



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 2 March 2012

7127/12

**Interinstitutional File:
2011/0172 (COD)**

**ENER 78
ENV 164
TRANS 69
ECOFIN 208
RECH 75
CODEC 530**

NOTE

from: General Secretariat of the Council
to: Delegations

No. Cion prop.: 13943/11 ENER 283 CODEC 1406

Subject: 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

The annex to this note contains a three-column document on the above mentioned proposal.

The text of the Commission's proposal is found in the first column. As a provisional reference basis and pending receipt of the complete finalised text of the ITRE opinion, the second column contains the compromise amendments voted by the ITRE committee on 28 February 2012.

The third column contains new Presidency suggestions, based on positions expressed and comments received from delegations so far, with the objective of creating a package that strikes the balance between flexibility and the necessary level of ambition, and delegations' concerns and requests. A number of consequential changes to the recitals as well as some legal-linguistic adjustments are also proposed. **Underlining in bold** indicates new changes to the Commission's proposal and "[...]" deletion, compared to 14980/2/11 REV 2. Elements of the proposed provisions set in "[]" are marked for further discussion. Earlier proposed changes are marked in **bold**.

Annexes to the abovementioned proposal are to be found in an Addendum to the document.

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

COMMISSION PROPOSAL	ITRE OPINION ¹	PRESIDENCY SUGGESTIONS
<p>(1) The Union is facing unprecedented challenges resulting from increased dependence on energy imports and scarce energy resources, and the need to limit climate change and to overcome the economic crisis. Energy efficiency is a valuable means to address these challenges. It improves the Union's security of supply by reducing primary energy consumption and decreasing energy imports. It helps to reduce greenhouse gas emissions in a cost-effective way and thereby to mitigate climate change. Shifting to a more energy-efficient economy should also accelerate the spread of innovative technological solutions and improve the competitiveness of industry in the Union, boosting economic growth and creating high quality jobs in several sectors related to energy efficiency.</p>		<p>(1) The Union is facing unprecedented challenges resulting from increased dependence on energy imports and scarce energy resources, and the need to limit climate change and to overcome the economic crisis. Energy efficiency is a valuable means to address these challenges. It improves the Union's security of supply by reducing primary energy consumption and decreasing energy imports. It helps to reduce greenhouse gas emissions in a cost-effective way and thereby to mitigate climate change. Shifting to a more energy-efficient economy should also accelerate the spread of innovative technological solutions and improve the competitiveness of industry in the Union, boosting economic growth and creating high quality jobs in several sectors related to energy efficiency.</p>
<p>(2) The Presidency Conclusions of the European Council of 8 and 9 March 2007 emphasized the need to increase energy efficiency in the Union to achieve the objective of saving 20% of the Union's primary energy consumption by 2020 compared to projections. This amounts to a reduction of the Union's primary energy consumption of 368 Mtoe in 2020².</p>		<p>(2) The [...] Conclusions of the European Council of 8 and 9 March 2007 emphasized the need to increase energy efficiency in the Union to achieve the objective of saving 20% of the Union's primary energy consumption by 2020 compared to projections. The conclusions of the European Council of 4 February 2011 emphasized that the 2020 20%</p>

¹ Provisional text of compromise amendments voted on 28 February 2012

² Projections made in 2007 showed a primary energy consumption in 2020 of 1842 Mtoe. A 20% reduction results in 1474 Mtoe in 2020, i.e. a reduction of 368 Mtoe as compared to projections.

		energy efficiency target as agreed by the June 2010 European Council, which is presently not on track, must be delivered. Projections made in 2007 showed a primary energy consumption in 2020 of 1842 Mtoe. A 20% reduction results in 1474 Mtoe in 2020, i.e. a reduction of 368 Mtoe as compared to projections.
(3) The Presidency Conclusions of the European Council of 17 June 2010 confirmed the energy efficiency target as one of the headline targets of the Union's new strategy for jobs and smart, sustainable and inclusive growth (Europe 2020 Strategy). Under this process and in order to implement this objective at national level, Member States are required to set national targets in close dialogue with the Commission and to indicate, in their National Reform Programmes, how they intend to achieve them.		(3) The [...] Conclusions of the European Council of 17 June 2010 confirmed the energy efficiency target as one of the headline targets of the Union's new strategy for jobs and smart, sustainable and inclusive growth (Europe 2020 Strategy). Under this process and in order to implement this objective at national level, Member States are required to set national targets in close dialogue with the Commission and to indicate, in their National Reform Programmes, how they intend to achieve them.
(4)The Commission Communication on Energy 2020 ¹ places energy efficiency at the core of the EU energy strategy for 2020 and outlines the need for a new energy efficiency strategy that will enable all Member States to decouple energy use from economic growth.		(4) The Commission Communication on Energy 2020[...]places energy efficiency at the core of the EU energy strategy for 2020 and outlines the need for a new energy efficiency strategy that will enable all Member States to decouple energy use from economic growth.
(5) In its Resolution of 15 December 2010 on the Revision of the Energy Efficiency Action Plan ² , the European Parliament called on the Commission to include in its revised Energy Efficiency Action Plan measures to close the gap to reach the overall EU energy efficiency objective in 2020.		(5) In its Resolution of 15 December 2010 on the Revision of the Energy Efficiency Action Plan[...], the European Parliament called on the Commission to include in its revised Energy Efficiency Action Plan measures to close the gap to reach the overall EU energy efficiency objective in 2020.
(6) One of the flagship initiatives of the Europe 2020 Strategy is the resource-efficient Europe flagship adopted by the Commission on 26 January 2011 ³ . This identifies energy		(6) One of the flagship initiatives of the Europe 2020 Strategy is the resource-efficient Europe flagship adopted by the Commission on 26 January 2011[...]. This identifies energy efficiency as a major element in

¹ COM/2010/0639 final.

² 2010/2107(INI).

³ COM(2011)21.

efficiency as a major element in ensuring the sustainability of the use of energy resources.		ensuring the sustainability of the use of energy resources.
(7) The Presidency Conclusions of the European Council of 4 February 2011 acknowledged that the EU energy efficiency target is not on track and that determined action is required to tap the considerable potential for higher energy savings in buildings, transport, products and processes.		(7) The Presidency Conclusions of the European Council of 4 February 2011 acknowledged that the EU energy efficiency target is not on track and that determined action is required to tap the considerable potential for higher energy savings in buildings, transport, products and processes.
(8) On 8 March 2011, the Commission adopted the Energy Efficiency Plan 2011 ¹ . This confirmed that the Union is not on track to achieve its energy efficiency target. To remedy this, it spelled out a series of energy efficiency policies and measures covering the full energy chain, including energy generation, transmission and distribution; the leading role of the public sector in energy efficiency; buildings and appliances; industry; and the need to empower final customers to manage their energy consumption. Energy efficiency in the transport sector was considered in parallel in the White Paper on Transport, adopted on 28 March 2011 ² . In particular, Initiative 26 of the White Paper calls for appropriate standards for CO ₂ emissions of vehicles in all modes, where necessary supplemented by requirements on energy efficiency to address all types of propulsion systems.		(8) On 8 March 2011, the Commission adopted its Communication on an Energy Efficiency Plan 2011[...]. This confirmed that the Union is not on track to achieve its energy efficiency target. To remedy this, it spelled out a series of energy efficiency policies and measures covering the full energy chain, including energy generation, transmission and distribution; the leading role of the public sector in energy efficiency; buildings and appliances; industry; and the need to empower final customers to manage their energy consumption. Energy efficiency in the transport sector was considered in parallel in the White Paper on Transport, adopted on 28 March 2011[...]. In particular, Initiative 26 of the White Paper calls for appropriate standards for CO ₂ emissions of vehicles in all modes, where necessary supplemented by requirements on energy efficiency to address all types of propulsion systems.
(9) On 8 March 2011, the Commission also adopted a Roadmap for moving to a competitive low carbon economy in 2050 ³ , identifying the need from this perspective for more focus on energy efficiency.		(9) On 8 March 2011, the Commission also adopted a Roadmap for moving to a competitive low carbon economy in 2050[...], identifying the need from this perspective for more focus on energy efficiency.
(10) In this context it is necessary to update the Union's legal framework for energy efficiency with a Directive pursuing the		(10) In this context it is necessary to update the Union's legal framework for energy efficiency with a

¹ COM(2011) 109 final.

² COM(2011) 144 final.

³ COM(2011) 112 final

<p>overall objective of the energy efficiency target of saving 20% of the Union's primary energy consumption by 2020, and of making further energy efficiency improvements after 2020. To this end, it should establish a common framework to promote energy efficiency within the Union and lay down specific actions to implement some of the proposals included in the Energy Efficiency Plan 2011 and achieve the significant unrealised energy saving potentials it identifies.</p>		<p>Directive pursuing the overall objective of the energy efficiency target of saving 20% of the Union's primary energy consumption by 2020, and of making further energy efficiency improvements after 2020. To this end, it should establish a common framework to promote energy efficiency within the Union and lay down specific actions to implement some of the proposals included in the Energy Efficiency Plan 2011 adopted by the Council on 10 June 2011 and achieve the significant unrealised energy saving potentials it identifies.</p>
<p>(11) The Effort Sharing Decision (No 406/2009/EC)¹ requires the Commission to assess and report by 2012 on the progress of the Community and its Member States towards the objective of reducing energy consumption by 20% by 2020 compared to projections. It also states that, to help Member States meet the Community's greenhouse gas emission reduction commitments, the Commission should propose, by 31 December 2012, strengthened or new measures to accelerate energy efficiency improvements. This Directive responds to this requirement. It also contributes to meeting the goals set out in the Roadmap for moving to a competitive low carbon economy in 2050, notably by reducing greenhouse gas emissions from the energy sector, and to achieving zero emission electricity production by 2050.</p>		<p>(11) [...] Decision No 406/2009/EC² requires the Commission to assess and report by 2012 on the progress of the Community and its Member States towards the objective of reducing energy consumption by 20% by 2020 compared to projections. It also states that, to help Member States meet the Community's greenhouse gas emission reduction commitments, the Commission should propose, by 31 December 2012, strengthened or new measures to accelerate energy efficiency improvements. This Directive responds to this requirement. It also contributes to meeting the goals set out in the Roadmap for moving to a competitive low carbon economy in 2050, notably by reducing greenhouse gas emissions from the energy sector, and to achieving zero emission electricity production by 2050.</p>
<p>(12) An integrated approach must be taken to tap all the existing energy saving potential, encompassing savings in the energy supply and the end-use sectors. At the same time, the provisions of Directive 2004/8/EC on promotion of</p>		<p>(12) An integrated approach has to be taken to tap all the existing energy saving potential, encompassing savings in the energy supply and the end-use sectors. At the same time, the provisions of Directive 2004/8/EC on promotion of cogeneration based on a</p>

¹ OJ L 140, 5.6.2009, p.136.

² **Decision No 406/2009/EC of the European Parliament and of the Council of 23 April 2009 on the effort of Member States to reduce their greenhouse gas emissions to meet the Community's greenhouse gas emission reduction commitments up to 2020** (OJ L 140, 5.6.2009, p.136).

<p>cogeneration based on a useful heat demand in the internal energy market¹ and Directive 2006/32/EC on energy end-use efficiency and energy services² should be strengthened.</p>		<p>useful heat demand in the internal energy market³ and Directive 2006/32/EC on energy end-use efficiency and energy services⁴ should be strengthened.</p>
<p>(13) It would be preferable for the 20% energy efficiency target to be achieved as a result of the cumulative implementation of specific national and European measures promoting energy efficiency in different fields. If that approach does not succeed, it would however be necessary to reinforce the policy framework by adding a system of binding targets. In a first stage, therefore, Member States should be required to set national energy efficiency targets, schemes and programmes. It should be for them to decide whether these targets should be binding or indicative in their territory. In a second stage, these targets and the individual efforts of each Member State should be evaluated by the Commission, alongside data on the progress made, to assess the likelihood of achieving the overall Union target and the extent to which the individual efforts are sufficient to meet the common goal. The Commission should therefore closely monitor the implementation of national energy efficiency programmes through its revised legislative framework and within the Europe 2020 process. If this assessment shows that the overall Union target is unlikely to be achieved, then the Commission should propose mandatory national targets for 2020, taking into account the individual starting points of Member States, their economic performance and early action taken.</p>		<p>(13) It would be preferable for the 20% energy efficiency target to be achieved as a result of the cumulative implementation of specific national and European measures promoting energy efficiency in different fields. [...] Member States should be required to set indicative national energy efficiency targets, schemes and programmes. [...] These targets and the individual efforts of each Member State should be evaluated by the Commission, alongside data on the progress made, to assess the likelihood of achieving the overall Union target and the extent to which the individual efforts are sufficient to meet the common goal. The Commission should therefore closely monitor the implementation of national energy efficiency programmes through its revised legislative framework and within the Europe 2020 process. [...]. <u>When setting the indicative national energy efficiency targets, Member States should be able to take account of national circumstances affecting primary energy consumption such as remaining cost-effective energy-saving potential, changes of energy imports and exports, development of all sources of renewable energies, nuclear energy, carbon capture and storage (CCS), and early action.</u></p>
		<p>(13a) Directive 2009/28/EC on renewable energy sources states that Cyprus and Malta, due to their insular and peripheral character, rely on aviation as a mode of transport, which is essential for their</p>

¹ OJ L 52, 21.2.2004, p. 50.

² OJ L 144, 27.4.2008, p. 64.

³ OJ L 52, 21.2.2004, p. 50.

⁴ OJ L 144, 27.4.2008, p. 64.

		citizens and their economy. As a result, Cyprus and Malta have a gross final consumption of energy in national air transport which is disproportionately high, i.e. more than three times the Community average in 2005, and are thus disproportionately affected by the current technological and regulatory constraints.
(14) The total volume of public spending is equivalent to 19% of the Union's gross domestic product. For this reason the public sector constitutes an important driver to stimulate market transformation towards more efficient products, buildings and services, as well as to trigger behavioural changes in energy consumption by citizens and enterprises. Furthermore, decreasing energy consumption through energy efficiency improvement measures can free up public resources for other purposes. Public bodies at national, regional and local level should fulfil an exemplary role as regards energy efficiency.		(14) The total volume of public spending is equivalent to 19% of the Union's gross domestic product. For this reason the public sector constitutes an important driver to stimulate market transformation towards more efficient products, buildings and services, as well as to trigger behavioural changes in energy consumption by citizens and enterprises. Furthermore, decreasing energy consumption through energy efficiency improvement measures can free up public resources for other purposes. Public bodies at national, regional and local level should fulfil an exemplary role as regards energy efficiency.
(15) The rate of building renovation needs to be increased, as the existing building stock represents the single biggest potential sector for energy savings. Moreover, buildings are crucial to achieving the EU objective of reducing greenhouse gas emissions by 80-95% by 2050 compared to 1990. Buildings owned by public bodies account for a considerable share of the building stock and have high visibility in public life. It is therefore appropriate to set an annual rate of renovation of all buildings owned by public bodies to upgrade their energy performance. This renovation rate should be without prejudice to the obligations with regard to nearly-zero energy buildings set in Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings ¹ . The obligation to renovate public buildings complements the provisions of that Directive, which requires		(15) The rate of building renovation needs to be increased, as the existing building stock represents the single biggest potential sector for energy savings. Moreover, buildings are crucial to achieving the Union objective of reducing greenhouse gas emissions by 80-95% by 2050 compared to 1990. Buildings owned by public bodies account for a considerable share of the building stock and have high visibility in public life. It is therefore appropriate to set an annual rate of renovation of [...] buildings owned by general government to upgrade their energy performance. This renovation rate should be without prejudice to the obligations with regard to nearly-zero energy buildings set in Directive 2010/31/EU of the European Parliament and of the

¹ OJ L 153, 18.6.2010, p. 13.

<p>Member States to ensure that when existing buildings undergo major renovation their energy performance is upgraded so that they meet minimum energy performance requirements.</p>		<p>Council of 19 May 2010 on the energy performance of buildings¹. The obligation to renovate general government buildings complements [...] that Directive, which requires Member States to ensure that when existing buildings undergo major renovation their energy performance is upgraded so that they meet minimum energy performance requirements. <u>It is appropriate for Member States to be able to take alternative cost-efficient measures to achieve an equivalent improvement of the energy performance of the buildings within their general government estate. European Union institutions should lead by example in relation to their buildings.</u></p>
<p>(16) A number of municipalities and other public bodies in the Member States have already put into place integrated approaches to energy saving and energy supply, for example via sustainable energy action plans, such as those developed under the Covenant of Mayors initiative, and integrated urban approaches which go beyond individual interventions in buildings or transport modes. Member States should encourage municipalities and other public bodies to adopt integrated and sustainable energy efficiency plans with clear objectives, to involve citizens in their development and implementation and to adequately inform them about their content and progress in achieving objectives. Such plans can yield considerable energy savings, especially if they are implemented by energy management systems that allow the concerned public bodies to better manage their energy consumption. Exchange of experience between cities, towns and other public bodies should be encouraged with respect to the more innovative experiences.</p>		<p>(16) A number of municipalities and other public bodies in the Member States have already put into place integrated approaches to energy saving and energy supply, for example via sustainable energy action plans, such as those developed under the Covenant of Mayors initiative, and integrated urban approaches which go beyond individual interventions in buildings or transport modes. Member States should encourage municipalities and other public bodies to adopt integrated and sustainable energy efficiency plans with clear objectives, to involve citizens in their development and implementation and to adequately inform them about their content and progress in achieving objectives. Such plans can yield considerable energy savings, especially if they are implemented by energy management systems that allow the concerned public bodies to better manage their energy consumption. Exchange of experience between cities, towns and other public bodies should be encouraged with respect to the more innovative experiences.</p>

¹ OJ L 153, 18.6.2010, p. 13.

<p>(17) With regards to the purchase of certain products and services and the purchase and rent of buildings, public bodies which conclude public works, supply or service contracts should lead by example and make energy efficient purchasing decisions. The provisions of the EU public procurement directives should not however be affected.</p>		<p>(17) With regards to the purchase of certain products and services and the purchase and rent of buildings, public bodies which conclude public works, supply or service contracts should lead by example and make energy efficient purchasing decisions. The provisions of the Union's public procurement directives should not however be affected.</p>
<p>(18) An assessment of the possibility of establishing a "white certificate" scheme at Union level has shown that, in the current situation, such a system would create excessive administrative costs and that there is a risk that energy savings would be concentrated in a number of Member States and not introduced across the Union. The latter objective can better be achieved, at least at this stage, by means of national energy efficiency obligation schemes or other alternative measures that achieve the same amount of energy savings. The Commission should however define, by a delegated act, the conditions under which a Member State could in future recognise the energy savings achieved in another Member State. It is appropriate for the level of ambition of such schemes to be established in a common framework at Union level while providing significant flexibility to Member States to take full account of the national organisation of market actors, the specific context of the energy sector and final customers' habits. The common framework should give energy utilities the option of offering energy services to all final customers, not only to those to whom they sell energy. This increases competition in the energy market because energy utilities can differentiate their product by providing complementary energy services. The common framework should allow Member States to include requirements in their national scheme that pursue a social aim, notably in order to ensure that vulnerable customers have access to the benefits of higher energy efficiency. It should also allow Member States to exempt small companies from the</p>		<p>(18) An assessment of the possibility of establishing a "white certificate" scheme at Union level has shown that, in the current situation, such a system would create excessive administrative costs and that there is a risk that energy savings would be concentrated in a number of Member States and not introduced across the Union. The latter objective can better be achieved, at least at this stage, by means of national energy efficiency obligation schemes or other alternative policy measures that achieve the same amount of energy savings. [...] It is appropriate for the level of ambition of such schemes to be established in a common framework at Union level while providing significant flexibility to Member States to take full account of the national organisation of market actors, the specific context of the energy sector and final customers' habits. The common framework should give energy utilities the option of offering energy services to all final customers, not only to those to whom they sell energy. This increases competition in the energy market because energy utilities can differentiate their product by providing complementary energy services. The common framework should allow Member States to include requirements in their national scheme that pursue a social aim, notably in order to ensure that vulnerable customers have access to the benefits of higher energy efficiency. [...] It is appropriate for Member</p>

<p>energy efficiency obligation. The Commission Communication “Small Business Act”¹ sets out principles that should be taken into account by Member States that decide to abstain from applying this possibility.</p>		<p>States to determine, on the basis of objective and non-discriminatory criteria, which energy distributors or retail energy sales companies should be obliged to achieve the end-use energy savings target set by this Directive. Member States may in particular choose not to impose this obligation on small energy distributors and small retail energy sales companies to avoid disproportionate administrative burden. The Commission Communication “Small Business Act”² sets out principles that should be taken into account by Member States that decide to abstain from applying this possibility. <u>As a way to support national energy efficiency initiatives, obligated parties under national energy efficiency obligation schemes could fulfill their obligations by contributing annually to an Energy Efficiency National Fund an equal amount to the investments required under the scheme.</u></p>
		<p>(18a) The requirement to achieve savings of 1.5% of the annual energy sales to final customers relative to what energy sales would have been does not constitute a cap on sales or energy consumption.</p>
<p>(19) To tap the energy savings potential in certain market segments where energy audits are generally not offered commercially (such as households or small and medium-sized enterprises), Member States should ensure that energy audits are available. Energy audits should be mandatory and regular for large enterprises, as energy savings can be significant.</p>		<p>(19) To tap the energy savings potential in certain market segments where energy audits are generally not offered commercially (such as [...] small and medium-sized enterprises (SMEs)), Member States should <u>develop programmes to encourage SMEs to undergo energy audits</u>. Energy audits should be mandatory and regular for large enterprises, as energy savings can be significant. <u>Audits should take into account relevant European Standards. At the time of the adoption of this Directive a specific European standard on energy audits is under</u></p>

¹ COM(2008)394 Final.

