Fit for 55

EED Concerted Action

Domain 3 – Session 1

EnPC and Energy services

Brussels, 10 October 2023

Energy Efficiency Unit, ENER.B2
European Commission

Article 29: Energy services

B2 expert: Margot Pinault

Objectives:

- Create the **enabling framework** for energy services by promoting and informing about **performance guarantee clauses, financial instruments, list of qualified/certified services providers, M&V methods & tools, quality labels, contact points, facilitators and advisory** as well as by **removing barriers to market development.**

- Facilitate and increase **uptake of energy services in the public sector** by ensuring the use of energy performance contracting for renovations of large public buildings, where technically and economically feasible.

- Develop and/or promote **model contracts compliant with Eurostat guide, best practices database on implemented and ongoing projects**

- In addition, Member States may encourage public bodies to combine energy performance contracting with expanded energy services, including demand response and storage.

EnPC market development – art. 29(1)

- Provision of information on :

- available energy service contracts and clauses that should be included in such contracts to guarantee energy savings and final customers' rights

➢ see Annex XV (Minimum items to be included in energy performance contracts or associated tender specifications), EN 17669:2022 (Energy Performance Contracts - Minimum requirements);

- financial instruments, incentives, grants, revolving funds, guarantees, insurance schemes, and loans to support energy efficiency service projects;

➢see Guidance on Article 30 and the specific guidance on unlocking private investments – Art 30(10), May 2024;

- Measurement and verification methods and tools

➢IPMVP (International Performance Measurement and Verification Protocol), ISO50046

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Quality assurance and market transparence – art. 29(2)&(3)

- MS should encorage the development of quality labels based on the European or international standards
- The most relevant standards related to quality assurance and qualification of energy services and energy service providers are the following: EN 17669:2022 (Energy Performance Contracts - Minimum requirements); IPMVP (International Performance Measurement and Verification Protocol) and ISO 50046 (measurement and verification of energy savings); EN 16247-1 and ISO 50002 (quality standards for energy auditing);
- No examples of the national quality labelling schemes so far, but QualitEE project provided guidance for such scheme development
- Member States shall disseminate information on qualified energy service providers

Public sector leading by example – 28(4)&(5)

✓ **Feasibility assessment** for the use of energy performance contracting for renovations of large buildings (over 750 sqm.) owned by public bodies :

- **Is the renovation project sufficiently large** *(to cover the additional transaction costs)?* **Is it possible to bundle renovation projects that are initially assessed as too small-scale?**
- **Is the building expected to be used by the public body for the entire intended duration of the contract?**
- **Does an impeding operation and maintenance contract exist for the building?**
- **Are measurement and verification methodologies available and could they be applied at reasonable cost?**
- **Basic question about the resources for in-house realisation as an alternative for EnPC.**

✓ **Model contracts, taking into account** the Eurostat Guide on recording of EnPCs in public accounts

✓ Sharing information on implemented and ongoing **good practice projects in the public sector**.

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“expanded energy services” – 29(4)

- Consider to combine energy performance contracting with expanded energy services, including demand response and storage

- No market practice observed, tested by EU funded projects (Horizon 2020, LIFE):

- **NOVICE** proposed model for generation of dual revenue stream from energy efficiency and demand response

- **SENSEI** has been investigating the use of Pay-for-Performance (P4P) schemes to aggregate retrofit projects, improve the effectiveness of subsidy programmes, and reward energy efficiency as an energy resource and a grid service. The innovation consists in making energy suppliers pay for the building renovations because they can reduce the structural peak load + aggregate the demand-side flexibility.

- **INEXXs** - Innovative Energy Efficiency Service Models for Sector Integration via Blockchain - plans to deploy and validate the to-be-designed services, models and contracts in four different EU states:

- **BunGgEES -** The overall objective of the project is to develop an integrated package of novel smart energy efficiency services integrating energy efficiency and distributed generation, demand response, e-mobility, energy storage/hybrid energy systems and integrating different energy sectors (e.g., electricity with heating and cooling), and to develop innovative financing and rewarding solutions.

Your questions

- **Renovation of large public buildings trough EnPC**

A good overview in the JRC-report "Energy Performance Contracting in the Public Sector of the EU – 2020" and EU projects: EESI, AmBIENCe, EPCPlus, REFINE

- **“expanded energy services”** (including demand response and storage)- EU projects:

NOVICE proposed model for generation of dual revenue stream from energy efficiency and demand response

SENSEI Pay-for-Performance (P4P) schemes to aggregate retrofit projects and reward energy efficiency as an energy resource and a grid service. The innovation consists in making energy suppliers pay for the building renovations because they can reduce the structural peak load + aggregate the demand-side flexibility.

INEXXs - Innovative Energy Efficiency Service Models for Sector Integration via Blockchain - plans to deploy and validate the to-be-designed services, models and contracts in four different EU states:

BunGgEES - to develop an integrated package of novel smart energy efficiency services integrating energy efficiency and distributed generation, demand response, e-mobility, energy storage/hybrid energy systems and integrating different energy sectors and to develop innovative financing and rewarding solutions.

