



CONCERTED ACTION
ENERGY SERVICES
DIRECTIVE



Executive Summary Report

Concerted Action for the Energy Services Directive

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Abbreviations

Table 1. Country codes

Country code	Country
AT	Austria
BE	Belgium
BG	Bulgaria
CY	Cyprus
CZ	Czech Republic
DE	Germany
DK	Denmark
EE	Estonia
EL	Greece
ES	Spain
FI	Finland
FR	France
HR	Croatia
HU	Hungary
IE	Ireland
IT	Italy
LT	Lithuania
LU	Luxembourg
LV	Latvia
MT	Malta
NL	Netherlands
NO	Norway
PL	Poland
PT	Portugal
RO	Romania
SE	Sweden
SI	Slovenia
SK	Slovakia
UK	United Kingdom

Table 2. Miscellaneous abbreviations

Abbreviation	Full text
CA ESD	Concerted Action for the Energy Services Directive
CT	Core Theme
EC	European Commission
EE	Energy Efficiency
ESCO	Energy Service Company
ESD	Energy Services Directive
EU	European Union
F&FM	Funds and Funding Mechanisms
IEE	Intelligent Energy Europe
MS	Member States
NEEAP	National Energy Efficiency Action Plan
PM	Plenary Meeting
RES	Renewable Energy Sources
WG	Working Group

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The EU has long understood the role of energy efficiency in reducing greenhouse gas emissions, as well as in increasing the competitiveness of industry, lowering energy bills for consumers and in reducing Europe's dependency on fuel imports. In order to tap into the potential of energy efficiency, the European Commission introduced a package of legislation which includes a framework for energy end-use efficiency and energy services: the Energy Services Directive – 2006/32/EC (ESD).

Introduction

The overall aim of the Energy Service Directive 2006/32/EC (ESD) adopted in 2006 is to enhance the cost-effective improvement of energy end-use efficiency in Member States (MS). This is being achieved by providing indicative targets as well as mechanisms, incentives and institutional, financial and legal frameworks to remove existing market barriers and imperfections that impede the efficient end use of energy. This Directive also aims to create the necessary conditions for the development and promotion of a market for energy services and for the delivery of other energy efficiency improvement measures to final consumers.

The implementation of the ESD offers considerable flexibility to Member States (MS) to choose those energy efficiency measures that best suit their national situation. This means that alongside the challenges posed, there are also significant opportunities for MS to share experience between themselves. To support the EU countries in this task, the European Commission launched the Concerted Action for the Energy Services Directive (CA ESD), via the Intelligent Energy Europe programme (IEE). The aim of the CA ESD is to provide a trusted forum for exchange of experiences and collaboration where EU countries can learn from each other, avoid pitfalls and build on successful approaches when implementing the ESD.

The CA ESD involves the national authorities responsible for implementing the ESD, or those bodies appointed and entrusted by them to do so. It is carried out under the coordination of NL Agency in the Netherlands, supported by the Energy Saving Trust in the UK. The CA consortium is composed of organisations designated by all 27 Member States plus Croatia and Norway.

The CA ESD was structured around five Core Themes covering the key requirements of the ESD:

- National Energy Efficiency Action Plans (NEEAPs)
- The role of the public sector
- The role of the energy sector
- Auditing, metering and billing
- The use of financial instruments

In all these Core Themes, special attention was paid to capacity building in implementation with an emphasis on topics that can benefit from common approaches and from coordination between MS. The CA ESD lasted three years and ended in June 2011.

Facts and figures from the Concerted Action for the Energy Services Directive

The CA ESD was organised around a series of Plenary Meetings (PMs) gathering a comprehensive network of national experts engaged in implementation of the ESD. Over the three-year duration of the first CA ESD phase, **7 Plenary Meetings (PMs)** were held with approximately **90 experts** attending each meeting. These meetings provided participants with a unique opportunity not only to learn from others' implementation plans and policy approaches, but also to explore opportunities for bi-lateral or multi-lateral cooperation and identify areas for possible future convergence and harmonised approaches amongst MS. Interviews with MS during PMs and results of the evaluation questionnaires (**>80% of general satisfaction**) completed after the PMs provide evidence that the discussions during PMs have stimulated new ideas and that several MS are looking into adapting and using examples from other MS in their own country.