² COM(2008)394 Final.

		<u>development.</u>
(20) These audits should be carried out in an independent and cost-effective manner. The requirement for independence allows the audits to be carried out by in-house experts, provided that these are qualified or accredited, that they are not directly engaged in the activity audited, and that the Member State has put in place a scheme to assure and check their quality and to impose sanctions if needed.		(20) [...]
(21) When designing energy efficiency improvement measures, account should be taken of efficiency gains and savings obtained through the widespread application of cost-effective technological innovations such as smart meters. To maximise the saving benefits of these innovations, final customers should be able to visualise indicators of cost and consumption and have regular individual billing based on actual consumption.		(21) When designing energy efficiency improvement measures, account should be taken of efficiency gains and savings obtained through the widespread application of cost-effective technological innovations such as smart meters. [...]
		(21a) In relation to electricity, and in accordance with Directive 2009/72/EC, where the roll-out of smart meters is assessed positively, at least 80% of consumers should be equipped with intelligent metering systems by 2020. In relation to gas, and in accordance with Directive 2009/73/EC, where the roll-out of intelligent metering systems is assessed positively, Member States or any competent authority they designate, should prepare a timetable for the implementation of intelligent metering systems.
		(21b) Use of individual meters or heat cost allocators for measuring individual consumption of heating in multi-apartment buildings supplied by district heating or common central heating is beneficial when final customers have means to control their own individual consumption. Therefore, their application makes sense only in buildings where radiators are equipped with thermostatic radiator valves.

		<p>(21c) In some multi-apartment buildings supplied by district heating or common central heating, the use of accurate individual heat meters would be technically complicated and costly due to the fact that the hot water used for heating enters and leaves the apartments at several points. It can be assumed that individual metering of heat consumption in multi-apartment buildings is, nevertheless, technically possible when the installation of individual meters would not require changing the existing in-house piping for hot water heating in the building. In such buildings, measurements of individual heat consumption can then be carried out by means of individual heat cost allocators installed on each radiator.</p>
<p>(22) When designing energy efficiency improvement measures, Member States should take due account of the need to ensure the correct functioning of the internal market and the coherent implementation of the acquis, in accordance with the provisions of the Treaty on the Functioning of the European Union.</p>		<p>(22) When designing energy efficiency improvement measures, Member States should take due account of the need to ensure the correct functioning of the internal market and the coherent implementation of the acquis, in accordance with [...] the Treaty on the Functioning of the European Union.</p>
<p>(23) High-efficiency cogeneration (CHP) and district heating and cooling has significant potential for saving primary energy which is largely untapped in the Union. Member States should draw up national plans to develop high-efficiency CHP and district heating and cooling. These plans should cover a sufficiently long period to provide investors with information concerning national development plans and contribute to a stable and supportive investment environment. New electricity generation installations and existing installations which are substantially refurbished or whose permit or licence is updated should be equipped with high-efficient CHP units to recover waste heat stemming from the production of electricity. This waste heat could then be transported where it is needed through district heating networks. To this end, Member States should adopt authorisation criteria to ensure the location of installations in sites close to heat demand points. Member</p>		<p>(23) High-efficiency cogeneration (CHP) and district heating and cooling has significant potential for saving primary energy which is largely untapped in the Union. Member States should carry out a comprehensive assessment of the potential for high-efficiency CHP and district heating and cooling. These assessments should be updated on request by the Commission to provide investors with information concerning national development plans and contribute to a stable and supportive investment environment. New electricity generation installations and existing installations which are substantially refurbished or whose permit or licence is updated should, subject to a cost-benefit analysis showing a cost-benefit surplus, be equipped with high-efficient CHP units to recover waste heat stemming from the</p>

<p>States should however be able to lay down conditions for exemption from these obligations where certain conditions are met.</p>		<p>production of electricity. This waste heat could then be transported where it is needed through district heating networks. [...] The events that trigger a requirement for these authorisation criteria to be applied will generally be events that also trigger requirements for permits under the Industrial Emissions Directive 2010/75/EU and for authorisation under the Electricity Directive 2009/72/EC.</p>
		<p>(23a) It may be appropriate for nuclear power installations, or electricity generation installations that are intended to make use of geological storage permitted under Directive 2009/31/EC, to be located in places where the recovery of waste heat through high-efficiency cogeneration or by supplying a district heating or cooling network is not cost-effective. Member States should therefore be able to exempt those installations from the obligation to carry out a cost-benefit analysis for providing the installation with equipment allowing the recovery of waste heat by means of a high-efficiency cogeneration unit. Likewise peak-load and back-up electricity generation installations which are planned to operate under 1 500 operating hours per year as a rolling average over a period of five years may need to be exempted from the requirement to also provide heat.</p>
<p>(24) High-efficiency cogeneration should be defined by the energy savings obtained by combined production instead of separate production of heat and electricity. The definitions of cogeneration and high-efficiency cogeneration used in Union legislation should not prejudice the use of different definitions in national legislation for purposes other than those of the Union legislation. To maximise energy savings and avoid energy saving opportunities being missed, the greatest attention should be paid to the operating conditions of cogeneration units.</p>		<p>(24) High-efficiency cogeneration should be defined by the energy savings obtained by combined production instead of separate production of heat and electricity. The definitions of cogeneration and high-efficiency cogeneration used in Union legislation should not prejudice the use of different definitions in national legislation for purposes other than those of the Union legislation. To maximise energy savings and avoid energy saving opportunities being missed, the greatest attention should be paid to the operating conditions of cogeneration units.</p>

<p>(25) To increase transparency for the final customer to be able to choose between electricity from cogeneration and electricity produced by other techniques, the origin of high-efficiency cogeneration should be guaranteed on the basis of harmonised efficiency reference values. Guarantee of origin schemes do not by themselves imply a right to benefit from national support mechanisms. It is important that all forms of electricity produced from high-efficiency cogeneration can be covered by guarantees of origin. Guarantees of origin should be distinguished from exchangeable certificates.</p>		<p>(25) To increase transparency for the final customer to be able to choose between electricity from cogeneration and electricity produced by other techniques, the origin of high-efficiency cogeneration should be guaranteed on the basis of harmonised efficiency reference values. Guarantee of origin schemes do not by themselves imply a right to benefit from national support mechanisms. It is important that all forms of electricity produced from high-efficiency cogeneration can be covered by guarantees of origin. Guarantees of origin should be distinguished from exchangeable certificates.</p>
<p>(26) The specific structure of the cogeneration and district heating and cooling sectors, which include many small and medium-sized producers, should be taken into account, especially when reviewing the administrative procedures for obtaining permission to construct cogeneration capacity or associated networks, in application of the "Think Small First" principle.</p>		<p>(26) The specific structure of the cogeneration and district heating and cooling sectors, which include many small and medium-sized producers, should be taken into account, especially when reviewing the administrative procedures for obtaining permission to construct cogeneration capacity or associated networks, in application of the "Think Small First" principle.</p>
<p>(27) Most EU businesses are small and medium-sized enterprises (SMEs). They represent an enormous energy saving potential for the EU. To help them adopt energy efficiency measures, Member States should establish a favourable framework aimed at providing SMEs with technical assistance and targeted information.</p>		<p>(27) Most Union businesses are [...] SMEs [...]. They represent an enormous energy saving potential for the Union. To help them adopt energy efficiency measures, Member States should establish a favourable framework aimed at providing SMEs with technical assistance and targeted information.</p>
<p>(28) Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions¹ includes energy efficiency among the criteria for determining the Best Available Techniques that should serve as a reference for setting the permit conditions for installations within its scope, including combustion installations with a total rated thermal input of 50 MW or more. However, that Directive</p>		<p>(28) Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions⁴ includes energy efficiency among the criteria for determining the Best Available Techniques that should serve as a reference for setting the permit conditions for installations within its scope, including combustion installations with a total rated thermal input of 50 MW or more. However, that</p>

¹ OJ L 334, 17.12.2010, p.17.

⁴ OJ L 334, 17.12.2010, p.17.

<p>gives Member States the option not to impose requirements relating to energy efficiency on combustion units or other units emitting carbon dioxide on the site, for the activities listed in Annex I to Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community¹. To ensure that significant energy efficiency improvements are achieved in electricity and heat generation installations and mineral oil and gas refineries, actual energy efficiency levels should be monitored and compared with the relevant energy efficiency levels associated with the application of the Best Available Techniques. The Commission should compare energy efficiency levels and consider proposing additional measures if significant discrepancies exist between the actual energy efficiency levels and the levels associated with the application of the Best Available Techniques. The information collected on the actual energy efficiency values should also be used in reviewing the harmonised efficiency reference values for separate production of heat and electricity set out in Commission Decision 2007/74/EC of 21 December 2006².</p>		<p>Directive gives Member States the option not to impose requirements relating to energy efficiency on combustion units or other units emitting carbon dioxide on the site, for the activities listed in Annex I to Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community⁴. To ensure that significant energy efficiency improvements are achieved in electricity and heat generation installations [...], actual energy efficiency levels should be [...] compared with the relevant energy efficiency levels associated with the application of the Best Available Techniques. The Commission should compare energy efficiency levels and consider proposing additional measures if significant discrepancies exist between the actual energy efficiency levels and the levels associated with the application of the Best Available Techniques. <u>To improve the comprehensiveness of this assessment, Member States could include information on energy efficiency levels in their reporting under Directive 2010/75/EU.</u></p>
<p>(29) Member States should establish, on the basis of objective, transparent and non-discriminatory criteria, rules governing the bearing and sharing of costs of grid connections and grid reinforcements and for technical adaptations needed to integrate new producers of electricity produced from high efficiency cogeneration, taking into account guidelines and codes developed in accordance with Regulation (EC) No 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-</p>		<p>(29) Member States should establish, on the basis of objective, transparent and non-discriminatory criteria, rules governing the bearing and sharing of costs of grid connections and grid reinforcements and for technical adaptations needed to integrate new producers of electricity produced from high efficiency cogeneration, taking into account guidelines and codes developed in accordance with Regulation (EC) No 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to</p>

¹ OJ L 275, 25.10.2003, p. 32.

² OJ L 32, 6.2.2007, p. 183.

⁴ OJ L 275, 25.10.2003, p. 32.

<p>border exchanges in electricity and repealing Regulation (EC) No 1228/2003¹ and Regulation (EC) 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005². Producers of electricity generated from high-efficiency cogeneration should be allowed to issue a call for tender for the connection work. Access to the the grid system for electricity produced from high-efficiency cogeneration, especially for small scale and micro-cogeneration units, should be facilitated.</p>		<p>the network for cross-border exchanges in electricity [...] ³ and Regulation (EC) 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks [...] ⁴. Producers of electricity generated from high-efficiency cogeneration should be allowed to issue a call for tender for the connection work. Access to the the grid system for electricity produced from high-efficiency cogeneration, especially for small scale and micro-cogeneration units, should be facilitated. In accordance with Article 3(2) of Directive 2009/72/EC and Article 3(2) of Directive 2009/73/EC, Member States may impose public service obligations, including relating to energy efficiency, on undertakings operating in the electricity and gas sectors.</p>
<p>(30) A sufficient number of reliable professionals competent in the field of energy efficiency should be available to ensure the effective and timely implementation of this Directive, for instance as regards compliance with the requirements on energy audits and implementation of energy efficiency obligation schemes. Member States should therefore put in place certification schemes for the providers of energy services, energy audits and other energy efficiency improvement measures.</p>		<p>(30) A sufficient number of reliable professionals competent in the field of energy efficiency should be available to ensure the effective and timely implementation of this Directive, for instance as regards compliance with the requirements on energy audits and implementation of energy efficiency obligation schemes. Member States should therefore put in place certification schemes for the providers of energy services, energy audits and other energy efficiency improvement measures.</p>
<p>(31) It is necessary to continue developing the market for energy services to ensure the availability of both the demand and the supply of energy services. Transparency, for example by means of lists of energy services providers, can contribute to this. Model contracts and guidelines, in particular for energy performance contracting, can also help stimulate demand. As in</p>		<p>(31) It is necessary to continue developing the market for energy services to ensure the availability of both the demand and the supply of energy services. Transparency, for example by means of lists of energy services providers, can contribute to this. Model contracts, exchange of best practice and guidelines, in particular for energy performance contracting, can</p>

¹ OJ L 211, 14.8.2009, p. 15.
² OJ L 309, 24.11.2009, p. 87.
³ OJ L 211, 14.8.2009, p. 15.
⁴ OJ L 309, 24.11.2009, p. 87.

<p>other forms of third-party financing arrangements, in an energy performance contract the beneficiary of the energy service avoids investment costs by using part of the financial value of energy savings to repay the investment fully or partially carried out by a third party.</p>		<p>also help stimulate demand. As in other forms of third-party financing arrangements, in an energy performance contract the beneficiary of the energy service avoids investment costs by using part of the financial value of energy savings to repay the investment fully or partially carried out by a third party.</p>
<p>(32) There is a need to identify and remove regulatory and non-regulatory barriers to the use of energy performance contracting and other third-party financing arrangements for energy savings. These include accounting rules and practices that prevent capital investments and annual financial savings resulting from energy efficiency improvement measures from being adequately reflected in the accounts for the whole life of the investment. Obstacles to the renovating of the existing building stock based on a split of incentives between the different concerned actors should also be tackled at national level.</p>		<p>(32) There is a need to identify and remove regulatory and non-regulatory barriers to the use of energy performance contracting and other third-party financing arrangements for energy savings. These include accounting rules and practices that prevent capital investments and annual financial savings resulting from energy efficiency improvement measures from being adequately reflected in the accounts for the whole life of the investment. Obstacles to the renovating of the existing building stock based on a split of incentives between the different concerned actors should also be tackled at national level.</p>
<p>(33) Member States and regions should be encouraged to make full use of the Structural Funds and the Cohesion Fund to trigger investments in energy efficiency improvement measures. Investment in energy efficiency has the potential to contribute to economic growth, employment, innovation and reduction of fuel poverty in households, and therefore has a positive contribution to economic, social and territorial cohesion. Potential areas for funding include energy efficiency measures in public buildings and housing, and providing new skills to promote employment in the energy efficiency sector.</p>		<p>(33) Member States and regions should be encouraged to make full use of the Structural Funds and the Cohesion Fund to trigger investments in energy efficiency improvement measures. Investment in energy efficiency has the potential to contribute to economic growth, employment, innovation and reduction of fuel poverty in households, and therefore has a positive contribution to economic, social and territorial cohesion. Potential areas for funding include energy efficiency measures in public buildings and housing, and providing new skills to promote employment in the energy efficiency sector.</p>
		<p><u>(33a) Available Union financial instruments and innovative financing mechanisms should be used to give practical effect to the objective of improving the energy performance of public bodies' buildings. In that respect, Member States may use their revenues from annual emission allocations</u></p>

		<u>under Decision No 406/2009/EC in the development of such mechanisms on a voluntary basis and taking into account national budgetary rules.</u>
(34) In the implementation of the 20% energy efficiency target, the Commission will have to monitor the impact of new measures on Directive 2003/87/EC establishing the EU's emissions trading directive (ETS) in order to maintain the incentives in the emissions trading system rewarding low carbon investments and preparing the ETS sectors for the innovations needed in the future.		(34) In the implementation of the 20% energy efficiency target, the Commission will have to monitor the impact of new measures on Directive 2003/87/EC establishing the EU's emissions trading directive (ETS) in order to maintain the incentives in the emissions trading system rewarding low carbon investments and preparing the ETS sectors for the innovations needed in the future.
(35) Directive 2006/32/EC requires Member States to adopt and aim to achieve an overall national indicative energy savings target of 9% by 2016, to be reached by deploying energy services and other energy efficiency improvement measures. That Directive states that the second Energy Efficiency Plan adopted by the Member States shall be followed, as appropriate and where necessary, by Commission proposals for additional measures, including extending the period of application of targets. If a report concludes that insufficient progress has been made towards achieving the indicative national targets laid down by that Directive, these proposals are to address the level and nature of the targets. The impact assessment accompanying this Directive finds that the Member States are on track to achieve the 9% target, which is substantially less ambitious than the subsequently adopted 20% energy saving target for 2020, and therefore there is no need to address the level of the targets.		(35) Directive 2006/32/EC requires Member States to adopt and aim to achieve an overall national indicative energy savings target of 9% by 2016, to be reached by deploying energy services and other energy efficiency improvement measures. That Directive states that the second Energy Efficiency Plan adopted by the Member States shall be followed, as appropriate and where necessary, by Commission proposals for additional measures, including extending the period of application of targets. If a report concludes that insufficient progress has been made towards achieving the indicative national targets laid down by that Directive, these proposals are to address the level and nature of the targets. The impact assessment accompanying this Directive finds that the Member States are on track to achieve the 9% target, which is substantially less ambitious than the subsequently adopted 20% energy saving target for 2020, and therefore there is no need to address the level of the targets.
(36) Although this Directive repeals Directive 2006/32/EC, Article 4 of Directive 2006/32/EC should continue to apply until the deadline for the achievement of the 9% target.		(36) [...]
(37) Since the objective of this Directive, which is to achieve		(37) Since the objective of this Directive, which is to achieve the Union's energy efficiency target of 20%

<p>the Union's energy efficiency target of 20% primary energy savings by 2020 and pave the way towards further energy efficiency improvements beyond 2020, is not on track to be achieved by the Member States without taking additional energy efficiency measures, and can be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Directive does not go beyond what is necessary in order to achieve that objective.</p>		<p>[...] by 2020 and pave the way towards further energy efficiency improvements beyond 2020, is not on track to be achieved by the Member States without taking additional energy efficiency measures, and can be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Directive does not go beyond what is necessary in order to achieve that objective.</p>
<p>(38) In order to permit adaptation to technical progress and changes in the distribution of energy sources, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of certain matters. It will be of particular importance that the Commission carry out consultations during its preparatory work, including at expert level.</p>		<p>(38) In order to permit adaptation to technical progress and changes in the distribution of energy sources, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of <u>the review of the harmonised efficiency reference values laid down on the basis of Directive 2004/8/EC and in respect of the values, calculation methods, default primary energy coefficient and requirements in the Annexes to this Directive.</u> It will be of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and Council.</p>
<p>(39) All substantive provisions of Directive 2004/8/EC and Directive 2006/32/EC, except as regards Articles 4(1) to (4) and Annexes I, III and IV of the latter, should be immediately repealed. Articles 9(1) and (2) of Directive 2010/30/EU of 19 May 2010 on the indication by labelling and standard product</p>		<p>(39) All substantive provisions of Directive 2004/8/EC and Directive 2006/32/EC, except as regards Articles 4(1) to (4), 13(1) and Annexes I, III and IV of the latter, should be [...] repealed. <u>These latter provisions of Directive 2006/32/EC should continue to apply until the deadline for the</u></p>

<p>information of the consumption of energy and other resources by energy-related products¹, which foresees an obligation for Member States only to endeavour to procure products having the highest energy efficiency class, should also be repealed.</p>		<p>achievement of the 9% target. Articles 9(1) and (2) of Directive 2010/30/EU of 19 May 2010 on the indication by labelling and standard product information of the consumption of energy and other resources by energy-related products², which foresees an obligation for Member States only to endeavour to procure products having the highest energy efficiency class, should also be repealed.</p>
		<p><u>(39a) Regulation (EU) No XX/2012 amending Regulation (EC) No 106/2008 should be amended to take account of the procurement obligations which public bodies have under this Directive</u></p>
<p>(40) The obligation to transpose this Directive into national law should be limited to those provisions that represent a substantive change as compared with Directives 2004/8/EC and 2006/32/EC. The obligation to transpose the provisions which are unchanged arises under those Directives.</p>		<p>(40) The obligation to transpose this Directive into national law should be limited to those provisions that represent a substantive change as compared with Directives 2004/8/EC and 2006/32/EC. The obligation to transpose the provisions which are unchanged arises under those Directives.</p>
<p>(41) This Directive should be without prejudice to the obligations of the Member States relating to the time limits for transposition into national law and application of Directives 2004/8/EC and 2006/32/EC.</p>		<p>(41) This Directive should be without prejudice to the obligations of the Member States relating to the time limits for transposition into national law and application of Directives 2004/8/EC and 2006/32/EC.</p>
		<p>(42) In accordance with the Joint Political Declaration of Member States and the Commission on explanatory documents of 29 September 2011, Member States have undertaken to accompany, in justified cases, the notification of their transposition measures with one or more documents explaining the relationship between the components of a directive and the corresponding parts of national transposition instruments. With regard to this Directive, the legislator considers the transmission of such documents to be justified.</p>

¹ OJ L 153, 18.6.2010, p. 1.

