benefit analysis using a life-cycle approach;
- e) providing a qualitative review in the framework of the National Energy Efficiency Action Plan regarding the current and future development of the energy services market.

Other measures to promote energy efficiency

Contracting Parties should evaluate and if necessary take appropriate measures to remove regulatory and non-regulatory barriers to energy efficiency, without prejudice to the basic principles of the property and tenancy law of the Contracting Parties, in particular as regards:

- (a) the split of incentives between the owner and the tenant of a building or among owners, with a view to ensuring that these parties are not deterred from making efficiency- improving investments that they would otherwise have made by the fact that they will not individually obtain the full benefits or by the absence of rules for dividing the costs and benefits between them, including national rules and measures regulating decision- making processes in multi- owner properties;
- (b) legal and regulatory provisions, and administrative practices, regarding public purchasing and annual budgeting and accounting, with a view to ensuring that individual public bodies are not deterred from making investments in improving energy efficiency and minimising expected life-cycle costs and from using energy performance contracting and other third-party financing mechanisms on a long-term contractual basis.

Energy Efficiency National Fund, Financing and Technical Support

Without prejudice to Article 18(1) paragraph c) of the Treaty establishing the Energy Community, Contracting Parties should facilitate the establishment of financing facilities, or use of existing ones, for energy efficiency improvement measures to maximise the benefits of multiple streams of financing.

This Recommendation enters into force upon its adoption and is addressed to the Contracting Parties.

Done in Belgrade, on 24 October 2013

For the Ministerial Council:

.....
(Presidency)

Correlation table (EED / Recommendation MC-EnC)

EED	Deadlines according to the EED	Deadlines according to the Recommendation	Note
CHAPTER I			
Article 3	N/A	31 December 2015	EnC has no 2020 commitments
CHAPTER II			
Article 4	30 April 2014	30 June 2016	
Article 5	01 January 2014	30 June 2015	
Article 7	31 December 2020	31 December 2025	
Article 7	01 January 2013	01 January 2014	
Article 9	31 December 2016	30 June 2018	
Article 10	31 December 2014	30 June 2016	
Article 13	05 June 2014	31 December 2015	
CHAPTER III			
Article 14	31 December 2015	31 December 2016	
Article 14	05 June 2014	31 December 2015	
Article 15	30 June 2015	31 December 2016	
CHAPTER IV			
Article 16	31 December 2014	30 June 2016	

Correlation table for targets (EED / Recommendation MC-EnC)

EED	Targets according to the EED	Application period	Targets according to the Recommendation	Note
CHAPTER I				
Article 3 ²	Indicative national energy efficiency targets, taking in the account EU 2020 target.		20% of the final energy consumption by 2025	EnC has no 2020 commitments
			30% of the final energy consumption by 2030	
CHAPTER II				
Article 5	3,00%	From 01.01.2014 in MSs From 30.06.2015 to 30.06.2019 in CP	2,00% ³	Only with EnC
		From 30.06.2019 to 2030 in CP	3,00% ⁴	Similar to EU
Article 7	1,50%	1.01.2014 - 31.12.2020 in MS 1.01.2015 - 31.12.2025 in CP	1,00% ⁵	
	N / A	2025 - 2030	1,50% ⁶	
CHAPTER III				
Article 14	20 MW		50 MW	50 MW (in CP) in line with LCPD 20 MW (in MS) in line with ETSD
CHAPTER IV				

Abbreviations:

EED - Energy Efficiency Directive
 CP - Contracting Parties (of Energy Community Treaty)
 MS - Member States (of EU)
 LCP - Large Combustion Plants Directive
 ETS - Emission Trading Scheme Directive

² - An indicative national energy efficiency target should be set based on either primary or final energy consumption, primary or final energy savings, or energy intensity.

³ - For the first 4 years EnC introduces a minimum of 2% (instead of 3% given in the EED) of the total floor area that should be renovated.

⁴ - EnC recommends the same 3% target as in EED as of 30.06.2019.

⁵ - In order to facilitate implementation, EnC introduced 1 % for calculation of equivalent cumulative end-use energy savings target for the Application period.

⁶ - For the Application period EnC introduces recommendation and the same target of 3 % (like in EED) for extended period to 2030.