During the PMs, **expert knowledge** was also brought in by inviting over 12 coordinators of **Intelligent Energy – Europe projects** to share their results, as well as some relevant experts from non-IEE projects. For example, participants were introduced to projects on monitoring and evaluation, sustainable procurement in the public sector, industry initiatives on energy efficiency (EE), the introduction of smart meters and the use of structural and cohesion funds for EE projects.

Each PM lasted **two days** and involved a number of parallel sessions focusing on specific subtopics related to the **five Core Themes** and designed to encourage interactive exchange of information amongst participants. For each subtopic, a Working Group (WG) composed of two to three participants from different countries, was established and was in charge of collecting information, preparing the discussion and summarising

key findings after the PM. This work has resulted in the active involvement of each country and in the elaboration of **29 detailed technical reports** highlighting the status and possibilities for handling certain issues related to ESD implementation. These reports offer a **comprehensive overview of the state of affairs** in each country and represent a valuable source of information directly available from the CA ESD website to all experts and decision makers working for ministries or national implementing bodies. Although these reports are not available to the wider public, a series of ten Technical Summary Reports and five Core Theme Summary Reports have been produced, which aim at a larger audience and are publicly available at www.esd-ca.eu.

The role of the CA ESD is also to track progress towards full implementation of the ESD. To this regard, each MS has prepared and updated **National Summary ESD Implementation Reports** covering the most important aspects of national implementation. These publicly available reports provide a good insight into the approaches participating countries have adopted to implement the ESD.

Benefits of the Concerted Action for the Energy Service Directive

The CA ESD has proven itself as a successful platform for exchange of information, (good and bad) experiences and good practice examples between MS on ESD implementation. During the course of the action, MS representatives indicated that through the CA ESD:

- They became **part of a European expert network on ESD implementation, which eased the establishment of bilateral contacts**. For instance, the Czech Republic participants cooperated with Slovakia. Bulgaria also cooperated with Croatia and Slovenia and have signed a Memorandum of Understanding with Austria. Regarding Slovenia, they worked with Finland on a project on auditing schemes, they discussed obligations for energy authorities in detail with the UK and they received information on measurements from Austria.

- They learned from other MS via information exchange on good and bad experiences. For instance, Polish participants learnt about White Certificates, Portugal about measures on buildings and Estonia highlights presentations from France on transport and Sweden on managing energy in industry as having been very informative.
- They received input from other MS representatives regarding their planned activities. Spain, for example, received practical information and comments regarding its ESCO plan.
- They were supported in their efforts to raise awareness of energy efficiency with national policy makers and other stakeholders, making use of the information and material from the CA ESD (e.g. the Working Group reports).
- More resources were made available because of the attention given to the 2nd NEEAP process.
- They had access to information that would otherwise not have existed, for instance through participation in Working Groups.

“The network ensures access to more and new options and ideas. We now know where to go when there are questions.”
– PT representative

“In 2007 we prepared the 1st NEEAP. As a result of CA ESD, we now decided we needed to do more. This resulted in new issues for our legislation; special provision on ESCOs, and Voluntary Agreements.” – BG representative

“We implemented a national study on energy efficiency thanks to the CA. It was important to know the details of energy efficiency programmes in France – the CA acted as a trigger for the focus. More resources are now dedicated to energy efficiency and the ESD in particular for the development of the 2nd NEEAP.” – FR representative

“In light of the CA, we’ve reviewed ESD requirements compared with existing legislation. This resulted in a proposal to the ministry to change (secondary) legislation.” – CZ representative

“The CA has helped speed up the pace of ESD implementation.”
– SI representative

Furthermore, the CA ESD helped the Commission services (DG ENER) to better understand specific needs of the MS and in widening their perception of the national barriers and obstacles when implementing the ESD.

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Main results of the five Core Themes

In the following sections, the main findings of the five subtopics or Core Themes are presented. A more detailed description of the results can be found in the Core Theme Summary Report for each Core Theme [available from <http://www.esd-ca.eu/Reports/Core-Theme-Summary-Reports>].

3.1 Core Theme 1 – National Energy Efficiency Action Plans

Core Theme 1 covers Articles 4 and 14 of the ESD. Member States are required to report on National Energy Efficiency Action Plans (NEEAPs) every 3 years. The aim of Core Theme 1 was to give MS representatives an opportunity to share their experiences and the different approaches they have taken when developing their NEEAPs as well as the development and implementation of energy efficiency improvement programmes and measures set out in these NEEAPs.