² OJ L 153, 18.6.2010, p. 1.

CHAPTER I Subject matter, scope, definitions and energy efficiency targets		CHAPTER I Subject matter, scope, definitions and energy efficiency targets
<i>Article 1</i> Subject matter and scope		<i>Article 1</i> Subject matter and scope
<p>1. This Directive establishes a common framework for the promotion of energy efficiency within the Union in order to ensure the achievement of the Union's target of 20% primary energy savings by 2020 and to pave the way for further energy efficiency improvements beyond that date.</p> <p>It lays down rules designed to remove barriers in the energy market and overcome market failures that impede efficiency in the supply and use of energy, and provides for the establishment of national energy efficiency targets for 2020.</p>	<p>CA 1</p> <p>This Directive establishes a common framework <i>of measures</i> for the promotion of energy efficiency within the Union in order to ensure the achievement of the Union's target of <i>at least 20%</i> primary energy savings <i>compared to projections for 2020</i> and to pave the way for further energy efficiency improvements beyond that date.</p> <p>It lays down rules designed to remove barriers in the energy market <i>and the energy service markets</i> and overcome market failures that impede efficiency in the supply and use of energy, and <i>lays down binding</i> national energy efficiency targets for 2020.</p>	<p>1. This Directive establishes a common framework of measures for the promotion of energy efficiency within the Union in order to ensure the achievement of the Union's 2020 20% headline target on energy efficiency and to pave the way for further energy efficiency improvements beyond that date.</p> <p>It lays down rules designed to remove barriers in the energy market and overcome market failures that impede efficiency in the supply and use of energy, and provides for the establishment of indicative national energy efficiency targets for 2020.</p>
<p>2. The requirements laid down in this Directive are minimum requirements and shall not prevent any Member State from maintaining or introducing more stringent measures. Such measures shall be compatible with the Union's legislation. National legislation foreseeing more stringent measures shall be notified to the Commission.</p>	<p>2. The requirements laid down in this Directive are minimum requirements and shall not prevent any Member State from maintaining or introducing more stringent measures. Such measures shall be compatible with the Union's legislation. National legislation foreseeing more stringent measures shall be notified to the Commission.</p>	<p>2. The requirements laid down in this Directive are minimum requirements and shall not prevent any Member State from maintaining or introducing more stringent measures. Such measures shall be compatible with the Union's legislation. National legislation foreseeing more stringent measures shall be notified to the Commission.</p>
<i>Article 2</i> Definitions		<i>Article 2</i> Definitions
<p>For the purposes of this Directive, the following definitions shall apply:</p> <p>1. 'energy' means all forms of energy products, as defined in Regulation (EC) No 1099/2008¹;</p>		<p>For the purposes of this Directive, the following definitions shall apply:</p> <p>1. 'energy' means all forms of energy products, combustible fuels, heat, renewable energy, electricity, or any other form of energy, as defined in Regulation (EC) No 1099/2008²</p>

¹ OJ L 304, 14.11.2008, p. 1.

² OJ L 304, 14.11.2008, p. 1.

2. 'primary energy consumption' means gross inland consumption, excluding non-energy uses;		2. 'primary energy consumption' means gross inland consumption, excluding non-energy uses;
		<p>2a. 'energy efficiency' means a ratio between an output of performance, service, goods or energy, and an input of energy;</p> <p>2b. 'energy savings' means an amount of saved energy determined by measuring and/or estimating consumption before and after implementation of one or more energy efficiency improvement measures, whilst ensuring normalization for external conditions that affect energy consumption;</p>
		2a. 'energy efficiency improvement' means an increase in energy efficiency as a result of technological, behavioral and/or economic changes;
3. 'energy service' means the physical benefit, utility or good derived from a combination of energy with energy efficient technology or with action, which may include the operations, maintenance and control necessary to deliver the service, which is delivered on the basis of a contract and in normal circumstances has proven to result in verifiable and measurable or estimable energy efficiency improvement or primary energy savings;		3. 'energy service' means the physical benefit, utility or good derived from a combination of energy with energy efficient technology or with action, which may include the operations, maintenance and control necessary to deliver the service, which is delivered on the basis of a contract and in normal circumstances has proven to result in verifiable and measurable or estimable energy efficiency improvement or primary energy savings;
4. 'public bodies' means 'contracting authorities' as defined in Directive 2004/18/EC;		4. 'public bodies' means 'contracting authorities' as defined in Directive 2004/18/EC ¹ ;
		4a. ' <u>general government</u> ' means <u>all administrative departments of the State whose competence extends normally over the whole economic territory, except for the administration of social security funds, and state governments which are separate institutional units exercising</u>

¹ Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts (OJ L 134, 30.4.2004, p. 114)

		<u>some of the functions of government at a level below that of central government and above that of the governmental institutional units existing at local level, except for the administration of social security funds;</u> ¹
		4b. 'total useful floor area' means the floor area of a building or part of a building, where energy is used to condition the indoor climate;
5. 'energy management system' means a set of interrelated or interacting elements of a plan which sets an energy efficiency objective and a strategy to achieve that objective;		5. 'energy management system' means a set of interrelated or interacting elements of a plan which sets an energy efficiency objective and a strategy to achieve that objective;
		5a. 'European standard' means a standard adopted by the European Committee for Standardisation, the European Committee for Electrotechnical Standardisation or the European Telecommunications Standards Institute and made available for public use;
		5b. 'International standard' means a standard adopted by the International Standardisation Organisation and made available to the public;
6. 'obligated parties' means the energy distributors or retail energy sales companies that are bound by the national energy efficiency obligation schemes referred to in Article 6;		6. 'obligated parties' means the energy distributors or retail energy sales companies that are bound by the national energy efficiency obligation schemes referred to in Article 6;
		6a 'entrusted party' means a legal entity with delegated power from a government or another public body to develop, manage or operate a financing scheme on behalf of the government or other public body 6b 'participating party' means an enterprise or public body that has committed itself to reach certain objectives under a voluntary agreement, or is covered by a national regulatory policy instrument.

¹ **Due care will be taken in translation with respect to national administrative specificities.**

		<p>6c <u>'implementing public authority' means a body governed by public law which is responsible for the carrying out or monitoring of energy or carbon taxation, financial schemes and instruments, fiscal incentives, standards and norms, energy labelling schemes, training or education.</u></p> <p>6d <u>'policy measure' means a regulatory, financial, fiscal, voluntary or information provision instrument that has been formally established and implemented in a Member State to create a supportive framework, requirement or incentive for market actors to provide and purchase energy services and to undertake other energy efficiency improvement measures</u></p> <p>6e <u>'individual action' means an action that leads to verifiable, and measurable or estimable, energy efficiency improvements and is undertaken as a result of a policy measure.</u></p>
7. 'energy distributor' means a natural or legal person, including a distribution system operator, responsible for transporting energy with a view to its delivery to final customers or to distribution stations that sell energy to final customers;		7. 'energy distributor' means a natural or legal person, including a distribution system operator, responsible for transporting energy with a view to its delivery to final customers or to distribution stations that sell energy to final customers;
8. 'distribution system operator' means 'distribution system operator' as defined in Directive 2009/72/EC and Directive 2009/73/EC;		8. 'distribution system operator' means 'distribution system operator' as defined in Directive 2009/72/EC ¹ and Directive 2009/73/EC ² respectively ;
9. 'retail energy sales company' means a natural or legal person who sells energy to final customers;		9. 'retail energy sales company' means a natural or legal person who sells energy to final customers;
10. 'final customer' means a natural or legal person who purchases energy for his or her own end use;		10. 'final customer' means a natural or legal person who purchases energy for his or her own end use;

¹ OJ L 211, 14.8.2009, p. 55.

² OJ L 211, 14.8.2009, p. 94.

11. 'energy service provider' means a natural or legal person who delivers energy services or other energy efficiency improvement measures in a final customer's facility or premises;		11. 'energy service provider' means a natural or legal person who delivers energy services or other energy efficiency improvement measures in a final customer's facility or premises;
12. 'energy audit' means a systematic procedure to obtain adequate knowledge of the existing energy consumption profile of a building or group of buildings, an industrial or commercial operation or installation or a private or public service, identify and quantify cost-effective energy savings opportunities, and report the findings;		12. 'energy audit' means a systematic procedure to obtain adequate knowledge of the existing energy consumption profile of a building or group of buildings, an industrial or commercial operation or installation or a private or public service, identify and quantify cost-effective energy savings opportunities, and report the findings;
		12a. 'small and medium-sized enterprises' means enterprises as defined in Title I of the Annex to Commission Recommendation 2003/361;¹
13. 'energy performance contracting' means a contractual arrangement between the beneficiary and the provider of an energy efficiency improvement measure, according to which the payment for the investment made by the provider is in relation to a contractually agreed level of energy efficiency improvement or other agreed energy performance criterion, such as financial savings;		13. 'energy performance contracting' means a contractual arrangement between the beneficiary and the provider of an energy efficiency improvement measure, verified and monitored during the whole term of the contract, where investments (work, supply or service) in that measure are paid for in relation to a contractually agreed level of energy efficiency improvement or other agreed energy performance criterion, such as financial savings;
14. 'transmission system operator' means 'transmission system operator' as defined in Directive 2009/72/EC ² and Directive 2009/73/EC ³ ;		14. 'transmission system operator' means 'transmission system operator' as defined in Directive 2009/72/EC[...]and Directive 2009/73/EC[...] respectively;
15. 'cogeneration' means the simultaneous generation in one process of thermal energy and electrical or mechanical energy;		15. 'cogeneration' means the simultaneous generation in one process of thermal energy and electrical or mechanical energy;
16. 'economically justifiable demand' means demand that does not exceed the needs for heat or cooling and which would		16. 'economically justifiable demand' means demand that does not exceed the needs for heating or cooling and which would otherwise be satisfied at

¹ OJ L 124, 20.5.2003, p. 36.

² OJ L 211, 14.8.2009, p. 55.

³ OJ L 211, 14.8.2009, p. 94.

otherwise be satisfied at market conditions by energy generation processes other than cogeneration;		market conditions by energy generation processes other than cogeneration;
17. 'useful heat' means heat produced in a cogeneration process to satisfy economically justifiable demand for heating or cooling;		17. 'useful heat' means heat produced in a cogeneration process to satisfy economically justifiable demand for heating or cooling;
18. 'electricity from cogeneration' means electricity generated in a process linked to the production of useful heat and calculated in accordance with the methodology laid down in Annex I;		18. 'electricity from cogeneration' means electricity generated in a process linked to the production of useful heat and calculated in accordance with the methodology laid down in Annex I;
19. 'high-efficiency cogeneration' means cogeneration meeting the criteria laid down in Annex II;		19. 'high-efficiency cogeneration' means cogeneration meeting the criteria laid down in Annex II;
20. 'overall efficiency' means the annual sum of electricity and mechanical energy production and useful heat output divided by the fuel input used for heat produced in a cogeneration process and gross electricity and mechanical energy production;		20. 'overall efficiency' means the annual sum of electricity and mechanical energy production and useful heat output divided by the fuel input used for heat produced in a cogeneration process and gross electricity and mechanical energy production;
21. 'power to heat ratio' means the ratio between electricity from cogeneration and useful heat when operating in full cogeneration mode using operational data of the specific unit;		21. 'power to heat ratio' means the ratio between electricity from cogeneration and useful heat when operating in full cogeneration mode using operational data of the specific unit;
22. 'cogeneration unit' means a unit that can operate in cogeneration mode;		22. 'cogeneration unit' means a unit that can operate in cogeneration mode;
23. 'small scale cogeneration unit' means a cogeneration unit with installed capacity below 1MW _e ;		23. 'small scale cogeneration unit' means a cogeneration unit with installed capacity below 1MW _e ;
24. 'micro-cogeneration unit' means a cogeneration unit with a maximum capacity below 50 kW _e ;		24. 'micro-cogeneration unit' means a cogeneration unit with a maximum capacity below 50 kW _e ;
25. 'plot ratio' means the ratio between the land area and the building floor area in a given territory;		25. 'plot ratio' means the ratio between the land area and the building floor area in a given territory;
26. 'efficient district heating and cooling' means a district heating or cooling system using at least 50% renewable, waste		26. 'efficient district heating and cooling' means a district heating or cooling system using at least [50] %

or cogenerated heat or a combination thereof and having a primary energy factor, as referred to in Directive 2010/31/EU, of at least 0.8;		renewable energy, [50]% waste heat, 75% cogenerated heat or [50]% of a combination thereof [...];
27. 'substantial refurbishment' means a refurbishment whose cost exceeds 50% of the investment cost for a new comparable unit in accordance with Decision 2007/74/EC or which requires the update of the permit granted under Directive 2010/75/EU.		27. 'substantial refurbishment' means a refurbishment whose cost exceeds 50% of the investment cost for a new comparable unit [...];
		28. 'efficient heating and cooling' means a heating and cooling option that compared to a baseline scenario reflecting a business as usual situation measurably reduces the input of primary energy needed to supply one unit of delivered energy within a relevant system boundary in a cost-effective way, as assessed in the cost-benefit analysis referred to in this Directive, taking into account the energy required for extraction, conversion, transport and distribution;
		29. 'efficient individual heating and cooling' means an individual heating and cooling supply option that compared to efficient district heating and cooling measurably reduces the input of non-renewable primary energy needed to supply one unit of delivered energy within a relevant system boundary or requires the same input of non-renewable primary energy but at a lower cost, taking into account the energy required for extraction, conversion, transport and distribution.
	CA 2 <i>Article 2a</i> <i>Financing and Technical Support</i>	
	<i>1. Without prejudice to Articles 107 and 108 of the Treaty, Member States shall ensure that financing facilities for measures to improve energy efficiency are in place to maximise the benefits of multiple streams of financing. These may include cross-industry funds and financial mechanisms used for</i>	

	<i>investment in energy saving measures.</i>	
	<p>2. These facilities shall include:</p> <p>(a) financial contributions and fines from non-fulfilment of the provisions set out in Articles 6 to 8 as referred to in Article 9,</p> <p>(b) resources allocated to energy efficiency under Article 10(3) of Directive 2009/29/EC,</p> <p>(c) resources allocated to energy efficiency in the multiannual financial framework, in particular cohesion, structural and rural development funds, and dedicated European financial instruments, such as the European Energy Efficiency Fund.</p>	
	<p>3. These facilities may also include:</p> <p>(a) resources allocated to energy efficiency from EU projects bonds,</p> <p>(b) resources allocated to energy efficiency from the European Investment Bank and other European financial institutions, in particular the European Bank for Reconstruction and Development and the Council of Europe Development Bank,</p> <p>(c) resources leveraged in financial institutions.</p> <p>(d) national resources, including through the creation of regulatory and fiscal frameworks encouraging the implementation of energy efficiency initiatives and programs.</p>	
	<p>4. Taking into account the principles of flexibility and subsidiarity, the financing facilities referred to in paragraph 1 shall:</p> <p>(a) use this money to enable and encourage private capital investment, in particular drawing on institutional investors, while using criteria ensuring the achievement of both environmental and social objectives for the granting of funds;</p>	

	<p><i>(b) provide financial tools (e.g. loan guarantees for private capital, loan guarantees to foster energy performance contracting, grants, subsidised loans and dedicated credit lines, third party financing systems) that reduce both the perceived and the actual risks of energy efficiency projects, and allow for cost effective renovations even among low and medium revenue households.</i></p> <p><i>(c) be linked to programmes or agencies which will aggregate and assess the quality of energy saving projects, provide technical assistance, promote the energy services market and help to generate consumer demand for these services, in accordance with Article 14;</i></p>	
	<p><i>5. The financing facilities referred to in paragraph 1 may also:</i></p> <p><i>(a) provide appropriate resources to support training and certification programmes which improve and accredit skills for energy efficiency.</i></p> <p><i>(b) provide resources for research on and demonstration and acceleration of uptake of small scale and micro technologies to generate energy and the optimalization of the connections of these generators to the grid;</i></p> <p><i>(c) be linked to programmes undertaking action to promote energy efficiency in all houses to prevent energy poverty and stimulate landlords letting houses to render their property as energy efficient as possible.</i></p> <p><i>(d) provide appropriate resources to support social dialogue and standard setting aiming at improving energy efficiency and ensuring good working conditions and health and safety at work.</i></p>	
	<p><i>6. The Commission shall, where appropriate, directly or via the European financial institutions, assist Member States upon request in setting up financing</i></p>	

	<i>facilities and technical support schemes with the aim of increasing energy efficiency in different sectors.</i>	
	<i>7. The Commission shall facilitate the exchange of best practice between the responsible national or regional authorities or bodies e.g. through annual meetings of the regulatory bodies, public databases with information on the implementation of measures by Member States and cross-country comparison.</i>	
<i>Article 3 Energy efficiency targets</i>	CA 3	<i>Article 3 Energy efficiency targets</i>
1. Member States shall set a national energy efficiency target expressed as an absolute level of primary energy consumption in 2020. When setting these targets, they shall take into account the Union's target of 20% energy savings, the measures provided for in this Directive, the measures adopted to reach the national energy saving targets adopted pursuant to Article 4(1) of Directive 2006/32/EC and other measures to promote energy efficiency within Member States and at Union level.	1. Member States shall set a binding national energy saving target expressed as an absolute level of primary energy consumption in 2020, which shall be notified to the Commission by the date of entry into force of this Directive. When setting these targets, <i>each Member State</i> shall take into account the 2020 national energy saving reference values as provided in the left column of Annex 0 - Part A. The Commission shall ensure that the national targets amount to the overall Union's target of at least 20% primary energy savings in 2020 compared to projections: <i>Member States shall adopt and implement</i> the measures provided for in this Directive, the measures adopted to reach the national energy saving targets adopted pursuant to Article 4(1) of Directive 2006/32/EC and other measures to promote energy efficiency within Member States and at Union level so as to ensure that their primary energy consumption is equivalent to or below that shown in the indicative trajectory set out in Annex 0 - Part B and their 2020 target as referred to in sub-paragraphs 1 and 2.	1. Each Member State[...] shall set an indicative national energy efficiency target, based on either primary or final energy consumption, primary or final energy savings, or energy intensity. In notifying these targets to the Commission no later than [date in Article 22(1)], the Member States shall also express them in terms of an absolute level of primary energy consumption in 2020 ¹ and shall explain how, and on the basis of which data, this has been calculated. When setting these targets, they shall take into account the Union's 2020 20% headline target on energy efficiency, requiring energy consumption of no more than 1474 Mtoe of primary energy [or no more than 1078 Mtoe of final energy or energy savings of at least 368 Mtoe of primary energy or energy intensity of no more than 104 toe/MEuro GDP'05 in 2020]; the measures provided for in this Directive; the measures adopted to reach the national energy saving targets adopted pursuant to Article 4(1) of Directive 2006/32/EC; and other measures to promote energy efficiency within Member States and at Union level. When setting the national energy efficiency targets, Member States may take account of national circumstances affecting primary energy consumption [...].

