



GEODE amendment proposals on the

Proposal of the European Commission for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on energy efficiency and repealing Directives 2004/8/EC and 2006/32/EC as of 22nd June 2011, COM(2011) 370 final

GEODE, the European association of independent distribution companies of gas and electricity, wishes to comment on the Proposal for a Directive of the European Parliament and of the Council on energy efficiency and repealing Directives 2004/8/EC and 2006/32/EC which was published by the European Commission on the 22nd June 2011.

Energy efficiency will be a cornerstone of Europe's climate protection and energy policy, and therefore **GEODE** welcomes the publication by the European Commission of its draft directive on energy efficiency on such short notice after the publication of its Energy Efficiency Plan for 2011. Only with rapid action will the EU be able to make up for the tardiness of its realisations in the domain of energy efficiency.

GEODE acknowledges the need to refresh the EU's legislation on energy saving matters and welcomes the Commission's initiative to enlarge the scope of its existing directive on energy efficiency services 2006/32/EC and CHP Directive 2004/8/EC.

GEODE wishes to stress the crucial role that could be played by DSOs in helping consumers reduce their energy consumption. In particular, local DSOs have a high level of reliability because of the close relationship they maintain with consumers and local infrastructure which ensures an excellent standard of communications. Furthermore, DSOs are objective market partners; in general, they do not depend on increased sales of energy as their income is regulated by National Regulatory Authorities. Consequently, the conflict between high sales figures on the one hand and energy saving in order to attain efficiency targets on the other, which could prevent some energy suppliers from helping their customers to increase their energy efficiency, is substantially reduced. Finally, DSOs have, in most of European countries (UK and Germany being two notable exceptions), responsibility for the necessary metering technology to verify, evaluate and monitor the success of efficiency measures.

The Commission's directive proposal contains many good starting points to encourage energy efficiency further as well as to develop cogeneration. In our opinion, the most important elements are the following:



- On Article 4 **Public bodies**: GEODE calls for the energy efficiency plans to be adopted by public bodies should be legally binding and preferably developed and adopted at a local level.
- On Article 6 **Energy efficiency obligation schemes**: instead of achieving yearly savings of 1,5%, the energy distributors or retail energy sales companies concerned should achieve energy savings equivalent to 4.5% of their energy sales by volume in the previous three years. It is also necessary to develop a more flexible and less bureaucratic approach. It should be kept in mind as well that the energy consumption may considerably vary between the years. In this respect, a period of three years constitutes a more reliable reference. GEODE supports that Member States are allowed to adopt other measures with equivalent results that may include measures in the transport sector.
- On Article 8 **Metering and informative billing**: it should only be mandatory that electricity and gas end consumers will be equipped with individual meters. Concerning heating, cooling and warm water consumers, it is neither technically feasible nor economically viable to provide them their detailed energy consumption. Regarding electricity meters, the obligation to provide accurate billing implies full smart meters roll-out by 1 January 2015 and this goes far beyond the 3rd package provisions. Consequently the roll-out of Smart Meters should remain based on the rules and preconditions set by the third energy package.
- On Article 10 **Promotion of efficiency in heating and cooling**: GEODE advocates the adoption of national heating and cooling plans at the local level (municipalities and communes).
- On Article 12 **Energy transmission and distribution**: Article 12 has a central significance within the Directive. It is all the more important to shed light on the ambiguities that are contained in the text. Clarifications are necessary, in particular when it comes to defining “incentives” in paragraph 1 or “energy efficiency potentials” in paragraph 2 a). It is also crucial that grid operators should be encouraged to invest into the smart grids and into the development and integration of renewable energies and CHP and that it is assure energy companies can recover their costs.