- NEEAPs have proven their value not only as a policy document, but also as a tool. The 1st NEEAPs were also used in MS for exchange of information and identification of good practices among the other countries. Almost all CA MS representatives indicated an interest in receiving further information on good/best practices and lessons learned to support the development of the 2nd NEEAPs. The CA ESD is seen as the place where this kind of sharing of experience should be done. MS representatives would also welcome having NEEAPs that are more consistent.

Figure 1. NEEAPs from 28 countries



- There are clear needs to streamline the different reporting periods and obligations under the EU legislation.
- To harmonise the methods used to measure energy savings, clarification, flexibility and room for the use of national methods are required. Country representatives welcomed the support on energy savings calculations given through this Core Theme, as it is important for them to stay as close to actual practice as possible when developing their national calculation methods. For instance, guidance for monitoring the impact of soft measures would be needed.
- In this Core Theme special attention was given to the question: “how best to share experience among MS, and the ‘transferability’ of good practices” because calculation methodologies can be particularly difficult to transfer between countries. The obstacles and key criteria for the successful sharing of information were identified.
- Exchange of points of view and ideas were necessary to help MS participants better understand article 5 of the ESD Directive on the role of the PS. There is now a general acceptance of the exemplary role of the PS and the corresponding expectation to perform.
- It is a common understanding that a strong policy framework is needed to give an exemplary role to the PS, in addition to adequate financial resources and sufficiently trained staff with the necessary knowledge and expertise. In this regard, training of staff remains one of the toughest challenges the PS is facing relating to ESD implementation and there is a consensus in MS that the PS should develop its own capacity on energy efficiency.
- ESD has turned out to be a move in the right direction initiating many activities aimed at improving energy efficiency, especially in the PS. A number of good examples were identified and presented at the plenary meetings. The cases identified covered for instance the means used in different MS to promote energy savings in and outside the PS, a number of programmes aimed at energy savings in specific areas in the PS, best practice examples in Green Public Procurement as well as best practice examples in PS staff trainings.
- The approach to green public procurement (GPP) varies greatly in the MS. Some countries have taken a centrally controlled state purchasing body approach while others have taken a collaborative approach with responsibilities

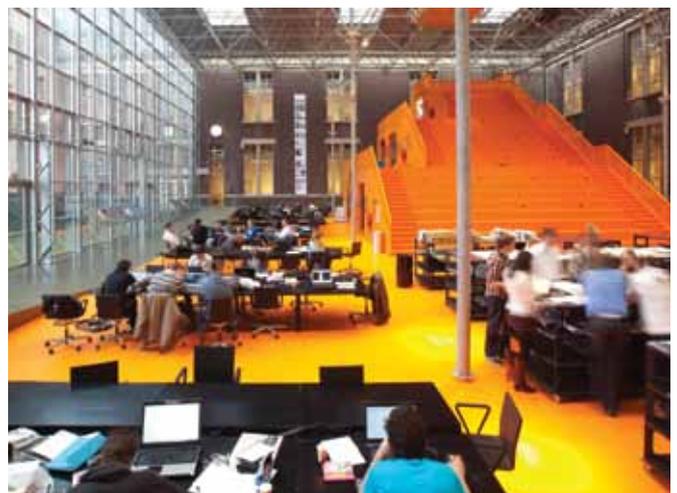
Good practice example shared in Core Theme 1

In 2008 Austria started to develop a bottom-up method to measure energy savings at a national level using a participatory process that involved all the relevant stakeholders (the federal and regional level of governance, the interest groups and energy utilities, etc.). The Federal Ministry of Economy commissioned the Austrian Energy Agency (AEA) to lead this process and to develop the methods for the Ministry. A user-friendly database has been developed and put in place allowing data to be directly fed into the national measurement system. For more information see: <http://www.monitoringstelle.at/English.490.0.html>

3.2 Core Theme 2 – The Role of the Public Sector

Core Theme 2 covers Articles 5 and 7 of the ESD. These Articles require MS to ensure that the public sector (PS) fulfils an exemplary role in the context of the Directive and undertakes energy efficient (public procurement) measures, reporting on progress in subsequent NEEAPs. The key findings from discussions and working groups between MS on how to implement this are outlined as follows:

Figure 2. Energy efficient public building – Delft University



for purchasing spread across the PS. The progress of implementation also varies, as GPP is a relatively new concept for a certain number of countries. The Working Groups on public procurement have also shown that the successful implementation of GPP requires the mobilisation of a wide range of technical and non-technical professions (e.g. architects, planners, engineers, economists). Their cooperation and further stronger efforts are required to develop clear guidelines for the implementation of GPP and education of purchasers. Although legislation itself is not considered as the most important barrier to GPP, the CA ESD participants have identified a clear lack of skilled purchasers as well as a need to define clear procurement criteria and to boost co-operation between national, regional and local levels. GPP is one of the key areas in which continuous work between MS in sharing experiences and developing new procedures is required.