¹ **[or another basis, if the 20% EU target is to be expressed using another basis]**

	<p><i>1a. If, by the date of entry into force of this Directive, Member States do collectively adopt and notify binding national energy saving targets in accordance with sub-paragraphs 1 and 2 and the Commission has verified that the national targets amount to the overall Union's target of a maximum primary energy consumption of 1474 Mtoe in 2020, Member States may deviate from the required minimum values provided for in Articles 4 and 6. If the achievement of the 2020 binding national and Union's energy efficiency targets as set out in this Article can not be demonstrated in accordance with Article 19, any deviation from these required minimum values provided for in Articles 4 and 6 shall not be allowed.</i></p> <p><i>If, by the date of entry into force of this Directive, Member States do not collectively adopt and notify binding national energy saving targets in accordance with sub-paragraphs 1 and 2 and the Commission can not ensure that the national targets amount to the overall Union's target of a maximum primary energy consumption of 1474 Mtoe in 2020, no deviation from the required minimum values provided for in Articles 4 and 6 shall be allowed.</i></p>	<p>1a. [...] </p>
<p>2. By 30 June 2014, the Commission shall assess whether the Union is likely to achieve its target of 20% primary energy savings by 2020, requiring a reduction of EU primary energy consumption of 368 Mtoe in 2020, taking into account the sum of the national targets referred to in paragraph 1 and the evaluation referred to in Article 19(4).</p>	<p>2. By 30 June 2013, the Commission shall assess whether <i>Member States are on track to achieve the national targets referred to in paragraph 1 and required to achieve the Union's target of 20 % primary energy savings by 2020, requiring a reduction of EU primary energy consumption of 368 Mtoe in 2020, which amounts to a maximum primary energy consumption of 1474 Mtoe in 2020. This assessment shall include</i> the sum of the national targets referred to in paragraph 1 and <i>take into account</i> the evaluation referred to in Article 19(4).</p> <p><i>If the results of this assessment are negative, the Commission will introduce a combination of measures, including advices, stimulations, warnings</i></p>	<p>2. By 30 June 2013, the Commission shall assess whether the Union is on track to achieve its 2020 20% headline target on energy efficiency. [...]</p>

	<i>and financial repercussions to make sure that each Member States delivers the appropriate contribution to reach the overall EU target in 2020.</i>	
	<i>2a. By 30 June 2014, the Commission shall come forward with a proposal for energy savings targets for 2030.</i>	2a. By 30 June 2015, the Commission shall assess progress achieved and whether the Union is likely to achieve its 2020 energy efficiency target, [...]
		3. <u>In carrying out the reviews mentioned in paragraphs 2 and 2a, the Commission shall:</u> <u>(i) sum the national indicative energy efficiency targets reported by Member States;</u> <u>(ii) assess whether the sum of these targets can be considered a reliable guide to whether the EU as a whole is on track, taking into account, for the assessment referred to in paragraph 2, the evaluation of the first annual report in accordance with Article 19(1), and for the assessment referred to in paragraph 2a, the evaluation of the reports and National Energy Efficiency Action Plans in accordance with Article 19(1) and (2);</u> <u>(iii) take into account complementary analysis arising from</u> - <u>an assessment of progress in energy consumption and intensity sector by sector at EU level;</u> - <u>results from modelling exercises in relation to future trends in energy consumption at EU level;¹</u> <u>(iv) compare the results with the quantity of energy consumption [or savings] that would be needed to fulfil the EU's 20% energy efficiency target.</u>
	CA 4 <i>Article 3a</i>	

¹ New recital: "When undertaking modelling exercises, model assumptions and draft model results should be consulted with Member States in a timely and transparent manner. Improved modelling of the impact of energy efficiency measures and of the stock and performance of technologies is needed."

	<i>Building renovation</i>	
	<i>1. Member States shall aim to reduce, by 31 December 2050, the energy consumption of the existing building stock by 80% compared to 2010 levels.</i>	
	<i>2. As part of the national plans referred to in Article 9 of Directive 2010/31/EU, Member States shall include policies and measures in accordance with the objective set in paragraph 1, in particular by stimulating deep renovations of buildings, including staged deep renovations.</i>	
	<p><i>3. By 1 January 2014, Member States shall establish and make publicly available the national plans referred to in paragraph 2. They shall include at least:</i></p> <p><i>(a) indicative interim targets, in accordance with the objective set in paragraph 1, for the reduction of the delivered or final energy consumption¹ of their existing building stock of at least 15%, 30% and 60% compared to 2010 levels for 2020, 2030 and 2040 respectively, including deep renovation targets.</i></p> <p><i>(b) energy efficiency measures to address social challenges in the housing sector, in particular energy poverty.</i></p> <p><i>The national plans referred to in paragraph 2 may also include:</i></p> <p><i>(a) measures that are differentiated according to the category of building;</i></p> <p><i>(b) measures to address health and safety, technical, and financial challenges in the buildings sector;</i></p> <p><i>(b) measures for financing and training to support the achievement of the targets referred to in the</i></p>	

¹ *As defined in Annex I of Directive 2010/31/EU, OJ L 153, 18.06.2010, p. 29-30*

	<i>above paragraphs.</i>	
	<p>4. In accordance with Article 4(2) of Directive 2013/31/EU¹, Member States may decide not to set or apply the requirements referred to in this Directive to the following categories of buildings:</p> <p>(a) buildings officially protected as part of a designated environment or because of their special architectural or historical merit, in so far as compliance with certain minimum energy performance requirements would unacceptably alter their character or appearance;</p> <p>(b) buildings used as places of worship and for religious activities;</p> <p>(c) temporary buildings with a time of use of two years or less, industrial sites, workshops and non-residential agricultural buildings with low energy demand and non-residential agricultural buildings which are in use by a sector covered by a national sectoral agreement on energy performance;</p> <p>(d) residential buildings which are used or intended to be used for either less than four months of the year or, alternatively, for a limited annual time of use and with an expected energy consumption of less than 25 % of what would be the result of all-year use;</p> <p>(e) stand-alone buildings with a total useful floor area of less than 50 m².</p>	
	<p>5. Member States shall ensure that reduction of the energy consumption of the building stock, in particular through deep and staged deep renovations are carried out first in the buildings-with the worst energy performance.</p>	

¹ *J L 153, 18.06.2010, p.19-20*

<p style="text-align: center;">CHAPTER II Efficiency in energy use</p>		<p style="text-align: center;">CHAPTER II Efficiency in energy use</p>
<p style="text-align: center;"><i>Article 4</i> Public bodies</p>	<p style="text-align: center;">CA 5</p>	<p style="text-align: center;"><i>Article 4</i> <i>Exemplary role of public bodies' buildings</i></p>
<p>1. Without prejudice to Article 7 of Directive 2010/31/EU, Member States shall ensure that as from 1 January 2014, 3% of the total floor area owned by their public bodies is renovated each year to meet at least the minimum energy performance requirements set by the Member State concerned in application of Article 4 of Directive 2010/31/EU. The 3% rate shall be calculated on the total floor area of buildings with a total useful floor area over 250 m² owned by the public bodies of the Member State concerned that, on 1 January of each year, does not meet the national minimum energy performance requirements set in application of Article 4 of Directive 2010/31/EU.</p>	<p>1. Without prejudice to Articles 7 and 9 of Directive 2010/31/EU, Member States shall ensure that as from 1 January 2014, 2.5% of the total floor area of heated and/or cooled buildings owned by their public bodies is subject annually to deep or staged deep renovation. The 2.5% rate shall apply as a national average and need not be applied equally to each individual public body. The rate shall be calculated on the total floor area of heated and/or cooled buildings with a total useful floor area over 250 m² owned by the public bodies of the Member State concerned that, on 1 January of each year, does not meet the national minimum energy performance requirements set in application of Article 4 of Directive 2010/31/EU.</p> <p><i>Member States shall ensure that, when implementing measures to renovate their public buildings in accordance with this subparagraph, they consider the building envelope as a whole, including building equipment, operation and maintenance, and the behaviour of occupants.</i></p> <p><i>Member States shall ensure that public bodies with the lowest energy efficiency property portfolios are a priority for energy efficiency measures. Public bodies shall endeavour to prioritise buildings with the worst energy performance.</i></p>	<p>1. Without prejudice to Article 7 of Directive 2010/31/EU, Member States shall ensure that as from 1 January 2014, 3% of the total floor area owned by their general government is renovated each year to meet at least the minimum energy performance requirements set by the Member State concerned in application of Article 4 of that Directive [...]. The 3% rate shall be calculated on the total floor area of buildings with a total useful floor area over 500 m² and as of 9 July 2015 over 250 m² owned by the general government of the Member State concerned that, on 1 January of each year, does not meet the national minimum energy performance requirements set in application of Article 4 of Directive 2010/31/EU.</p>
		<p>1a. Member States may decide not to set or apply the requirements referred to in paragraph 1 to the following categories of buildings:</p> <p>(i) buildings officially protected as part of a designated environment, or because of their special architectural or historical merit, in so far as</p>

		<p>compliance with certain minimum energy performance requirements would unacceptably alter their character or appearance;</p> <p>(ii) buildings owned by the national armed forces and serving national defence purposes, but excluding barracks or office buildings for the armed forces and other staff employed by national defence authorities;</p> <p>(iii) buildings used as places of worship and for religious activities.</p>
<p>2. Member States may allow their public bodies to count towards their annual renovation rate the excess of renovated building floor area in a given year as if it has instead been renovated in any of the two previous or following years.</p>	<p>2. Member States may allow their public bodies to count towards their annual renovation rate the excess of renovated building floor area in a given year as if it has instead been renovated in any of the <i>four</i> previous or following years.</p>	<p>2. Member States may allow [...] to count towards the annual renovation rate of <u>general government's buildings</u> the excess of renovated building floor area of <u>general government buildings</u> in a given year as if it has instead been renovated in any of the three previous or following years.</p>
	<p><i>2a. Member States may decide not to include in their calculation of total floor area those categories of buildings listed in Article 4.2 of Directive 2010/31/EU.</i></p>	
		<p>2a. Member States may allow to count towards the annual renovation rate of <u>general government buildings</u> new buildings occupied and owned as replacements of specific buildings demolished in any of the two previous years.</p>
	<p><i>2b. The EU institutions, bodies and agencies shall ensure that, when their buildings undergo deep or major renovation, their energy performance is upgraded into nearly zero-energy buildings as defined in Article 2(2) of Directive 2010/31/EU or into buildings with the highest energy efficiency classes as defined in the country or the region where the building is located.</i></p>	
<p>3. For the purposes of paragraph 1, by 1 January 2014, Member States shall establish and make publicly available an</p>	<p>3. For the purposes of paragraph 1, by 1 January 2014, Member States shall establish and make publicly available an inventory of <i>heated and/or cooled</i></p>	<p>3. For the purposes of paragraph 1, by 1 January 2014, Member States shall establish and make publicly available an inventory of <u>general</u></p>

<p>inventory of buildings owned by their public bodies indicating:</p> <p>(a) the floor area in m²; and</p> <p>(b) the energy performance of each building.</p>	<p>buildings owned by their public bodies <i>with a total useful floor area over 250 m², excluding buildings exempted on the basis of paragraph 2a</i> indicating:</p> <p>(a) the floor area in m²; and</p> <p>(b) the energy performance of each building.</p>	<p><u>government</u> buildings with a total useful floor area over 500 m² and by 9 July 2015 over 250 m², excluding buildings exempted on the basis of paragraph 1a, containing the following data:</p> <p>(a) the floor area in m²; and</p> <p>(b) the energy performance of each building.</p>
	<p><i>3a. As an alternative to the requirements in paragraph 1 and without prejudice to Article 7 of Directive 2010/31/EU and to paragraph 2a, Member States may take, as from 1 January 2014, other measures, in particular by prioritising deep or staged deep renovations of buildings, to achieve annually an amount of energy consumption savings in eligible buildings owned by their public bodies that is at least equivalent to that required in paragraph 1.</i></p>	<p>3a. As an alternative approach to paragraphs 1, 1a, 2, 2a and 3, Member States may take other cost-effective measures, including deep renovations and <u>measures</u> for behavioural change of occupants, to achieve by 2020 an equivalent improvement of the energy performance of the buildings within their <u>general</u> government estate as required in paragraph 1. For the purpose of this alternative approach, they may estimate the energy savings that paragraphs 1, 1a 2 and 2a would result in by using appropriate standard values for the energy consumption of reference <u>general government</u> buildings before and after renovation and according to estimates of the surface of their stock. The categories of reference <u>general government</u> buildings shall be representative of the stock of <u>general government</u> buildings.</p>
	<p><i>3b. Member States opting for an alternative approach in accordance with paragraph 3a shall notify to the Commission, by 1 January 2013 at the latest or at least one year in advance if they opt for such an alternative approach at a later stage, the measures that they plan to adopt and showing how they would achieve an equivalent improvement of the energy performance of the building stock.</i></p>	<p>Member States opting for an alternative approach shall notify to the Commission, by 1 January 2014 at the latest, the alternative measures that they plan to adopt and showing how they would achieve an equivalent improvement of the energy performance of the buildings within the <u>general</u> government estate.</p>
	<p><i>3c. Member States opting for an alternative approach as referred to in paragraph 3a shall assess every three years whether the approach is on track to</i></p>	

	<i>achieving the equivalent annual energy performance improvement of public buildings as required by paragraph 1 and notify these assessments to the Commission. Should the alternative approach be insufficient to meet the target, the Commission may recommend that the Member State takes the measures outlined in paragraph 1.</i>	
4. Member States shall encourage public bodies to: (a) adopt an energy efficiency plan, freestanding or as part of a broader climate or environmental plan, containing specific energy saving objectives, with a view to continuously improving the body's energy efficiency; (b) put in place an energy management system as part of the implementation of their plan.	4. <i>The Commission and the</i> Member States shall encourage <i>and support regional, local and other</i> public bodies, <i>including bodies governed by public law</i> to: (a) adopt <i>and implement</i> an <i>integrated</i> energy efficiency plan, freestanding or as part of a broader plan <i>on climate, low energy cities or regions, or an environmental plan</i> , containing specific energy saving <i>and efficiency</i> objectives <i>and actions</i> , with a view to continuously improving <i>their energy savings and</i> efficiency; (b) put in place an energy management system as part of the implementation of their plan. <i>(ba) use, where appropriate, energy efficiency service companies (ESCOs), and energy performance contracting to finance renovations and implement plans to maintain or improve energy efficiency in the long term;</i>	4. Member States shall encourage public bodies and social-housing bodies, with due regard for their respective competences and administrative set-up, to [...] (a) adopt an energy efficiency plan, freestanding or as part of a broader climate or environmental plan, containing specific energy saving objectives, with a view to following the exemplary role of general government buildings laid down in paragraphs 1, 3 and 3a; (b) put in place an energy management system, including energy audits , as part of the implementation of their plan.
		<u>Article 4a</u> <u>Long-term improvement of the energy performance of buildings</u> <u>Without prejudice to Article 9(1) of Directive 2010/31/EU, Member States shall, by 31 December 2014:</u> (a) assess the potential for long-term

		<u>improvement of the energy performance of the entire building stock, including buildings owned by private as well as public bodies;</u> <u>(b) set a national target for the energy performance of the entire building stock in 2050;</u> <u>(c) develop policies and take measures to stimulate deep renovations of buildings, including staged deep renovations, with a view to achieve the target referred to in (b).</u>
<p align="center"><i>Article 5</i></p> <p align="center"><i>Purchasing by public bodies</i></p>	<p align="center">CA 6A</p>	<p align="center">Article 5</p> <p align="center"><i>Purchasing by public bodies</i></p>
<p>Member States shall ensure that public bodies purchase only products, services and buildings with high energy efficiency performance, as referred to in Annex III.</p>	<p><i>When public bodies purchase products, systems, services and buildings</i>, Member States shall ensure that <i>they</i> purchase products, <i>systems</i>, services and buildings, <i>and equipment particularly in the IT field</i>, with <i>high</i> energy efficiency performance, as referred to in Annex III <i>taking into account cost effectiveness based on a whole life-cycle analysis. For products not covered in Annex III, public bodies shall endeavour to take into account the energy efficiency of purchases.</i></p> <p><i>Member States shall lay down rules to apply the provisions of paragraph 1 and Annex III to public bodies leasing or renting products, systems and services, except for short-term non-rolling contracts.</i></p> <p><i>Member States shall ensure that when tendering service contracts, public bodies shall assess the possibility of concluding long term energy performance contracts as referred to in Article 14 b).</i></p>	<p>Member States shall ensure that public bodies purchase only products, services and buildings with high energy efficiency performance, taking into account cost-effectiveness, economical feasibility and other sustainability issues, technical suitability, as well as sufficient competition, as referred to in Annex III. This obligation shall apply to contracts for the purchase of products, services and buildings by public bodies in so far as these contracts have a value equal to or greater than the thresholds laid down in Article 7 of Directive 2004/18/EC as amended.</p>