Figure 23. Expert appraisal of MSs' implementation of the EU regulatory framework

MS	Definitions	Guidelines (EED Art. 18)	Model contacts public sector (EED Art. 18)	Model contacts private sector (EED Art. 18)	Lists of qualified operators (EED Art. 18)	One-stop-shops (EPBD Art. 20; EED Art. 18)	Information (EPBD Art. 20; EED Art 18)	Demonstration	Obligations /White Certificates (EED Art. 7.)	Energy Audits (EED Art. 8)	EnPC to fulfil Exemplary role (EED Art. 5)	Procurement, contracting and tendering (EED Art. 18)	MS Average
Austria	2.5	2.5	2.5	2.0	1.5		1.0	2.5	1.0	1.0	1.0	1.0	1.7
Belgium	3.0	3.0	3.0	3.0	2.0	2.0	0.5	2.0	0.5	2.5	1.5	2.0	2.1
Bulgaria	2.0	1.5	2.0	2.5	1.5	0.5	0.5	2.0	0.0	1.0	1.0	1.0	1.3
Croatia	2.0	1.0	2.0	0.5	0.5	0.5	1.0	1.0	1.0	2.0	0.5	0.5	1.0
Cyprus		0.0	0.0		2.0	0.0	0.0	0.0	0.0		0.0		0.3
Czech R.	2.0	2.0	3.0	3.0	3.0		2.0	3.0	0.0	1.0	1.0	2.0	2.0
Denmark	1.0	0.0	0.0	0.0	1.0	2.0	1.0	2.0	1.0	2.0	0.0	2.0	1.0
Estonia													
Finland	3.0	2.0	2.0	2.0	3.0	3.0	2.0	3.0	1.0	3.0	1.0	2.0	2.3
France	**2.0**	**1.0**	1.5	2.0	0.0			2.0	2.0	3.0	1.5	1.5	1.7
Germany	1.7	2.0	2.3	1.5	1.7	2.0	2.0	2.3	1.7	2.0	1.0	1.0	1.8
Greece	2.0	1.0	1.0	1.0	1.0		1.0	1.0	2.0	2.0	1.0	1.0	1.3
Hungary	0.5	1.0	0.5	0.5	0.0	0.0	0.0	0.0	0.5	2.0	0.5	0.5	0.5
Ireland	1.3	1.7	2.3	2.3	0.3	0.5	1.0	1.5	1.5	2.0	0.7	1.7	1.4
Italy	**0.5**	**1.5**	**1.5**	**1.5**	**2.0**	**0.5**	**0.0**	**0.0**	**2.0**	**2.5**	**1.0**	**2.0**	1.3
Latvia	1.5	2.0	1.5	1.5	1.0	1.5	1.0	1.0	1.5	2.5	1.0	1.5	1.5
Lithuania			0.0								0.0	0.0	
Luxemburg													
Malta													
Netherlands	2.0	1.0	1.0	2.0	1.0	2.0	-	1.0	-	-	2.0	2.0	1.6
Poland	2.0	1.0	2.0	1.0	0.0	0.0	1.0	1.0	2.0	1.0	0.0	1.0	1.0
Portugal	2.0	1.0	0.0	1.0	2.0	0.0	1.0	0.0	0.0	2.0	0.0	1.0	0.8
Romania	1.0	1.0	1.0	0.0	1.0		0.0	0.0	0.0	3.0	0.0	0.0	0.6
Slovakia	2.0	2.0	3.0		2.0	1.0					0.0		1.7
Slovenia	2.5	3.0	3.0	**1.5**	2.0	1.0	2.0	3.0	2.5	2.5	1.0	3.0	2.4
Spain	2.7	1.7	2.7	2.0	1.7	1.5	1.0	2.0	0.0	2.0	1.0	1.3	1.5
Sweden	1.0	2.0	2.0	2.0	1.0	1.0		2.0	2.0	3.0	2.0		1.8
EU estimate	1.5	1.5	1.5	1.0	0.0		1.0	1.5	1.0	2.0	0.0	1.0	1.2
EU average	1.8	1.5	1.7	1.6	1.4	1.1	0.9	1.5	1.1	2.1	0.8	1.3	1.5

Source: JRC based on EU Survey 2022. The magnitudes are based on the average ratings granted by experts in their responses to the question: "Based on your experience and judgement, please rate the implementation and adequacy of the EU policies listed in the table. Use the following scale: 0 (absent), 1 (barely acceptable), 2 (good) or 3 (very good)." The colour code indicates the largest magnitudes in green and the smallest in red, ranked for the overall set of values.

Article 28: Availability of skills

B2 expert: Margot Pinault

Ensure that certification and qualification schemes are available for energy efficiency related professions:

- Providers of energy services, providers of energy audits, energy managers, independent experts and installers of building elements and providers of integrated renovation works

EU Member States to assess by 31 December 2024 (and then at least every 4 years) if there is the necessary level of competences for energy efficiency corresponding to the market needs

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Thank you

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