- Local authorities, being close to the citizens have a pivotal role in promoting and providing advice on EE improvement measures. The role of national authorities and agencies is more significant where the organisation of large public campaigns is concerned. There are some very interesting examples on how to make campaigns more attractive, such as the engagement of celebrities, organising mobile exhibitions of a house containing state-of-the-art EE technologies and TV programmes on EE for children.
- It is important to note that the public energy utilities are an increasingly important provider of information and advice to their customers. This could be seen as a direct consequence of the ESD implementation, but also as an expected development in the conditions of a fully liberalised and competitive energy market. A White Certificate system could facilitate this practice.

“The ESD has its shortcomings, for example, there can be many interpretations of different parts of the legislation. However, the Concerted Action has helped us to understand different possibilities for implementation of calculation methodology, public procurement and ESCO’s.” - HU representative

Good practice examples shared in Core Theme 2

The Italian approach to green public procurement (GPP) with the Consip structure is interesting. Consip is the central purchasing body of the Italian Public Administrations. Its role is developed according to the EU legal framework on public procurement (PP) (and GPP); the Italian legal framework on PP/GPP and the Financial Act. Consip is a limited company and directly owned by the Ministry of Economy and Finance, which operates only to serve Public Administrations. It operates along two main streams: ICT (Information Technology Division) and PA On line Purchasing Division (DARPA).

The Smart-SPP Intelligent Energy Europe (IEE) project has shown that public spending power is also an opportunity to drive innovation. Different approaches can be used to encourage innovation through procurement such as early engagement with suppliers in a pre-procurement phase. The Smart-SPP IEE project was presented to the CA ESD participants at the 4th Plenary Meeting.

3.3 Core Theme 3 – The Role of the Energy Sector

Core Theme 3 covers Articles 6 and 8 of ESD. These Articles require MS to place obligations on energy suppliers to offer and promote energy services, energy audits and / or other energy efficiency improvement measures to their customers. There is a great deal of flexibility as to the exact form of the obligation and the mechanisms for delivery in different fuel sectors; significant opportunities therefore exist for MS to share experiences relating to the approaches they have taken and the effectiveness of different policies. The key findings are summarised below:

Voluntary agreements

- Voluntary Agreements have been signed in 12 countries, and 9 more are in the process of establishing Voluntary Agreements. These countries share the opinion that Voluntary Agreements allow better implementation of legislation and more efficient use of resources.
- Voluntary Agreements are better implemented where large national frameworks exist; usually incentives are needed – as is the introduction of monitoring systems. In future,

Figure 3. State of play for Voluntary Agreements

- 12 MS with VAs
- 8 MS with VAs underway
- 7 MS without VAs



the evaluation of the actual contribution from Voluntary Agreements should be improved.

- Voluntary Agreements are successful when targets are met and outperformed, and the number of companies joining is high. Voluntary Agreements should be embedded in existing legislation and a good balance between ‘sticks’ and ‘carrots’ should be achieved. MS participants also point to the existence of a ‘culture of cooperation’ between industry and public administration as a prerequisite for success. In addition, each Voluntary Agreement should be tailored to local needs – there’s no one size fits all.
- Further criteria for successful Voluntary Agreements include: clear targets, rights and obligations of parties in the agreement; a monitoring system and reporting carried out in an independent way; existence of a win-win situation both for government and participants; making the adjustments of targets possible during the lifecycle of the agreement, and agreements should be made public in order to create transparency and understanding of schemes.

Qualification, Accreditation and Certification schemes

- 74% of MS have Qualification Schemes, mostly dedicated to energy audits. 37% of MS have Accreditation Schemes, granted by different bodies in the different MS. Around 50% of MS have Certification Schemes in force, provided mostly for building and industrial auditors. No subsidies are foreseen for any scheme.