	<i>Without prejudice to subparagraph 1, when purchasing or renting a collection or group of products, systems, services or buildings, the aggregate energy efficiency should take priority over the energy efficiency of an individual purchase, taking into account technical suitability and intended use.</i>	
<i>Article 6</i> Energy efficiency obligation schemes		<i>Article 6</i> Energy efficiency obligation schemes
1. Each Member State shall set up an energy efficiency obligation scheme. This scheme shall ensure that either all energy distributors or all retail energy sales companies operating on the Member State's territory achieve annual energy savings equal to 1.5% of their energy sales, by volume, in the previous year in that Member State excluding energy used in transport. This amount of energy savings shall be achieved by the obligated parties among final customers.	1. Each Member State shall ensure that an energy saving obligation scheme is in place . This scheme shall ensure that energy distributors and/or retail energy sales companies operating on the Member State's territory achieve cumulative end-use energy savings equal to at least 1.5% of their annual energy sales, by volume, averaged over the most recent three-year period for that Member State. This amount of energy savings shall be achieved by the obligated parties among final customers.	1. Each Member State shall set up an energy efficiency obligation scheme. This scheme shall ensure that obligated energy distributors and/or retail energy sales companies operating in each Member State's territory achieve a cumulative end-use energy savings target by 31 December 2020. This target shall be equivalent to achieving new savings each year from 1 January [year after implementation] to 31 December 2020 of 1.5% 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 [implementation date]. [...] The sales of energy, by volume, used in transport may be excluded from this calculation. Member States shall divide the implementation of the target into a three-stepped time period requiring increased energy savings in each time period. The rate of increase of savings may be non-linear.
		1a. Without prejudice to paragraph 1, each Member State shall designate, on the basis of objective and non-discriminatory criteria, obligated parties amongst energy distributors and/or retail energy sales companies operating in its territory and may include transport fuel distributors or transport fuel retailers operating in its territory. [...] The amount of energy savings to

		fulfil the obligation shall be achieved by the obligated parties among final customers or, if Member States so decide, through certified savings stemming from other parties as described in paragraph 5b.
		1b. Member States may opt to fulfil up to 10% of the obligation set out in [...] paragraph 1 through energy savings achieved in the energy transformation sector as well as in distribution and transmission sectors as referred to in Articles 10(6), 11(2) and 12.
2. Member States shall express the amount of energy savings required from each obligated party in terms of either final or primary energy consumption. The method chosen for expressing the required amount of energy savings shall also be used for calculating the savings claimed by obligated parties. The conversion factors in Annex IV shall apply.	2. Member States shall express the amount of <i>the achieved end-use</i> energy savings required from each obligated party in terms of <i>final energy and then calculate in</i> primary energy consumption. The method chosen for expressing the required amount of energy savings shall also be used for calculating the savings claimed by obligated parties. The conversion factors in Annex IV shall apply.	2. Member States shall express the amount of energy savings required from each obligated party in terms of either final or primary energy consumption. The method chosen for expressing the required amount of energy savings shall also be used for calculating the savings claimed by obligated parties. The conversion factors in Annex IV shall apply.
	2a. Each Member State shall ensure that the 1.5% savings achieved each year are new and additional to the savings achieved in each previous year.	
3. Measures that target short-term savings, as defined in Annex V(1), shall not account for more than 10% of the amount of energy savings required from each obligated party and shall only be eligible to count towards the obligation laid down in paragraph 1 if combined with measures to which longer-term savings are attributed.	3. For the purposes of paragraph 1 , measures that target short-term savings, as defined in Annex V(1), shall not account for more than 10% of the amount of energy savings required from each obligated party and shall only be eligible to count towards the obligation laid down in paragraph 1 if combined with measures to which longer-term savings are attributed.	3. [...]
	3a. For the purposes of paragraph 1, Member States shall ensure that building renovations, in particular staged and deep renovations, account for a significant share of longer-term energy savings.	
4. Member States shall ensure that the savings claimed by obligated parties are calculated in accordance with Annex	4. Member States shall ensure that the <i>achieved energy</i> savings claimed by obligated parties are	4. Member States shall ensure that the savings claimed by obligated parties are calculated in

<p>V(2). They shall put in place control systems under which at least a statistically significant proportion of the energy efficiency improvement measures put in place by the obligated parties is independently verified.</p>	<p>calculated in accordance with Annex V(2). They shall put in place <i>independent measurement</i>, control <i>and verification</i> systems under which at least a statistically significant proportion <i>and representative sample</i> of the energy efficiency improvement measures put in place by the obligated parties is independently verified. <i>The verification shall take place every second year. If independent measurement and verification find unverifiable savings or savings that are not documented they may not count towards the saving target referred to in paragraph 1.</i></p>	<p>accordance with Annex V(2) and (3) including savings resulting from actions¹ newly implemented since 31 December 2009 as part of policy measures that continue to have impact and can be measured and verified. They shall put in place control systems under which at least a statistically significant proportion of the energy efficiency improvement measures put in place by the obligated parties is [...] verified. This verification shall be conducted independently of the obligated parties.</p>
<p>5. Within the energy efficiency obligation scheme, Member States may:</p> <p>(a) include requirements with a social aim in the saving obligations they impose, including by requiring measures to be implemented in households affected by energy poverty or in social housing;</p> <p>(b) permit obligated parties to count towards their obligation certified energy savings achieved by energy service providers or other third parties; in this case they shall establish an accreditation process that is clear, transparent and open to all market actors, and that aims at minimising the costs of certification;</p> <p>(c) allow obligated parties to count savings obtained in a given year as if they had instead been obtained in any of the</p>	<p>5. Within the energy <i>saving</i> obligation scheme, Member States may:</p> <p>(a) include requirements with a social aim in the saving obligations they impose, including by requiring <i>a share of energy efficiency</i> measures to be implemented <i>as a priority</i> in households affected by energy poverty, <i>by landlords or groups of investors that let their property</i> or in social housing,</p> <p>(b) permit obligated parties to count towards their obligation certified energy savings achieved by <i>accredited</i> energy service providers or other <i>accredited</i> third parties, <i>provided they are additional to the business as usual scenarios</i>; <i>Member States shall ensure that</i> an accreditation process <i>is in place</i> that is clear, transparent and open to all market actors, and that aims at minimising the costs of certification;</p> <p>(c) allow obligated parties to count savings obtained in a given year as if they had instead been obtained in</p>	<p>5. Within the energy efficiency obligation scheme, Member States may:</p> <p>(a) include requirements with a social aim in the saving obligations they impose, including by requiring measures to be implemented in households affected by energy poverty or in social housing;</p> <p>(b) permit obligated parties to count towards their obligation certified energy savings achieved by energy service providers or other third parties, including where obligated parties promote measures through other state-approved bodies or through public authorities that may or may not involve formal partnerships and may be in combination with other sources of finance; in this case Member States shall ensure that an approval process is in place that is clear, transparent and open to all market actors, and that aims at minimising the costs of certification;</p> <p>(c) allow obligated parties to count savings obtained in a given year as if they had instead been</p>

¹ **Explanatory note: The reference to "actions" is without prejudice to the policy framework under which they are taking place and to the date at which this framework was established.**

two previous or two following years.	<i>either</i> the previous or following <i>year</i> .	obtained in any of the two previous or two following years;
		(d) allow obligated parties to count savings obtained from actions¹ newly implemented since 31 December 2009 and that continue to have impact and can be measured and verified.
<p>6. Member States shall publish the energy savings achieved by each obligated party and data on the annual trend of energy savings under the scheme. For the purposes of publishing and verifying the energy savings achieved, Member States shall require obligated parties to submit to them at least the following data:</p> <p>a) the energy savings achieved;</p> <p>b) aggregated statistical information on their final customers (identifying significant changes to previously submitted information); and</p> <p>c) current information on final customers' consumption, including, where applicable, load profiles, customer segmentation and geographical location of customers, while preserving the integrity and confidentiality of private or commercially sensitive information in compliance with applicable European Union legislation.</p>	<p>6. Once a year, Member States shall publish the achieved energy savings by each obligated party and data on the annual trend of energy savings under the scheme. For the purposes of verifying the achieved energy savings, Member States shall require obligated parties to submit to them at least the following data.</p> <p>(a) the required energy savings and the energy savings achieved.</p> <p>(b) aggregated statistical information on their final customers (identifying significant changes to previously submitted information); and</p> <p>(c) current information on final customers' consumption, including, where applicable, load profiles, appropriate customer segmentation and broad geographical location of customers, while preserving the integrity and confidentiality of private or commercially sensitive information in compliance with applicable European Union legislation.</p> <p>(ca) the costs passed on to their customers, while preserving the integrity and confidentiality of private or commercially sensitive information in compliance with applicable European Union legislation.</p>	<p>6. Member States shall publish annually the energy savings achieved by each obligated party, or each sub-category of obligated party, and in total under the scheme. [...] Member States shall ensure that obligated parties provide on request, but not more than once a year:</p> <p>a) [...]</p> <p>b) aggregated statistical information on their final customers (identifying significant changes to previously submitted information); and</p> <p>c) current information on final customers' consumption, including, where applicable, load profiles, customer segmentation and geographical location of customers, while preserving the integrity and confidentiality of private or commercially sensitive information in compliance with applicable [...] Union legislation.</p>
	6a. Using all the information in Article 6, paragraph 6, national regulatory authorities shall publish annual reports on whether energy efficiency	

¹ **Explanatory note: The reference to "actions" is without prejudice to the policy framework under which they are taking place and to the date at which this framework was established.**

	<i>obligation schemes are meeting their objectives at the lowest possible cost to consumers. The national regulatory authorities shall also regularly commission independent reviews on the impacts that the scheme has on energy bills and fuel poverty as well as the energy savings from the scheme to ensure maximum cost-effectiveness. Member States shall be required to take these impacts into account through scheme adjustments.</i>	
7. Member States shall ensure that market actors refrain from any activities that may impede the demand for and delivery of energy services or other energy efficiency improvement measures, or hinder the development of markets for energy services or other energy efficiency improvement measures, including foreclosing the market for competitors or abusing dominant positions.	7. Member States shall ensure that market actors refrain from any activities that may impede the demand for and delivery of energy <i>saving</i> services or other energy efficiency improvement measures, or hinder the development of markets for energy <i>saving</i> services or other energy efficiency improvement measures, including foreclosing the market for competitors or abusing dominant positions. <i>This shall be achieved by implementing clear, transparent and open partnerships between energy distributors and energy service providers in order to optimise the energy saving obligations towards the end-customer.</i>	7. [...]
8. Member States may exempt small energy distributors and small retail energy sales companies, namely those that distribute or sell less than the equivalent of 75 GWh of energy per year, employ fewer than 10 persons or have an annual turnover or annual balance sheet total that does not exceed EUR 2 000 000, from the application of this Article. Energy produced for self use shall not count towards these thresholds.	8. Member States may exempt small energy distributors and small retail energy sales companies <i>in accordance with their specific national energy market circumstances</i> from the application of this Article, <i>provided that such exemptions do not result in a distortion of competition</i> . Energy produced for self use shall not <i>fall within this Article</i> .	8. [...]
		<u>8a. Member States may provide that obligated parties can fulfill their obligations set out in paragraph 1 by contributing annually to an Energy Efficiency National Fund an equal amount to the investments required to achieve their obligations under paragraph 1. The purpose of this fund shall be to support national energy efficiency</u>

<p>9. As an alternative to paragraph 1, Member States may opt to take other measures to achieve energy savings among final customers. The annual amount of energy savings achieved through this approach shall be equivalent to the amount of energy savings required in paragraph 1.</p> <p>Member States opting for this option shall notify to the Commission, by 1 January 2013 at the latest, the alternative measures that they plan to adopt, including the rules on</p>	<p>9. As an alternative to paragraph 1, Member States may opt to take <i>alternative and/or complementary</i> measures to achieve <i>the equivalent</i> energy savings among final customers. The annual amount of energy savings achieved through this approach shall be <i>strictly</i> equivalent to the amount of energy savings required in paragraph 1.</p> <p><i>Provided that the energy savings are additional to the ones obtained through the other obligations under this Directive, the alternative and/or complementary measures may include, but are not limited to:</i></p> <p><i>(a) Without prejudice to Directive 2009/29/EC, individual energy efficiency targets by consumer based on results of energy audits;</i></p> <p><i>(b) Establishing, supporting and promoting energy service companies (ESCOs), and, where Member States decide to do so, setting performance targets for ESCOs;</i></p> <p><i>(d) Improvements to the energy efficiency of buildings, including public buildings;</i></p> <p><i>(f) Energy tariff structures which incentivise energy efficiency;</i></p> <p><i>(g) a system in which obligated parties are to fulfil up to 50% of their obligation set out in paragraph 1 by paying into the financing facilities referred to in Article 2a. This shall be done by contributing to the financing facility an amount equal to the investment costs estimated to achieve the corresponding share of their obligation.</i></p> <p>Member States opting for this option shall notify to the Commission, by 1 January 2013 at the latest, the alternative measures that they plan to adopt, including</p>	<p><u>initiatives [or cross-border energy efficiency initiatives in application of paragraph 10].</u></p> <p>9. As an alternative to paragraph 1, Member States may opt to take other policy measures to achieve energy savings among final customers. The annual amount of new energy savings achieved through this approach shall be equivalent to the amount of new energy savings required in paragraph 1. Provided that equivalence is maintained, Member States may combine obligation schemes with alternative policy measures.</p> <p>[...]</p> <p>The policy measures [...] referred to in the first</p>
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penalties referred to in Article 9, and demonstrating how they would achieve the required amount of savings. The Commission may refuse such measures or make suggestions for modifications in the 3 months following notification. In such cases, the alternative approach shall not be applied by the Member State concerned until the Commission expressly accepts the resubmitted or modified draft measures.

the rules on penalties referred to in Article 9, and demonstrating *specifically for each measure* how they would achieve the required amount of savings. ***Member States shall ensure that energy savings for each alternative measure are calculated in accordance with Annex Vb.***

Member States shall ensure that the measures under this paragraph have equal planning certainty and guarantee a stable framework of incentives linked to energy services schemes for all market actors.

The Commission may refuse such measures or make suggestions for modifications in the 3 months following notification. In such cases, the alternative approach shall not be applied by the Member State concerned until the Commission expressly accepts the resubmitted or modified draft measures.

Member States shall ensure appropriate monitoring and reporting in line with requirements set out in Article 19. Where the reporting suggests that alternative measures under this Article are materially failing to meet the required savings, the Commission shall require the Member State to put in place an energy efficiency obligation scheme as described in paragraphs 1 and 1a or any alternative measures, if appropriate.

subparagraph may include, but are not restricted to, the following policy measures or combinations thereof:

- (a) energy or CO₂ taxes [...] that have the effect of reducing [...] end-use energy consumption; or
- (b) financing schemes and instruments or fiscal incentives that lead to the application of energy efficient technology [...] or techniques and have the effect of reducing [...] end-use energy consumption; or
- (c) regulations or voluntary agreements that lead to the application of energy efficient technology [...] or techniques and have the effect of reducing [...] end-use energy consumption; or
- (d) standards and norms that aim at improving the energy efficiency of products and services, including buildings and vehicles, except where these are mandatory, including pursuant to Articles 4, 6, 7, 8, 10, paragraph 1 points (a) and (b) of Directive 2010/31/EU, implementing measures adopted pursuant to Directive 2009/125/EC, and Article 5 of this Directive, Article 5 of Directive 2009/33/EC, Articles 1, 4 and 6 of Regulation (EC) No 443/2009, and Articles 1, 4 and 6 of Regulation (EU) No 510/2011; or
- (e) energy labelling schemes, with the exception of those stemming from the implementation of Directives 2010/30/EU, 2010/31/EU and Regulations (EC) No 106/2008 and No 1222/2009; or
- (f) training and education, including energy advisory programmes, that lead to application of energy-efficient technology and/or techniques and have the effect of reducing [...] end-use energy consumption.

Member States shall notify to the Commission, by [transposition date], the policy measures that they

		<p><u>plan to adopt for the purposes of the first subparagraph and of paragraph 8a, following the framework provided in Annex V, paragraph 5a, including the rules on penalties referred to in Article 9, and showing how they would achieve the required amount of savings. In the case of the policy measures referred to in the second subparagraph and in paragraph 8a, this notification shall demonstrate how the criteria in paragraph 9a are met. In the case of policy measures other than those referred to in the second subparagraph or in paragraph 8a, Member States shall explain how an equivalent level of savings, monitoring and verification is achieved. The Commission may make suggestions for modifications in the 3 months following notification.</u></p>
		<p><u>9a. Without prejudice to paragraph 9b, the criteria for the policy measures taken pursuant to the second subparagraph of paragraph 9 and paragraph 8a shall be as follows:</u></p> <p>(a) <u>the policy measures foresee[...] at least two intermediate periods until 31 December 2020 and leads to the achievement of the level of ambition as set in paragraph 1;</u></p> <p>(b) <u>the responsibility of each entrusted party, participating party or implementing public authority, whichever is relevant, is defined and the savings that are to be achieved are determined in a transparent manner;</u></p> <p><u>(ba) the savings that are to be achieved are determined in a transparent manner;</u></p> <p>(c) <u>the amount of savings required or to be achieved by the policy measure are expressed in either final or primary energy consumption, using the conversion factors in Annex IV;</u></p>

		<p>(d) <u>energy savings are calculated using the methods and principles provided in [...] Annex V, parts (2) and (3);</u></p> <p>(da) <u>energy savings are calculated using the methods and principles provided in Annex V, part 4a;</u></p> <p>(e) <u>an annual report of the energy savings achieved is provided by participating parties and made publicly available;</u></p> <p>(f) <u>monitoring of the results is ensured and appropriate measures are envisaged if the progress is not satisfactory;</u></p> <p>(g) <u>a control system is put in place that also includes independent verification of a statistically significant proportion of the energy efficiency improvement measures; and</u></p> <p>(h) <u>data on annual trend of energy savings are published annually.</u></p> <p>[...]</p>
		<p><u>9b. Member States shall ensure that the taxes referred to in paragraph 9, point (a) comply with the criteria listed in paragraph 9a, points (a), (b), (ba), (c), (da), (f) and (h).</u></p> <p><u>Member States shall ensure that the regulations and voluntary agreements referred to in paragraph 9, point (c) comply with the criteria listed in paragraph 9a, points (a), (b), (ba), (c), (d), (e), (f), (g), (h).</u></p> <p><u>Member States shall ensure that the other policy measures referred to in the second subparagraph of paragraph 9 and the Energy Efficiency National Funds referred to in paragraph 8a comply with the criteria listed in paragraph 9a, points (a), (b), (ba), (c), (d), (f), (g), (h).</u></p>

		<p><u>9c. Member States shall ensure that when the impact of policy measures or individual actions overlaps, no double counting of energy savings is made.</u></p>
	<p><i>9a. The Commission shall establish by 1 January 2013 a harmonised methodology in accordance with the minimum requirements as set out in Annex Vb for the calculation model for the purpose of measuring, monitoring and verifying energy savings attained primarily through energy efficiency improvement measures and programmes in all end-use sectors referred to in this Article. The new harmonised bottom-up calculation model shall first be used as from 1 January 2013.</i></p>	
<p>10. If appropriate, the Commission shall establish, by means of a delegated act in accordance with Article 18, a system of mutual recognition of energy savings achieved under national energy efficiency obligation schemes. Such a system shall allow obligated parties to count energy savings achieved and certified in a given Member State towards their obligations in another Member State.</p>	<p><i>deleted</i></p>	<p>[Member States may agree on and may make arrangements for the statistical transfer of a specified amount of energy savings achieved under [...] paragraphs 1 to 6 from one Member State to another Member State. The transferred quantity shall be:</p> <p>(a) deducted from the amount of energy savings that is taken into account in measuring compliance by the Member State making the transfer,</p> <p>(b) added to the amount of energy savings that is taken into account in measuring compliance by another Member State accepting the transfer.</p> <p>A statistical transfer shall not affect the achievement of the target defined in paragraph 1 of the Member State making the transfer. The arrangements referred to in the first subparagraph shall be notified to the Commission no later than three months after the end of each year in which</p>

		they have effect. Transfers shall become effective only after all Member States involved in the transfer have notified the transfer to the Commission.]
<i>Article 7</i> Energy audits and energy management systems	CA 8	<i>Article 7</i> Energy audits and energy management systems
<p>1. Member States shall promote the availability to all final customers of energy audits which are affordable and carried out in an independent manner by qualified or accredited experts.</p> <p>Member States shall develop programmes to encourage households and small and medium-sized enterprises to undergo energy audits.</p>	<p>1. Member States shall promote the availability to all final customers of energy high quality audits which are cost-effective and carried out in an independent manner by qualified and/or accredited experts.</p> <p><i>Member States shall ensure, for the purpose of guaranteeing the high quality of the energy audits and energy management systems and the delivery of the adapted energy measures to each industrial facility, process or building, that these audits and systems include and observe the minimum criteria as set out in Annex Va.</i></p> <p><i>Member States shall ensure that training programmes are available for the qualification of energy auditors, in order to ensure that a sufficient number of qualified and/or accredited experts are available.</i></p> <p>Member States shall develop programmes to encourage households and small and medium-sized enterprises to undergo energy audits and to subsequently implement the recommendations from these audits. These energy audits shall identify and quantify cost-effective saving opportunities in the</p>	<p>1. Member States shall promote the availability to all final customers of energy audits which are affordable and carried out in an independent manner by qualified and/or accredited experts according to qualification criteria defined by the Member State, or implemented and supervised by independent authorities under national legislation, including in-house experts or energy auditors, and for which the Member State has put in place a scheme to assure and check their quality.</p> <p>Member States shall develop programmes to encourage [...] small and medium-sized enterprises to undergo energy audits and to raise awareness among private households on the benefits of such audits through appropriate advice services. Member States shall ensure that enterprises that</p>

<p>Member States shall bring to the attention of small and medium-sized enterprises concrete examples of how energy management systems could help their business.</p>	<p><i>short, medium and long term.</i></p> <p><i>Member States shall ensure that small and medium sized enterprises, as well as organisations that have concluded voluntary agreements, are supported to cover totally or partly the costs of an energy audit and of the implementation of highly cost-effective recommendations from the energy audits, if the proposed measures are implemented.</i></p> <p>Member States shall bring to the attention of small and medium-sized enterprises, <i>including through their respective representative intermediary organisations</i>, concrete examples of how energy management systems could help their business. <i>The Commission shall assist Member States by supporting the exchange of best practices in this domain.</i></p>	<p><u>benefit of support schemes to encourage energy audits commit themselves to the implementation of cost-efficient recommendations resulting from energy audits.</u></p> <p>Member States shall <u>encourage</u> training programmes for the qualification of energy auditors in order to promote sufficient availability of experts.</p> <p>Member States shall bring to the attention of small and medium-sized enterprises concrete examples of how energy management systems could help their business.</p>
<p>2. Member States shall ensure that enterprises not included in the second subparagraph of paragraph 1 are subject to an energy audit carried out in an independent and cost-effective manner by qualified or accredited experts at the latest by 30 June 2014 and every three years from the date of the previous energy audit.</p>	<p>2. Member States shall ensure that enterprises not included in the second subparagraph of paragraph 1 are subject to an energy audit carried out in an independent and cost-effective manner by qualified <i>and/or</i> accredited experts at the latest by 30 June 2014 and <i>at least</i> every <i>four</i> years from the date of the previous energy audit.</p>	<p>2. Member States shall ensure that enterprises not included in the second subparagraph of paragraph 1 are subject to an energy audit carried out in an independent and cost-effective manner by qualified <u>and/or</u> accredited experts <u>by [two years after entry into force of this Directive] at the latest</u> and <u>at least</u> every <u>five</u> years from the date of the previous energy audit.</p>
<p>3. Energy audits carried out in an independent manner resulting from energy management systems or implemented under voluntary agreements concluded between organisations of stakeholders and an appointed body and supervised by the Member State concerned or by the Commission, shall be considered as fulfilling the requirements of paragraph 2.</p>	<p>3. Energy audits carried out in an independent manner <i>on the basis of European harmonised standards such as EN 16001 / ISO 50001</i> resulting from energy management systems or implemented under voluntary agreements concluded between organisations of stakeholders and an appointed body and supervised by the Member State concerned or by the Commission, shall be considered as fulfilling the requirements of paragraph 2. <i>No market participant should be excluded from offering energy services.</i></p>	<p>3. Energy audits carried out in an independent manner [...] implemented under voluntary agreements concluded between organisations of stakeholders and an appointed body and supervised by the Member State concerned, <u>or other bodies to which the competent authorities have delegated the responsibility concerned</u>, or by the Commission, shall be considered as fulfilling the requirements of paragraph 2.</p>
	<p><i>3a. Audits may be carried out by in-house experts, provided that these are qualified and/or accredited,</i></p>	

	<i>that they are not directly engaged in the activity audited, and that the Member State has put in place an independent control system based on an annual random selection of at least a statistically significant percentage of all the energy audits referred to in paragraph 2 to assure and check their quality and to impose sanctions if needed.</i>	
		3a. Enterprises falling within the scope of paragraph 2 and implementing an energy management system certified by an independent body according to the relevant European or International standards and ensuring appropriate implementation of and follow-up to recommendations for improving their energy performance shall be exempted from the requirements of paragraph 2.
4. Energy audits may stand alone or be part of a broader environmental audit.	4. Energy audits may stand alone or be part of a broader environmental audit.	4. Energy audits may stand alone or be part of a broader environmental audit. Member States may require that an assessment of the technical and economic feasibility of connection to an existing or planned district heating or cooling network shall be part of the energy audit.
	<i>4a. Member States shall ensure that the recommendations of the energy audits and energy management systems implemented under this article do not exclude the same or similar measures to be used as a justification for existing or future incentive and support schemes. If necessary, the Commission shall adapt the European state aid guidelines in this field and the EU energy taxation directive accordingly.</i>	
	<i>4b. Member States shall use investment quality audits in order to assess and ensure the quality of buildings' Energy Performance Certificates as required by Directive 2010/31/EC. The Commission will provide guidelines for Member States to ensure the quality of their Energy Performance Certificates and of the energy efficiency improvement of the</i>	

	<i>measures undertaken as a result of recommendations from these certificates.</i>	
	<i>4c. Member States should ensure that consumers have access to independent advice on their energy audit to prevent unnecessary work being carried out or exploitation of funding.</i>	
	<i>4d. Member States shall ensure that enterprises disclose in their annual report whether they have carried out an energy audit, whether it was undertaken by an in-house or an external auditor, and the name of the external auditor, if applicable.</i>	
	<i>4e. Where an accredited audit is provided, consumers should be able to transfer the results and recommendations of the audit to any accredited service provider in order to enable competition in the market.</i> <i>The Commission shall establish guidelines to identify which financial incentives set up by Member States in favour of their enterprises will be compatible with the internal market rules and state aid rules.</i>	
		5. <u>Efforts to raise awareness of the benefits of energy audits and energy management systems may be part of broader approaches to ensure energy savings among final customers.</u>
<i>Article 8</i> Metering and informative billing	CA 9 Metering, <u>energy consumption</u> and billing <u>information</u>	<i>Article 8</i> Metering and informative billing
1. Member States shall ensure that final customers for electricity, natural gas, district heating or cooling and district-supplied domestic hot water are provided with individual meters that accurately measure and allow to make available their actual energy consumption and provide information on actual time of use, in accordance with Annex VI.	1. <i>When smart meters are installed</i> , Member States shall ensure that final customers for electricity, natural gas, district <i>or other central</i> heating or cooling and <i>district or other centrally supplied</i> domestic hot water are provided at no additional costs with individual meters that accurately measure and allow to make available their actual energy consumption and provide real time information on actual use, free of charge, and in a format that enables customers to better	<u>Metering</u> 1. [...]

When Member States put in place the roll-out of smart meters foreseen by Directives 2009/72/EC and 2009/73/EC concerning electricity and gas markets, they shall ensure that the objectives of energy efficiency and final customer benefits are fully taken into account when establishing the minimum functionalities of the meters and obligations imposed on market participants.

In the case of electricity and on request of the final customer, meter operators shall ensure that the meter can account for electricity produced on the final customer's premises and exported to the grid. Member States shall ensure that if final customers request it, metering data on their real-time production or consumption is made available to a third party acting on behalf of the final customer.

understand their energy use, in accordance with Annex VI.

Member States shall require that appropriate advice and information be given to customers at the time of installation, notably about the full potential of smart meters with regard to tariff structures, meter reading management and the monitoring of energy consumption.

In accordance with Directives 2009/72/EC and 2009/73/EC concerning electricity and gas markets, where the roll-out of smart meters is assessed positively, and to the extent that Member States put in place this roll-out, they shall ensure that the objectives of energy savings and final customer benefits are fully taken into account when establishing the minimum functionalities of the meters and obligations imposed on market participants. Minimum functionalities shall enable communication of smart metering components with devices or gateways used within the home or building in the provision of energy saving and demand-side management services.

Member States shall ensure that enterprises, including from the commercial sector, which have an electricity end-use consumption of more than 6000 kWh per year, have installed smart meters by 1 January 2015 at the latest, where technically feasible.

In the case of electricity and on request of the final customer, meter operators shall ensure that the meter, ***or meters***, can account for electricity produced on the final customer's premises and exported to the grid. Member States shall ensure that if final customers request it, metering data on their real-time production or consumption is made available ***promptly to them or to*** a third party acting on behalf of the final customer ***at no additional cost and in an easily understandable***

Where, and to the extent that, Member States put in place the roll-out of smart meters **in accordance with** Directives 2009/72/EC and 2009/73/EC concerning electricity and gas markets:

(a) they shall ensure that the **meters provide information on actual time of use to the consumers and that the** objectives of energy efficiency and final customer benefits are fully taken into account when establishing the minimum functionalities of the meters and obligations imposed on market participants.

(b) they shall ensure the security of smart meters and the data communication, and the privacy of final customers.

(c) In the case of electricity [...], meter operators shall ensure that the meter can account for electricity [...] exported to the grid **from the consumer's premises**.

(d) Member States shall ensure that if final customers request it, metering data on their **export or import of electricity** is made available to a third party acting on behalf of the final customer.

<p>In case of heating and cooling, where a building is supplied from a district heating network, a heat meter shall be installed at the building entry. In multi-apartment buildings, individual heat consumption meters shall also be installed to measure the consumption of heat or cooling for each apartment. Where the use of individual heat consumption meters is not technically feasible, individual heat cost allocators, in accordance with the specifications in Annex VI(1.2), shall be used for measuring heat consumption at each radiator.</p> <p>Member States shall introduce rules on cost allocation of heat consumption in multi-apartment buildings supplied with centralised heat or cooling. Such rules shall include guidelines on correction factors to reflect building characteristics such as heat transfers between apartments.</p>	<p><i>format that they can use to compare deals on a like-for-like basis. The data shall be handled in a secure way and consumer privacy shall be protected in compliance with the relevant EU data protection and privacy legislation.</i></p> <p>In <i>the</i> case of heating, cooling <i>or hot water</i>, where a building is supplied from a district heating network <i>or from a central source servicing multiple buildings or businesses within a single building</i>, a heat <i>or hot water</i> meter shall be installed at the building entry. In <i>multi unit</i> buildings, individual heat <i>metering devices</i> shall also be installed to measure the consumption of heat, cooling <i>or hot water</i> for each <i>unit respectively</i>. Where <i>the costs of</i> the use of individual heat consumption meters <i>outweigh the benefits</i>, individual heat cost allocators in accordance with the specifications in Annex VI(1.2), shall be used for measuring heat consumption.</p> <p><i>Where</i> Member States introduce rules on cost allocation of, <i>and billing information for</i>, heat, <i>cooling or hot water</i> consumption in multi-<i>unit</i> buildings supplied with centralised heat, cooling <i>and/or hot water</i>, <i>such</i> rules shall include guidelines on correction factors to reflect building characteristics such as heat transfers between apartments.</p>	<p>[...] Where heating and cooling to a building is supplied from a district heating network or from a central source servicing multiple buildings, a heat meter shall 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 heat consumption meters shall also be installed [by 1 January 2015] to measure the consumption of heat or cooling for each unit. Where the use of individual heat consumption meters is not technically feasible or not cost-efficient, individual heat cost allocators [...] shall be used for measuring heat consumption at each radiator, unless it is shown by the Member State in question that the installation of such heat cost allocators would not be cost-efficient. In these cases, alternative cost-efficient methods of heat consumption measurement may be considered.</p> <p>Where <u>multi-apartment buildings supplied from district heating or cooling or own common heating or cooling system for the building are common, to ensure transparency and accuracy of accounting for individual consumption,</u> Member States shall introduce transparent rules on cost allocation of [...] thermal consumption in such buildings [...] Where appropriate, such rules shall include guidelines on correction factors to reflect building characteristics such as heat transfers between apartments.</p>
<p>2. In addition to the obligations resulting from Directive 2009/72/EC and Directive 2009/73/EC with regard to billing,</p>	<p>2. In addition to the obligations resulting from Directive 2009/72/EC and Directive 2009/73/EC with regard to billing, Member States shall ensure that</p>	<p><u>Billing</u></p> <p>2. With respect to the obligations resulting from</p>

Member States shall ensure, not later than 1 January 2015, that billing is accurate and based on actual consumption, for all the sectors covered by the present Directive, including energy distributors, distribution system operators and retail energy sales companies, in accordance with the minimum frequency set out in Annex VI(2.1). Appropriate information shall be made available with the bill to provide final customers with a comprehensive account of current energy costs, in accordance with Annex VI(2.2).

Member States shall ensure that final customers are offered a choice of either electronic or hard copy billing and the possibility of easy access to complementary information allowing detailed self-checks on historical consumption as laid down in Annex VI(1.1).

billing *information* is accurate and based on actual consumption, for all the sectors covered by the present Directive, including energy distributors, distribution system operators and retail energy sales companies, in accordance with the minimum frequency set out in Annex VI (2.1). *Where customers do not have smart meters, Member States shall ensure that they are able to carry out regular self-reading and that billing information on the basis of actual consumption is performed. Only when the final customer has not provided a meter reading for a given billing interval shall billing be based on estimated consumption or a flat rate.* Appropriate information shall be made available with the bill to provide final customers with a comprehensive account of current energy costs, in accordance with Annex VI(2.2).

Member States shall ensure that final customers are offered a choice of either electronic or hard copy billing *information and bills* and, *in the case of the installation of smart meters, have* the possibility of easy access to complementary information allowing detailed self-checks on historical consumption as laid down in Annex VI(1.1).

Directive 2009/72/EC and Directive 2009/73/EC with regard to billing, Member States shall ensure, not later than 1 January 2015, that billing is accurate and based on actual consumption, for all the sectors covered by the present Directive, including energy distributors, distribution system operators and retail energy sales companies, **where it is technically possible and economically justified.**¹ **This obligation may be fulfilled by a system of self-reading by the final customers where by they communicate readings from their meter to the energy supplier. Only when the final customer has not provided a meter reading for a given billing interval shall billing be based on estimated consumption or a flat rate. Meters installed in accordance with Directives 2009/72/EC and 2009/73/EC shall enable accurate billing based on actual consumption.** Appropriate information shall be made available with the bill to provide final customers with a comprehensive account of current energy costs, in accordance with Annex VI(2.2).

Member States shall ensure that final customers are offered **the option** of [...] electronic [...] billing and the possibility of easy access to complementary information allowing detailed self-checks on historical consumption [...]. **Complementary information on historical consumption shall include cumulative data for the period of at least three previous years or the duration of the supply contract. The data shall correspond with the intervals for which frequent billing information has been produced.**

Where smart meters have been installed, complementary information on historical consumption shall also include detailed data according to the time of use for any day, week,

¹ The Presidency suggests that the elements on frequency of billing based on actual consumption contained in the Commission's proposal in Annex VI under point 2.1 may constitute future Commission recommendations.

<p>Member States shall require that if requested by final customers, information on their energy billing and historical consumption is made available to an energy service provider designated by the final customer.</p>	<p>Member States shall require that if requested by final customers, information on their energy billing and historical consumption is made available to <i>the customer or to</i> an energy service provider designated by the final customer.</p> <p><i>When a smart meter is installed, Member States shall prohibit back billing.</i></p> <p><i>Member States shall require that information and estimates for energy tariffs are provided to consumers on demand in a timely manner and in an easily understandable format enabling consumers to compare deals on a like-for-like basis, allowing consumers to switch their domestic provider of energy in a cost-effective manner.</i></p> <p><i>Where appropriate, Member States shall encourage tariff structures that incentivise consumers to save marginal additional units of energy consumption.</i></p>	<p><u>month and year shall be made available for the period of at least 24 previous months.</u></p> <p>Member States shall require that, to the extent that information on their energy billing and historical consumption of final customers is available, on the request of the final customer it is made available to an energy service provider designated by the final customer [...].</p> <p>Member States may lay down that, on request of the final customer, the information contained in these bills shall not be considered to constitute a request for payment. In such cases, Member States shall ensure that suppliers of energy sources offer flexible arrangements for actual payments.</p>
<p>3. Information from metering and billing of individual consumption of energy as well as the other information mentioned in paragraphs 1, 2, 3 and Annex VI shall be provided to final customers free of charge.</p>	<p>3. Billing and billing information from metering of individual consumption of energy as well as the other information mentioned in paragraphs 1 <i>and 2</i> and Annex VI shall be <i>made available</i> to final customers free of charge, <i>within 2 hours or as quickly as is technically feasible.</i></p>	<p>3. Member States shall ensure that customers receive their bills for energy consumption for free. Customers shall also have access to their consumption data for free. Where bills are not based on consumption, customers shall have the right to a clear explanation of how their bill was derived.</p>
	<p><i>3a. Member States shall require national regulatory authorities to test the accessibility and usability for consumers of energy bills on an annual basis. The findings shall be made publicly available.</i></p>	
	<p><i>Article 8a.</i></p> <p><i>Consumer information and empowering programme</i></p>	
	<p><i>1. Member states shall develop a national strategy to promote and enable an efficient use of energy by small energy customers, including domestic</i></p>	

	<i>customers.</i>	
	<p>2. For the purposes of paragraph 1, Member States shall include at least:</p> <p>(a) the establishment of a single point of contact for advice and accredited providers, in accordance with Articles 13 and 14;</p> <p>(b) a range of instruments and policies to promote behaviour change which may include:</p> <ul style="list-style-type: none"> - fiscal incentives; - access to finance, grants or subsidies; - information provision; - exemplary projects; - workplace activities; - minimum standards for information on bills and lay-out for invoices; <p>(c) a programme to engage consumers and consumer organisations during the roll-out of smart meters through communication of:</p> <ul style="list-style-type: none"> - cost-effective and easy-to-achieve changes in energy use; - information on energy efficiency measures. 	
<i>Article 9 Penalties</i>	CA 10 Incentives and penalties	<i>Article 9 Penalties</i>
	Member States shall lay down rules on incentives to give in particular small and medium sized enterprises and households the necessary means to carry out energy efficiency investments.	
Member States shall lay down rules on penalties applicable in case of non-compliance with the national provisions adopted pursuant to Articles 6 to 8 and shall take the necessary measures to ensure that they are implemented. The penalties provided must be effective, proportionate and dissuasive.	Member States shall <i>also</i> lay down rules on penalties applicable in case of non-compliance with the national provisions adopted pursuant to Articles 6 to 8 and shall take the necessary measures to ensure that they are implemented. The penalties provided must be	Member States shall lay down rules on penalties applicable in case of non-compliance with the national provisions adopted pursuant to Articles 6 to 8 and the second subparagraph of Article 14 and shall take the necessary measures to ensure that they are

Member States shall communicate those provisions to the Commission by [12 months after entry into force of this Directive] at the latest and shall notify it without delay of any subsequent amendment affecting them.	effective, proportionate and dissuasive. Member States shall communicate those provisions to the Commission by [12 months after entry into force of this Directive] at the latest and shall notify it without delay of any subsequent amendment affecting them.	implemented. The penalties provided must be effective, proportionate and dissuasive. Member States shall communicate those provisions to the Commission by [12 months after entry into force of this Directive] at the latest and shall notify it without delay of any subsequent amendment affecting them.
CHAPTER III Efficiency in energy supply		CHAPTER III Efficiency in energy supply
<i>Article 10</i> Promotion of efficiency in heating and cooling	CA 11	<i>Article 10</i> Promotion of efficiency in heating and cooling
<p>1. By 1 January 2014, Member States shall establish and notify to the Commission a national heating and cooling plan for developing the potential for the application of high-efficiency cogeneration and efficient district heating and cooling, containing the information set out in Annex VII.</p> <p>The plans shall be updated and notified to the Commission every five years. Member States shall ensure by means of their regulatory framework that national heating and cooling plans are taken into account in local and regional development plans, including urban and rural spatial plans, and fulfil the design criteria in Annex VII.</p>	<p>1. By 1 January 2015, Member States shall ensure that a national heating and cooling roadmap for developing the potential for the application of high-efficiency cogeneration, including micro-cogeneration, and efficient district heating and cooling, including the upgrade of existing district heating and cooling networks, containing the information set out in Annex VII, is in place.</p> <p><i>The roadmap shall consider different types of cogeneration on the basis of the specificities of different national demand and consumption patterns and shall take into account inter alia likely reductions in heating, cooling and hot water load arising from this Directive, from the implementation of Directive 2010/31/EU and from other measures, and the effect this decrease in energy consumption will have on future infrastructure needs.</i></p> <p><i>By 1 January 2015 and every five years thereafter, Member States shall notify to the Commission and update their roadmap as referred to in paragraph 1. Member States shall ensure that efficient use of energy resources and the development of resource efficient heating and cooling systems are considered in local and regional energy strategies.</i></p> <p><i>The national heating and cooling roadmaps shall take full account of the analysis of the national</i></p>	<p>1. By 31 December 2015, Member States shall carry out and notify to the Commission 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 VII. If they have already carried out an equivalent assessment, they shall notify it to the Commission. On request by the Commission at least six months before the due date, the assessment shall be updated and notified to the Commission every five years. Member States shall adopt policies which encourage that the potential of using efficient heating and cooling systems, in particular those using high efficiency cogeneration, is duly taken into account at local and regional levels. Account shall be taken of the potential for developing local and regional heat markets.</p>