- The proper understanding of Qualification, Accreditation and Certification schemes utilising the relevant EC regulation and CEN results are issues for further debate with and among MS. There is need for clarification on terminology e.g. meaning of ‘qualification’, ‘accreditation’, and ‘certification’. Common definitions would allow MS to use similar methodologies and schemes and it would enable ESCO’s/professionals to operate in the same way in different contexts.

White Certificates

- The concept of “white certificates” refers to schemes in which energy efficiency measures are certified. This scheme is often combined with an obligation to achieve a certain target of energy savings for some “obliged parties”. 5 MS have white certificates in place, 4 are planning to introduce them. The implementation of a WhC mechanism is favoured by the advanced status of liberalization of production and retail sale sectors, the appointment of energy bodies and the long-term nature of the EE programmes.
- The five systems in the EU based on the mechanism of white certificates, implemented in Belgium (Flanders), Denmark, France, Italy and the UK, whilst sharing some fundamental characteristics, are nonetheless bespoke programmes each with their own unique features. In particular the following areas differ: the type or number of obliged subjects; presence and type of threshold; apportionment rules; possibility for non-obliged subjects to join the mechanism; time of production of savings; value of certificates; eligibility for ‘non-technical’ measures; measure units of savings; conditions for eligibility other than additionality; social objectives; measurement and verification procedures; tradability; presence of a stock exchange market; costs borne by operators and final consumers; and presence of reimbursement procedures. On the other hand, following areas match: the eligible sectors of final users, the energy saving technologies, the eligible kinds of energy, the use of default methods for measurement and verification of savings, the sharing of the same concept of additionality, the existence of saving targets that has to be reached and penalties for not reaching the targets. While there has undoubtedly been an exchange of experience and ideas across Europe on the value and best use of such

Figure 4. State of play for White Certificates

- 5 MS with WhCs
- 4 MS with WhCs underway
- 19 MS without WhCs



mechanisms, each country has planned and designed their own programme. Evaluations have shown the success of this measure.

Energy Service market

- The energy service market at EU level is still in an early stage of market growth, and incentives along with activation of market mechanisms and establishment of a regulatory framework (possibly associated with standards) are still needed in order for this market to be further developed. While the main sources of funding for the development of energy services remain in all cases branches of the government, alternative financial schemes appear to be clustered in three main domains (tax, revolving fund, incentives), and are active simultaneously in some markets while in a significant proportion of MS there are no such schemes.

“The input received from the CA ESD has assisted in the formation of some legislation. For example, an ESCO registry has been developed in order to enable a sustainable enabling growth of the energy service market.” – EL representative

Good practice example shared in Core Theme 3 Swedish Programme for Energy Efficiency in Energy Intensive Industry (PFE)

The PFE is a voluntary agreement between the Swedish Government and the energy intensive manufacturing industry, with the aim of increasing energy efficiency. PFE lasted 5 years (2004-09). The incentive for industry is the tax reduction on electricity from 0,5 € / MWh to 0 € / MWh. The commitment from industry is a series of activities to increase energy efficiency. The programme is coordinated by the Swedish Energy Agency. Results were: 110 participating companies (250 plants using 30 TWh electricity/year – more than 50% of the total use of electricity in Swedish industry) with a reported energy saving of 1.4 TWh for the first period (2004-2009). However, the total energy savings are even greater than this as participating companies do not have to report savings related to heat. The total tax reduction was 15 million €/year.

3.4 Core Theme 4 – The Role of Auditing, Metering and Billing

Core Theme 4 covers Articles 12 and 13 of the ESD. These Articles specify that MS shall ensure the availability of efficient, high-quality energy audits schemes, which are designed to identify potential energy efficiency improvement measures. MS shall also ensure that all final customers of energy are provided with competitively priced individual meters, that billing is based on actual energy consumption and that specific information is made available to final customers.

Audits

- On the availability of audits: a wide range of different auditing schemes is in place in the MS. However, only in some MS was the ESD the trigger for these schemes and not all sectors are covered. More incentives and/or obligations for providing audits are necessary, also for non-commercial segments.
- The primary source of funding is national and regional budget. The costs of audits differ because of scope and quality. Financial support should be available in all MS for audits, particularly for non-commercial segments (e.g. funds obtained from fees, taxes or structural funds).

- Two thirds of the auditing schemes have an active quality control scheme. Quality controls for all auditing schemes have to be developed based on standards for good practice of quality control.
- The development of recommendations for standardised curricula for the training of energy auditors in different sectors would improve the quality of audits, as it would lead to well-trained auditors. Training is a combination of technical, legal and administrative aspects and the application of software. Currently the duration varies from 1 or 2 weeks to 5 months; in 14 MS there are standardized training available for some sectors.
- Accreditation and certification may increase quality of audits. In most MS there are some eligibility criteria and some form of authorisation for auditors; in most MS the auditor needs to pass an exam following the training. Some form of harmonisation of eligibility criteria and authorisation between MS would support the establishment of a common market for energy auditors.
- In a majority of the energy auditing schemes, neither prior estimation nor evaluation of the estimated savings per audit has been made. Developing methods to estimate savings as a result of energy audits, in relation to quality control of audits would therefore be a good idea.

Metering and billing

- In only 52% of the MS is there an obligation in place to provide individual meters that give information on actual consumption and actual time of use in the case of a new connection. CA MS representatives are divided on the question whether Article 13 of the ESD can be fulfilled by conventional meters or if advanced meters are needed; only 11 out of 26 MS representatives interpret Article 13 as a requirement for an intelligent metering system. Clarification is needed.
- The ESD requires that billing shall be “performed frequently enough to enable customers to regulate their own energy consumption.” Across all energy streams, monthly billing is the most common. 40% of MS currently operate monthly or bi-monthly billing; a majority of the country participants (>70%) feel that once a month is

Figure 5. Home energy displays



“frequently enough” to enable consumers to regulate their own energy consumption. A definition of “frequently enough” is desirable.

“When preparing legislation on energy audits, Bulgaria and Czech Republic shared their regulation on energy audits with us.” – HR representative

“An energy auditing scheme is currently being implemented, direct learning from the CA ESD has helped greatly with this. Information on ESCOs, White Certificates & Voluntary Agreements gathered from within the CA ESD is also being used to determine how these initiative and tools might be suitable for Cyprus.” – CY representative

“...we have benefited through collaboration with Lithuania, Estonia and Finland. In particular collaborating with Lithuania has been useful regarding consultations on energy audits in industry, and monitoring and calculation methods. Latvia took Lithuanian legislation and translated it.” – LV representative

Experience example shared in Core Theme 4

Norway presented the results of a study on the cost-effectiveness of smart meters. Despite a negative result of the cost-benefit analysis, smart meters will be rolled out. The reason for the negative results was that it was easier to take into account the costs rather than the benefits of the analysis. Benefits due to energy savings were not accounted for because no “hard” data was available. However, it was expected that in the (near) future costs would decrease, benefits would emerge and that the smart meter is necessary to realise a smart grid.

3.5 Core Theme 5 – Financial Instruments

Core Theme 5 covers Articles 9, 10 and 11 of the ESD. According to these Articles, MS shall repeal and amend legislation that impedes or restricts the use of financial instruments for energy savings in the market for energy services. How this legislation should be amended or repealed is up to the MS.

- Several kinds of tax measures are being used to stimulate energy efficiency in MS. In every third country the introduction of the ESD has led, or will lead, to the introduction of fiscal measures stimulating energy efficiency. One of the problems implementing fiscal policy for EE is that it requires good cooperation between the ministries involved.
- Sufficient funding and appropriate financial mechanisms are crucial for the implementation of energy efficiency measures. At the same time, there is a wide variety of approaches when it comes to funds and funding mechanisms. It is difficult to make decisions at EU level, which will fit all or even the majority of MS. In addition, EU guidelines on State Aid often act as a restriction. It may be more realistic and sustainable to try to find financial solutions that share the burden of funding between general state, local government and private capital. Comprehensive monitoring of the results of funds and funding mechanisms is needed.
- The main beneficiaries of EE related funds are households (76% of countries), SMEs (56%), and large companies (52%), while generally consultants, research institutes and energy

agencies are not beneficiaries. In all countries, building renovations are stimulated by F&FM. Fuel switch is the second most supported investment (in 64% of the countries).

- In most countries the existing funds do not compete with the commercially financed EE investments. Although in most countries governments have a special policy to stimulate private funding in favour of EE, in many countries such policy is not in place.
- The financing of EE measures originates mainly from national sources and few countries rely heavily on international financing. The latter mainly comes from EU Structural funds. Almost all countries recognize the Government funding for EE as substantial e.g. the general state budget. Although the financing from the EU Structural and Cohesion funds (EU funds) is considered as an important source of funding by many MS, it is disturbing that only a few countries apply EE criteria in the evaluation of projects to be funded.
- Most countries still have no experience with Public Private Partnership related to energy efficiency investments.
- The ESCO market development is very different from one country to another– from well-developed market based systems and countries where public subsidies for ESCOs are available to countries where first ESCO development steps have failed. All MS would benefit from further development of this sector.
- The energy tariffs are a very complex and sensitive topic. Lower tariffs for specific sectors have been set in the past and in some MS they still remain. It is difficult to identify the best structure for energy tariffs and MS are usually looking for the solutions that will serve them best. The most common issue is the introduction of a two-part tariff and standing charges.