	<i>potentials for high-efficiency cogeneration carried out under Directive 2004/8/EC.</i>	
	<i>1a. For the purpose of the roadmap referred to in subparagraph 1, Member States shall carry out a cost-benefit analysis covering their territory in accordance with Annex VIIIa, based on climate conditions, economic feasibility and technical suitability, in order to identify and facilitate the implementation of the most cost-efficient solutions to meet heating and cooling requirements.</i>	1a. For the purpose of the assessment referred to in paragraph 1, Member States shall carry out a cost-benefit analysis covering their territory in accordance with Annex VIIIbis, based on climate conditions, economic feasibility and technical suitability, which is capable of facilitating the identification and implementation of the most resource and cost-efficient solutions to meet heating and cooling requirements.
2. Member States shall take the necessary measures to develop efficient district heating and cooling infrastructure to accommodate the development of high-efficiency cogeneration and the use of heating and cooling from waste heat and renewable energy sources in accordance with paragraphs 1, 3, 6 and 7. When developing district heating and cooling, they shall to the extent possible opt for high-efficiency cogeneration rather than heat-only generation.	2. Member States shall take the necessary measures to develop efficient district heating and cooling infrastructure <i>including the upgrade of existing infrastructure and/or</i> accommodate the development of high-efficiency cogeneration and the use of heating and cooling from waste heat and renewable energy sources in accordance with paragraphs 1, 3, 6 and 7. <i>Notably, authorisation and permitting decisions referred to in paragraphs 3, 6 and 8, shall be based on the national heating and cooling roadmaps.</i> When developing district heating and cooling, <i>high-efficiency cogeneration</i> shall to the extent possible <i>be given preference over</i> heat-only <i>combustion units.</i> <i>With the exception of possible grants, the costs associated with the development of district heating and cooling infrastructure shall be borne by the users connected to such infrastructure through regulated tariffs.</i>	2. Where the assessments referred to in paragraphs 1 and 1a <u>positively</u> identify a potential, Member States shall take adequate measures for efficient district heating and cooling infrastructure to be developed and/or to accommodate the development of high-efficiency cogeneration and the use of heating and cooling from waste heat and renewable energy sources in accordance with paragraphs 1, 3, 6 and 8 . When developing district heating and cooling, they shall to the extent possible opt for high-efficiency cogeneration rather than heat-only generation when heat is produced in combustion installations.
	<i>2a. Member States shall encourage the introduction of measures and procedures to promote cogeneration installations, other than small-scale cogeneration units, with a total rated thermal input of less than 20 MW in remote, disadvantaged and/or electricity-poor areas, in particular where local resources are available, in order to encourage distributed energy</i>	

<p>3. Member States shall ensure that all new thermal electricity generation installations with a total thermal input exceeding 20 MW:</p> <p>a) are provided with equipment allowing for the recovery of waste heat by means of a high-efficiency cogeneration unit; and</p> <p>b) are sited in a location where waste heat can be used by heat demand points.</p> <p>Member States shall adopt authorisation criteria as referred to in Article 7 of Directive 2009/72/EC, or equivalent permit criteria, to ensure that the provisions of the first subparagraph are met. They shall in particular ensure that the location of new installations takes into account the availability of suitable heat loads for cogeneration in accordance with Annex VIII.</p>	<p><i>generation.</i></p> <p>3. Member States shall ensure that, when a cost-benefit analysis in accordance with Annex VIIIa shows that the benefits outweigh the costs, all new thermal electricity generation installations with a total thermal input exceeding 20 MW</p> <p>are provided with equipment allowing for the recovery of local waste heat by means of a high-efficiency cogeneration unit.</p> <p>Member States shall adopt authorisation criteria as referred to in Article 7 of Directive 2009/72/EC, or equivalent permit criteria, to ensure that the provisions of the first subparagraph are met. They shall in particular ensure that the location of new installations takes into account the availability of suitable local heat loads for cogeneration.</p>	<p>3. Member States shall ensure that when new thermal electricity generation installations with a total thermal input exceeding 20 MW are planned after [the entry into force of this Directive], a cost-benefit analysis in accordance with Annex VIIIbis Part 3 for providing an installation with equipment allowing for the recovery of waste heat by means of a high-efficiency cogeneration unit is carried out. Member States shall ensure that in accordance with Annex VIIIbis alternative scenarios other than recovering waste heat by means of a high-efficiency cogeneration unit are analysed.</p> <p>Member States shall ensure that one of the analysed scenarios [...] which [...] has shown a cost-benefit surplus in accordance with Annex VIIIbis, if there is one, is implemented [...]. If the selected scenario is an installation with equipment allowing for the recovery of waste heat by means of a high-efficiency cogeneration unit, Member States shall ensure that the authorisation or equivalent permit is granted on that basis.</p> <p>[...]</p> <p>Member States shall adopt authorisation criteria as referred to in Article 7 of Directive 2009/72/EC, or equivalent permit criteria, to ensure that the provisions of the first and second subparagraph are met. [...]</p> <p>Member States may exempt from the provision in the first subparagraph:</p> <p>a) those peak load and back-up installations which are planned to operate under 1 500</p>
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		<p>operating hours per year as a rolling average over a period of five years, based on a verification procedure established by the Member States ensuring that this exemption criterion is met;</p> <p>b) nuclear power installations;</p> <p>c) installations that need to be located close to a geological storage site permitted under Directive 2009/31/EC¹.</p> <p>[...] Member States shall notify such [...] exemptions to the Commission by 1 January 2014 and any subsequent changes to them thereafter. [...] [...]</p>
<p>4. Member States may lay down conditions for exemption from the provisions of paragraph 3 when:</p> <p>a) the threshold conditions related to the availability of heat load set out in point 1 of Annex VIII are not met;</p> <p>b) the requirement in point (b) of paragraph 3 related to the location of the installation cannot be met due to the need to locate an installation close to a geological storage site permitted under Directive 2009/31/EC; or</p> <p>c) a cost-benefit analysis shows that the costs outweigh the benefits in comparison with the full life-cycle costs, including infrastructure investment, of providing the same amount of electricity and heat with separate heating or cooling.</p> <p>Member States shall notify such conditions for exemption to the Commission by 1 January 2014. The Commission may refuse those conditions or make suggestions for modifications in the 6 months following notification. In such cases, the conditions for exemption shall not be applied by the Member State concerned until the Commission expressly accepts the resubmitted or modified conditions.</p>		
<p>5. Member States shall ensure that national regulations on</p>	<p>5. Member States shall ensure that the authorisation</p>	

¹ **Directive 2009/31/EC of the European Parliament and of the Council of 23 April 2009 on the geological storage of carbon dioxide (OJ L 140, 5.6.2009, p. 114).**

<p>urban and rural spatial planning are adapted to the authorisation criteria referred to in paragraph 3 and are in line with the national heating and cooling plans referred to in paragraph 1.</p>	<p>criteria referred to in paragraph 3 <i>take into account</i> the national heating and cooling <i>roadmaps</i> referred to in paragraph 1.</p>	
<p>6. Member States shall ensure that, whenever an existing electricity generation installation with a total rated thermal input exceeding 20 MW is substantially refurbished or when, in accordance with Article 21 of Directive 2010/75/EC, its permit is updated, conversion to allow its operation as a high-efficiency cogeneration installation is set as a condition in the new or updated permit or licence, provided that the installation is sited in a location where the waste heat can be used by heat demand points in accordance with point 1 of Annex VIII.</p> <p>The equipment of electricity generation installations with carbon capture or storage facilities shall not be considered as refurbishment for the purpose of these provisions.</p>	<p>6. Member States shall ensure that, <i>when a cost-benefit analysis in accordance with Annex VIIIa shows that the benefits outweigh the costs</i>, whenever an existing electricity generation installation with a total rated thermal input exceeding 20 MW is substantially refurbished or when, in accordance with Article 21 of Directive 2010/75/EC, its permit is updated, conversion to allow its operation as a high-efficiency cogeneration installation is set as a condition in the new or updated permit or licence, provided that the installation is sited in a location where <i>there is sufficient and long-term stable</i> heat demand.</p> <p>The equipment of electricity generation installations with carbon capture or storage facilities shall not be considered as refurbishment for the purpose of these provisions.</p>	<p>6. Member States shall ensure that, whenever an existing electricity generation installation with a total rated thermal input exceeding 20 MW is substantially refurbished <u>after [the entry into force of this Directive], a cost-benefit analysis in accordance with Annex VIIIbis Part 3 for a conversion to allow its operation as a high-efficiency cogeneration installation is carried out. Member States shall ensure that in accordance with Annex VIIIbis alternative scenarios other than conversion to high-efficiency cogeneration are analysed.</u></p> <p>Member States shall ensure that one of the analysed scenarios [...] which [...] has shown a cost-benefit surplus in accordance with Annex VIIIbis, if there is one, is implemented [...]. If the selected scenario implies conversion of the electricity generation installation to operate as a high-efficiency cogeneration installation [...], Member States shall ensure that [...] the new or updated permit is granted on that basis.</p> <p>The fitting of equipment to capture carbon dioxide produced by a combustion installation with a view to its being geologically stored as provided for in Directive 2009/31/EC shall not be considered as refurbishment for the purpose of these provisions.</p> <p>[...] Member States may exempt from the provision in the first subparagraph</p> <p>a) those peak load and back-up installations which are planned to operate under 1 500 operating hours per year as a rolling average over a period of five years, based on a verification procedure established by the Member States ensuring that this exemption criterion is met;</p>

		<p>b) nuclear power installations.</p> <p>[...] Member States shall notify such [...] exemptions to the Commission by 1 January 2014 and any subsequent changes to them thereafter. [...]</p>
<p>7. Member States may lay down conditions for exemption from the provisions of paragraph 6 when:</p> <p>a) the threshold conditions related to the availability of heat load set out in point 1 of Annex VIII are not met; or</p> <p>b) a cost-benefit analysis shows that the costs outweigh the benefits in comparison with the full life-cycle costs, including infrastructure investment, of providing the same amount of electricity and heat with separate heating or cooling.</p> <p>Member States shall notify such conditions for exemption to the Commission by 1 January 2014. The Commission may refuse those conditions or make suggestions for modifications in the 6 months following notification. In such cases, the conditions for exemption shall not be applied by the Member State concerned until the Commission expressly accepts the resubmitted or modified conditions.</p>		
<p>8. Member States shall adopt authorisation or equivalent permitting criteria to ensure that industrial installations with a total thermal input exceeding 20 MW generating waste heat that are built or substantially refurbished after [the entry into force of this Directive] capture and make use of their waste heat.</p> <p>Member States shall establish mechanisms to ensure the connection of these installations to district heating and cooling networks. They may require these installations to bear the connection charges and the cost of developing the district heating and cooling networks necessary to transport their waste</p>	<p>8. Member States shall adopt authorisation or equivalent permitting criteria to ensure that, when a cost-benefit analysis in accordance with Annex VIIIa shows that the benefits outweigh the costs, industrial installations with a total thermal input exceeding 20 MW generating waste heat that are built or substantially refurbished after [the entry into force of this Directive] capture and make use of their waste heat.</p> <p>Member States shall establish mechanisms to ensure the connection of these installations to district heating and cooling networks.</p>	<p>Member States shall adopt authorisation or equivalent permitting criteria to ensure that:</p> <p>a) when industrial installations with a total thermal input exceeding 20 MW generating waste heat at a useful temperature level are planned or substantially refurbished after [the entry into force of this Directive] a cost-benefit analysis in accordance with Annex VIIIbis to connect these installations to district heating and cooling networks is carried out. Member States shall ensure that in accordance with Annex VIIIbis alternative scenarios other than recovering waste heat and delivering heating and cooling services to potential heat demand points, including district heating and cooling</p>

<p>the provisions in the first sub-paragraph when:</p> <p>a) the threshold conditions related to the availability of heat load set out in point 2 of Annex VIII are not met; or</p> <p>b) a cost-benefit analysis shows that the costs outweigh the benefits in comparison with the full life-cycle costs, including infrastructure investment, of providing the same amount of heat with separate heating or cooling.</p> <p>Member States shall notify such conditions for exemption to the Commission by 1 January 2014. The Commission may refuse those conditions or make suggestions for modifications in the 6 months following notification. In such cases, the conditions for exemption shall not be applied by the Member State concerned until the Commission expressly accepts the resubmitted or modified conditions.</p>		<p>available useful waste heat, the demand for heat and the distances between industrial installations and the district heating networks.</p> <p>[...]</p> <p>Member States shall notify such conditions for exemption to the Commission by 1 January 2014 and any subsequent changes to them thereafter. [...]</p>
		<p><u>8a. For installations covered by Directive 2010/75/EU, paragraphs 3, 6 and 8 of this Article shall apply without prejudice to the requirements of that Directive.</u></p>
<p>9. The Commission shall establish by 1 January 2013 by means of a delegated act in accordance with Article 18 a methodology for the cost-benefit analysis referred to in paragraphs 4 (c), 7 (b) and 8(b).</p>	<p>9. The Commission shall establish by 1 January 2013 a methodology <i>in accordance with the basic guidelines as set out in Annex VIIIa</i> for the cost-benefit analysis referred to in <i>this Article</i>.</p>	<p>9. [...]</p>
<p>10. On the basis of the harmonised efficiency reference values referred to in Annex II (f), Member States shall ensure that the origin of electricity produced from high-efficiency cogeneration can be guaranteed according to objective, transparent and non-discriminatory criteria laid down by each Member State. They shall ensure that this guarantee of origin complies with the requirements and contains at least the information specified in Annex IX.</p>	<p>10. On the basis of the harmonised efficiency reference values referred to in Annex II (f), Member States shall ensure that the origin of electricity produced from high-efficiency cogeneration can be guaranteed according to objective, transparent and non-discriminatory criteria laid down by each Member State. They shall ensure that this guarantee of origin complies with the requirements and contains at least the information specified in Annex IX.</p> <p>Member States shall mutually recognise their guarantees of origin, exclusively as proof of the</p>	<p>10. On the basis of the harmonised efficiency reference values referred to in point (f) of Annex II [...], Member States shall ensure that the origin of electricity produced from high-efficiency cogeneration can be guaranteed according to objective, transparent and non-discriminatory criteria laid down by each Member State. They shall ensure that this guarantee of origin complies with the requirements and contains at least the information specified in Annex IX.</p> <p>Member States shall mutually recognise their guarantees of origin, exclusively as proof of the</p>

<p>Member States shall mutually recognise their guarantees of origin, exclusively as proof of the information referred to in this paragraph. Any refusal to recognise a guarantee of origin as such proof, in particular for reasons relating to the prevention of fraud, must be based on objective, transparent and non-discriminatory criteria. Member States shall notify the Commission of such refusal and its justification. In the event of refusal to recognise a guarantee of origin, the Commission may adopt a decision to compel the refusing party to recognise it, particularly with regard to objective, transparent and non-discriminatory criteria on which such recognition is based.</p> <p>The Commission shall be empowered to review, by means of delegated acts in accordance with Article 18, the harmonised efficiency reference values laid down in Commission Decision [the number of the Decision] on the basis of Directive 2004/8/EC for the first time by 1 January 2015, and every ten years thereafter.</p>	<p>information referred to in this paragraph. Any refusal to recognise a guarantee of origin as such proof, in particular for reasons relating to the prevention of fraud, must be based on objective, transparent and non-discriminatory criteria. Member States shall notify the Commission of such refusal and its justification. In the event of refusal to recognise a guarantee of origin, the Commission may adopt a decision to compel the refusing party to recognise it, particularly with regard to objective, transparent and non-discriminatory criteria on which such recognition is based.</p> <p>Taking into account technical development and innovation, the Commission shall be empowered to review, by means of delegated acts in accordance with Article 18, the harmonised efficiency reference values laid down in Commission Decision [the number of the Decision] on the basis of Directive 2004/8/EC for the first time by 1 January 2015, and every ten years thereafter.</p>	<p>information referred to in this paragraph. Any refusal to recognise a guarantee of origin as such proof, in particular for reasons relating to the prevention of fraud, must be based on objective, transparent and non-discriminatory criteria. Member States shall notify the Commission of such refusal and its justification. In the event of refusal to recognise a guarantee of origin, the Commission may adopt a decision to compel the refusing party to recognise it, particularly with regard to objective, transparent and non-discriminatory criteria on which such recognition is based.</p> <p>The Commission shall be empowered to review, by means of delegated acts in accordance with Article 18, the harmonised efficiency reference values laid down in Commission Decision [the number of the Decision] on the basis of Directive 2004/8/EC for the first time by 1 January 2015, and every ten years thereafter.</p>
<p>11. Member States shall ensure that any available support for cogeneration is subject to the electricity produced originating from high-efficiency cogeneration and the waste heat being effectively used to achieve primary energy savings. They shall not differentiate between electricity consumed on site and electricity exported to the grid. Public support to cogeneration and district heating generation and networks is subject to State aid rules, where applicable.</p>	<p>11. Member States shall ensure that any available support for cogeneration is subject to the electricity produced originating from high-efficiency cogeneration and the waste heat being effectively used to achieve primary energy savings. They shall not differentiate between electricity consumed on site and electricity exported to the grid. Public support to cogeneration and district heating generation and networks is subject to State aid rules, where applicable.</p>	<p>11. Member States shall ensure that any available support for cogeneration is subject to the electricity produced originating from high-efficiency cogeneration and the waste heat being effectively used to achieve primary energy savings. They shall not differentiate between electricity consumed on site and electricity exported to the grid. Public support to cogeneration and district heating generation and networks is subject to State aid rules, where applicable.</p>
<p style="text-align: center;"><i>Article 11</i> Energy transformation</p>		<p style="text-align: center;"><i>Article 11</i> Energy transformation</p>
<p>Member States shall draw up an inventory of data in accordance with Annex X for all installations undertaking the combustion of fuels with total rated thermal input of 50 MW or</p>		<p>1. [...]</p>