“... (The) process of the ESD implementation poses a real challenge and there is no, one universal way of implementation. National circumstances and conditions around the ESD are different, therefore each MS shall seek its own most suitable way of implementation...despite national differences there are many such actions or solutions that are common for all. This remark applies first of all to concrete, practical energy

efficiency measures e.g. NEEAP preparation, public procurement, staff training, specific financial and banking procedures, which can be relatively easy duplicated in many countries basing on experience of the leaders.”
- PL representative

Figure 6. Financial instruments



Good practice example shared in Core Theme 5

The results of the FinaRET IEE project were presented to the CA participants. This project made an inventory of existing financial tools dedicated to small-scale renewable energy technology and energy efficiency technology applications. The inventory included 261 measures (105 of which are public initiatives and 149 are private initiatives) from 18 countries (within and outside the EU). This inventory revealed that: (i) mature, sound and specialized financial markets can boost the diffusion of renewable energy and energy efficient technologies by generating sophisticated financing products built on supporting initiatives and (ii) the actual take-up of a financing product depends not only on the appeal and quality of its features and mechanism, but also on its promotion strategy and the smoothness of its administrative and bureaucratic processes.

4

The CA ESD has provided a platform for information exchange amongst national implementing bodies of the ESD. Upon reflection at the end of a three year period, it is apparent that a great deal of useful information has been gathered and exchanged. Participants have made clear that the action provides added value and that the inter-country exchange and information made available has supported the decision making process in national administrations.

The road ahead

As well as progress amongst MS in relation to the implementation of energy efficiency improvement measures the Concerted Action has also brought to light areas that require further attention, areas where MS can continue to learn from each others' experience and good practice examples.

As a result, the IEE programme will support a second CA ESD for a further three year term commencing in June 2011. The focus of the 1st CA ESD was to support the cost effective implementation of the ESD in its initial phase, the 2nd CA ESD will look more closely at specific aspects of ESD implementation that have been identified in the 1st CA ESD. MS will build on the conclusions and recommendations identified so far and will address new topics over a total of six Plenary Meetings.

Background and Legal Disclaimer

The directive 2006/32/EC on Energy End-Use Efficiency and Energy Services (ESD) was adopted on 5 April 2006. The transposition date for all Member States (MS) was 17 May 2008 and the overall aim of the ESD is to enhance the cost-effective improvement of energy end-use efficiency. The efforts required to implement the ESD in all MS are significant and many of them are facing common challenges. This means that alongside the challenges posed, there are also significant opportunities to share experience, avoid pitfalls and build on others successful approaches.

In the context of the Intelligent Energy Europe (IEE) Programme, a Concerted Action (CA) is an instrument which provides a structured framework for information exchange between the organisations in charge of the national transposition and implementation of a Directive. This mechanism allows each MS to know and understand what other MS are doing and why. However, CA topics are only related to issues where a directive does not require a harmonised approach but where harmonisation is considered beneficial.

The Concerted Action for the Energy Services Directive (CA ESD) provides a structured framework for the exchange of information between 27 Member States, Croatia and Norway (called together hereafter MS) during their implementation of the Directive. Each MS can share its knowledge and experience, and draw on that of others, in order to adopt the most successful approaches towards implementing the ESD and avoid pitfalls highlighted by others.

The work of the CA ESD is structured around five Core Themes: Core Theme 1 – National Energy Efficiency Action Plans; Core Theme 2 – The Role of the Public Sector; Core Theme 3 – The Role of the Energy Sector; Core Theme 4 – Auditing, Metering and Billing; Core Theme 5 – Use of Financial Instruments; covering the key elements.

This report does not necessarily reflect the positions taken by individual participating countries. It is clear that a wide variety of solutions are available where the implementation of legislation is concerned, and there is no 'silver bullet' to the optimal implementation of the ESD. This report does not, in any way aim to prescribe the best action or best direction.

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