<p>more and installations undertaking the refining of mineral oil and gas within their territory. This shall be updated every three years. The annual installation-specific data contained in these inventories shall be made available to the Commission upon request. Member States shall include a non-confidential summary containing aggregated information of the inventories in the reports referred to in Article 19(2).</p>		
		<p>2. Member States may encourage operators of installations <u>undertaking the combustion of fuels with total rated thermal input of 50 MW or more</u> to improve their annual average net operational rates.</p>
<p style="text-align: center;"><i>Article 12</i> Energy transmission and distribution</p>	<p style="text-align: center;">CA 12</p>	<p style="text-align: center;"><i>Article 12</i> Energy transmission and distribution</p>
<p>1. Member States shall ensure that national energy regulatory authorities pay due regard to energy efficiency in their decisions on the operation of the gas and electricity infrastructure. They shall in particular ensure that network tariffs and regulations provide incentives for grid operators to offer system services to network users permitting them to implement energy efficiency improvement measures in the context of the continuing deployment of smart grids.</p> <p>Member States shall ensure that network regulation, and network tariffs set or approved by energy regulatory authorities, fulfil the criteria in Annex XI, taking into account guidelines and codes developed pursuant to Regulation 714/2009 and Regulation 715/2009.</p>	<p>1. Member States shall ensure that national energy regulatory authorities pay due regard to energy efficiency in their decisions on the operation of the gas and electricity infrastructure. They shall in particular ensure that network tariffs and regulations provide incentives for grid operators and other energy services providers to offer system services to network users permitting them to implement energy efficiency improvement measures in the context of the continuing deployment of smart grids. <i>In addition, Member States shall ensure that national energy regulatory authorities take an integrated approach encompassing potential savings in the energy supply and the end-use sectors.</i></p> <p><i>For electricity,</i> Member States shall ensure that network regulation, and network tariffs set or approved by energy regulatory authorities, fulfil the criteria in Annex XI, taking into account guidelines and codes developed pursuant to Regulation 714/2009. <i>For gas, Member States shall ensure that network regulation, and network tariffs set or approved by energy regulatory authorities are developed pursuant to Regulation 715/2009.</i></p>	<p>1. Member States shall ensure that national energy regulatory authorities pay due regard to energy efficiency in their decisions on the operation of the gas and electricity infrastructure. They shall in particular ensure that network tariffs and regulations provide incentives for grid operators to <u>make available</u> system services to network users permitting them to implement energy efficiency improvement measures in the context of the continuing deployment of smart grids.</p> <p>Member States shall ensure that network regulation, and network tariffs [...], fulfil the criteria in Annex XI, taking into account guidelines and codes developed pursuant to Regulation 714/2009 and Regulation 715/2009.</p>

<p>2. Member States shall, by 30 June 2013, adopt plans:</p> <p>a) assessing the energy efficiency potentials of their gas, electricity and district heating and cooling infrastructure, notably regarding transmission, distribution, load management and interoperability, and connection to energy generating installations;</p> <p>b) identifying concrete measures and investments for the introduction of cost-effective energy efficiency improvements in the network infrastructure, with a detailed timetable for their introduction.</p>	<p>2. Member States shall, by 30 June 2013, adopt plans:</p> <p>a) assessing the energy efficiency potentials of their gas, electricity and district heating and cooling infrastructure, notably regarding transmission, distribution, load management and interoperability, and connection to energy generating installations, <i>including micro and small scale energy generators;</i></p> <p>b) identifying concrete measures and investments for the introduction of cost-effective energy efficiency improvements <i>or measures aiming to facilitate the integration of renewable energy production</i> in the network infrastructure, <i>taking due account of transmission distances</i>, with a detailed timetable for their introduction.</p> <p><i>ba) assessing the opportunity of setting up a forward capacity market for the electricity market. This assessment should include a cost/benefit analysis of aligning each Member State's market to target a European market.</i></p>	<p>2. Member States shall <u>ensure</u>, by [30 June 2015] [...] that:</p> <p>a) <u>an assessment is undertaken of</u> the energy efficiency potentials of their gas and electricity [...] infrastructure, notably regarding transmission, distribution, load management and interoperability, and connection to energy generating installations;</p> <p>b) [...] concrete measures and investments <u>are identified</u> for the introduction of cost-effective energy efficiency improvements in the network infrastructure, with a [...] timetable for their introduction.</p>
<p>3. Member States may permit components of schemes and tariff structures with a social aim for net-bound energy transmission and distribution, provided that any disruptive effects on the transmission and distribution system are kept to the minimum necessary and are not disproportionate to the social aim.</p>	<p>3. Member States may permit components of schemes and tariff structures with a social aim for net-bound energy transmission and distribution, provided that <i>the tariff structures contribute to the overall efficiency (including energy efficiency) of the generation, transmission, distribution and supply of electricity</i> and are not disproportionate to the social aim.</p>	<p>3. Member States may permit components of schemes and tariff structures with a social aim for net-bound energy transmission and distribution, provided that the tariff structures contribute to the overall efficiency (including energy efficiency) of the generation, transmission, distribution and supply of electricity.</p>
<p>4. Member States shall ensure the removal of those incentives in transmission and distribution tariffs that unnecessarily increase the volume of distributed or transmitted energy. In this respect, in accordance with Article 3(2) of Directive 2009/72/EC and Article 3(2) of Directive 2009/73/EC, Member States may impose public service obligations relating to energy efficiency on undertakings operating in the electricity and gas sectors.</p>	<p>4. Member States shall ensure the removal of those incentives in transmission and distribution tariffs that unnecessarily increase the volume of distributed or transmitted energy <i>or those that might hamper participation of demand response, in balancing and ancillary services. Member States shall ensure that network operators are incentivised to improve efficiency in infrastructure design and operation, and consumer participation in system efficiency, including demand response depending on national</i></p>	<p>4. Member States shall 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. [...]</p>

	<p><i>circumstances</i>. In this respect, in accordance with Article 3(2) of Directive 2009/72/EC and Article 3(2) of Directive 2009/73/EC, Member States may impose public service obligations relating to energy efficiency on undertakings operating in the electricity and gas sectors.</p>	
<p>5. Member States shall ensure that, subject to requirements relating to the maintenance of the reliability and safety of the grid, based on transparent and non-discriminatory criteria defined by the competent national authorities, transmission system operators and distribution system operators in their territory:</p> <p>a) guarantee the transmission and distribution of electricity from high-efficiency cogeneration;</p> <p>b) provide priority or guaranteed access to the grid of electricity from high efficiency cogeneration;</p> <p>c) when dispatching electricity generating installations, provide priority dispatch of electricity from high efficiency cogeneration.</p>	<p>5. Without prejudice to Article 16(2) of Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources¹, Member States shall ensure that, subject to requirements relating to the maintenance of the reliability and safety of the grid, based on transparent and non-discriminatory criteria defined by the competent national authorities, transmission system operators and distribution system operators in their territory:</p> <p>a) guarantee the transmission and distribution of electricity from high-efficiency cogeneration;</p> <p>b) provide priority or guaranteed access to the grid of electricity from high efficiency cogeneration, in particular when produced from renewable energy sources;</p> <p>c) when dispatching electricity generating installations, provide priority or guaranteed dispatch of electricity from high efficiency cogeneration installations, in particular those using renewable energy sources;</p> <p>ca) implement provisions to provide appropriate compensation for avoided network costs.</p> <p>When providing priority access or dispatch for high efficiency cogeneration, Member States shall establish rules ensuring that priority access or</p>	<p>5. Member States shall ensure that, subject to requirements relating to the maintenance of the reliability and safety of the grid, based on transparent and non-discriminatory criteria defined by the competent national authorities, transmission system operators and distribution system operators in their territory:</p> <p>a) guarantee the transmission and distribution of electricity from high-efficiency cogeneration;</p> <p>[b) provide priority or guaranteed access to the grid of electricity from high efficiency cogeneration;</p> <p>c) when dispatching electricity generating installations, provide priority dispatch of electricity from high efficiency cogeneration in so far as the operation of the national electricity system permits.]</p> <p>Member State shall ensure that rules relating to the ranking of the different access and dispatch priorities granted in their electricity systems are clearly spelled-out and published. Member States may set rankings as between, and within different</p>

¹ *J L 140, 5.6.2009, p. 16*

<p>In addition to the obligations laid down by the first subparagraph, transmission system operators and distribution system operators shall comply with the requirements set out in Annex XII.</p> <p>Member States may particularly facilitate the connection to the grid system of electricity produced from high-efficiency cogeneration from small scale and micro cogeneration units.</p>	<p><i>dispatch for energy from renewable energy sources is not hampered.</i></p> <p>In addition to the obligations laid down by the first subparagraph, transmission system operators and distribution system operators shall comply with the requirements set out in Annex XII.</p> <p>Member States <i>shall</i> particularly facilitate the connection to the grid system of electricity produced from high-efficiency cogeneration from small scale and micro cogeneration units. <i>Member States shall in particular encourage network operators to adopt a simple notification "install and inform" process for the installation of micro cogeneration units to simplify and shorten authorisation procedures for individual citizens and installers.</i></p>	<p><u>types of, renewable energy and high efficiency cogeneration.</u></p> <p>In addition to the obligations laid down by the first subparagraph, transmission system operators and distribution system operators shall comply with the requirements set out in Annex XII.</p> <p>Member States may particularly facilitate the connection to the grid system of electricity produced from high-efficiency cogeneration from small scale and micro cogeneration units.</p>
<p>6. Member States shall take the appropriate steps to ensure that high-efficiency cogeneration operators can offer balancing services and other operational services at the level of transmission system operators or distribution system operators where this is consistent with the mode of operation of the high-efficiency cogeneration installation. Transmission system operators and distribution system operators shall ensure that such services are part of a services bidding process which is transparent and open to scrutiny.</p> <p>Where appropriate, Member States may require transmission system operators and distribution operators to encourage high-efficiency cogeneration to be sited close to areas of demand by reducing the connection and use-of-system charges.</p>	<p>6. Member States shall take the appropriate steps to ensure that, <i>where this is technologically and economically feasible with the mode of operation of the high-efficiency cogeneration installation, high-efficiency cogeneration operators and demand response aggregators</i> can offer balancing services and other operational services at the level of transmission system operators or distribution system operators. Transmission system operators and distribution system operators shall ensure that such services are part of a services bidding process which is transparent, <i>non discriminatory</i> and open to scrutiny.</p> <p>Where appropriate, Member States may require transmission system operators and distribution operators to encourage high-efficiency cogeneration to be sited close to areas of demand by reducing the connection and use-of-system charges.</p>	<p>6. Member States shall take the appropriate steps to ensure that high-efficiency cogeneration operators can offer balancing services and other operational services at the level of transmission system operators or distribution system operators where this is consistent with the mode of operation of the high-efficiency cogeneration installation. Transmission system operators and distribution system operators shall ensure that such services are part of a services bidding process which is transparent and open to scrutiny.</p> <p>Where appropriate, Member States may require transmission system operators and distribution operators to encourage high-efficiency cogeneration to be sited close to areas of demand by reducing the connection and use-of-system charges.</p>
<p>7. Member States may allow producers of electricity from high-efficiency cogeneration wishing to be connected to the</p>	<p>7. Member States may allow producers of electricity from high-efficiency cogeneration wishing to be connected to the grid to issue a call for tender for the</p>	<p>7. Member States may allow producers of electricity from high-efficiency cogeneration wishing to be connected to the grid to issue a call for tender for</p>

grid to issue a call for tender for the connection work.	connection work.	the connection work.
	<p>7a. Member States shall ensure that transmission system operators and distribution system operators, in procuring resources for balancing and ancillary services, treat demand response providers, including aggregators, in a non-discriminatory manner, on the basis of their technical capabilities.</p> <p>Transmission system operators and distribution system operators shall validate the execution of demand response measurement operations and the financial operations of demand response programmes.</p>	
	<p>7b. Member States shall promote access of demand response and their participation in balancing, reserve and other system services markets, if necessary by requiring national regulatory authorities and transmission system operators to define technical specifications for participation in energy market, on the basis of the technical requirements of these markets and demand response capabilities, including through aggregators.</p> <p>The technical tender specification for demand response participation in the energy reserve markets shall include reasonable specifications which may include:</p> <p>(a) minimum number of kW aggregated capacity needed for participation;</p> <p>(b) baseline measurement methodology;</p> <p>(c) minimum number of kW needed for participation per metered location (if any)</p> <p>(d) duration of demand response activation;</p> <p>(e) timing of demand response activation;</p> <p>(f) notice time for activation of demand response;</p>	

	<p><i>(g) telemetry requirements;</i></p> <p><i>(h) penalty requirements</i></p> <p><i>(i) frequency of demand response activation</i></p> <p><i>(j) intervals between activations</i></p> <p><i>(k) tender duration timeframe</i></p> <p><i>(l) option to bid on positive or negative capacity</i></p> <p><i>(m) availability of payments;</i></p> <p><i>When implementing capacity adequacy schemes, Member States shall ensure that the potential for contribution of demand response is fully taken into consideration.</i></p>	
	<p><i>7c. Member States shall develop, as part of their energy efficiency action plans as referred to in Article 19, a demand response action plan, which shall include detailed information on how demand response resources, including smart grids, will be deployed and integrated, in so far as is appropriate, into the regional electricity markets, especially but not limited to the tertiary reserves markets and the capacity markets.</i></p> <p><i>Member States shall ensure that national energy regulatory authorities encourage demand side resources, such as demand response, to participate alongside supply in local or regional wholesale markets.</i></p> <p><i>The Commission shall assess the demand response action plans referred to in this paragraph in accordance with Article 19 (5) and the following success criteria for demand response integration:</i></p> <p><i>(a) market integration and equal market entry opportunities for generation and demand side resources (supply and consumer loads);</i></p> <p><i>(b) demand response shall be permitted to use</i></p>	

	<p><i>demand side loads in aggregate, meaning that aggregators may combine multiple short-duration demand-side resources (consumer loads) into one extended load reduction block, and sell or auction these, as appropriate into multiple organised energy markets, especially but not limited to, the tertiary reserves markets and the capacity markets;</i></p> <p><i>(c) local and regional demand response programmes shall be allowed, to relieve local and regional systems from capacity constraints to optimise existing infrastructure use.</i></p>	
<p>CHAPTER IV Horizontal provisions</p>		<p>CHAPTER IV Horizontal provisions</p>
<p><i>Article 13</i> Availability of certification schemes</p>	<p>CA 13 Availability of certification <u>and/or qualification and/or accreditation</u> schemes</p>	<p><i>Article 13</i> Availability of <u>qualification and certification</u> schemes</p>
<p>1. With a view to achieving a high level of technical competence, objectivity and reliability, Member States shall ensure that, by 1 January 2014, certification schemes or equivalent qualification schemes are available for providers of energy services, energy audits and energy efficiency improvement measures, including for installers of building elements as defined in Article 2(9) of Directive 2010/31/EU.</p>	<p>1. With a view to achieving a high level of technical competence, objectivity and reliability, Member States shall ensure that, by 1 January 2014, certification <i>and/or accreditation</i> schemes <i>and/or</i> equivalent qualification schemes are available for providers of energy services, energy audits and energy efficiency improvement measures, including for installers of building elements as defined in Article 2(9) of Directive 2010/31/EU.</p>	<p>1. Where the national level of technical competence, objectivity and reliability is insufficient, Member States shall ensure that, by 1 January [2015], certification schemes or equivalent qualification schemes 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.</p>
	<p>1a. Member States shall ensure that existing national certification and/or accreditation schemes and/or equivalent qualification schemes for providers of energy services, energy audits and energy efficiency improvement measures that guarantee a high level of technical competence, objectivity and reliability are recognised as schemes referred to in paragraph 1.</p>	
	<p>1b. Member States shall ensure that the schemes referred to in paragraphs 1 and 1a are covered by a single certification / accreditation / qualification framework at the appropriate level, in order to</p>	

	<i>provide transparency to consumers to ensure that these schemes are reliable and will contribute to national energy efficiency objectives.</i>	
2. Member States shall make publicly available the certification schemes or equivalent qualification schemes referred to in paragraph 1 and shall cooperate among themselves and with the Commission on comparisons between and recognition of the schemes.	2. Member States shall make publicly available the certification and/or accreditation schemes or equivalent qualification schemes referred to in paragraphs 1 and 1a and shall cooperate among themselves and with the Commission on comparisons between and recognition of the schemes.	2. Member States shall make publicly available the certification schemes or equivalent qualification schemes referred to in paragraph 1 and shall cooperate among themselves and with the Commission on comparisons between and recognition of the schemes.
	2a. Member States shall ensure that the single point of contact referred to in point (-a) of Article 14 directs consumers to accredited and other qualified energy services providers.	
	Article 13 a Information and training	
	1. Member States shall ensure that information on available energy efficiency mechanisms and financial and legal frameworks is transparent and widely and actively disseminated to all relevant market actors, including consumers, builders, architects, engineers, environmental auditors and installers of building elements as defined in Directive 2010/31/EU. They shall ensure that banks and other financial institutions are informed of the possibilities of participating, including through the creation of public/private partnerships, in the financing of energy efficiency improvement measures.	
	2. Member States shall establish appropriate conditions and incentives for market operators to provide adequate and targeted information and advice to energy consumers on energy efficiency.	
	3. Member States, with the participation of stakeholders, including local and regional authorities, shall develop suitable information, awareness-raising and training programmes to inform citizens of the benefits and practicalities of	

	<i>taking energy efficiency improvement measures.</i>	
	<i>4. The Commission shall ensure that information on best energy-saving practices in Member States is exchanged and widely disseminated.</i>	
<i>Article 14 Energy services</i>	CA 14	<i>Article 14 Energy services</i>
Member States shall promote the energy services market and access for small and medium-sized enterprises to this market by:	Member States shall promote the energy services market and access for small and medium sized enterprises to this market by:	Member States shall promote the energy services market and access for small and medium-sized enterprises to this market by:
<p>a) making publicly available, checking and regularly updating a list of available energy service providers and the energy services they offer;</p> <p>b) providing model contracts for energy performance contracting in the public sector; these shall at least include the items listed in Annex XIII;</p>	<p><i>-a) ensuring a single point of contact is in place to provide basic information on energy services and to direct consumers to accredited providers of energy efficiency services and goods.</i></p> <p>a) making publicly available, checking and regularly updating <i>the</i> list of available <i>accredited and/or qualified</i> energy service providers <i>and companies</i> and the energy services they offer;</p> <p>aa) ensuring that the providers of energy efficiency services and goods referred to in point a) have the required levels of skills and training.</p> <p><i>ab) taking appropriate measures to remove the regulatory and non-regulatory barriers that impede the uptake of energy performance contracting and other third-party financing models for energy saving measures;</i></p> <p>b) <i>encouraging public authorities to use energy performance contracting when carrying out building renovations and</i> providing model contracts for energy performance contracting <i>based on life-cycle cost and benefit analysis, while encouraging long-term contracts that provide greater energy savings</i>; these shall at least include the items listed in Annex XIII;</p> <p><i>ba) considering putting in place an independent mechanism, such as an ombudsman, that is capable of acting across industry sectors to ensure the efficient handling of complaints and out-of-court</i></p>	<p>a) making publicly available [...] and regularly updating a list of available energy service providers and the energy services they offer, <u>or provide an interface where energy service providers can provide information;</u></p> <p>b) providing model contracts <u>and information on best practices</u> for energy performance contracting in the public sector; these <u>model contracts</u> shall at least include the items listed in Annex XIII;</p>

<p>c) disseminating information on available energy service contracts and clauses that should be included in such contracts to guarantee energy savings and final customers' rights;</p> <p>d) encouraging the development of voluntary quality labels;</p> <p>e) disseminating information on financial instruments, incentives, grants and loans to support energy service projects.</p>	<p><i>settlement of disputes arising from domestic household energy efficiency programmes involving multiple suppliers;</i></p> <p>c) disseminating information on available energy service contracts and clauses that should be included in such contracts to guarantee energy savings and final customers' rights;</p> <p>d) encouraging the development of quality labels;</p> <p>e) <i>encouraging the availability of</i> financial instruments, incentives, grants, and loans to <i>foster energy efficiency</i> service projects <i>and long-term investments in energy efficiency and disseminating clear and easily accessible information on these support schemes.</i></p> <p><i>ea) laying down binding rules so that no distortions of competition arise to the detriment of small enterprises in emerging markets for energy services;</i></p> <p><i>eb) supporting independent market intermediaries, networks and platforms that run programmes to stimulate market development on the energy efficiency services demand side as well as on the energy efficiency services supply side, and that link demand and supply of energy efficiency services</i></p> <p><i>ec) supporting project facilitators which, in addition to market facilitators, give advice to public authorities on energy efficiency services tendering procedures, contract design, implementation of contracts and their monitoring for specific energy efficiency services projects.</i></p> <p><i>ed) promoting the role of energy retailers and distributors on the energy services market.</i></p> <p><i>ef) facilitating exchange of best practices for the promotion of the energy efficiency services market.</i></p>	<p>c) disseminating information on available energy service contracts and clauses that should be included in such contracts to guarantee energy savings and final customers' rights;</p> <p>d) encouraging the development of voluntary quality labels, <u>i.a. provided by trade associations;</u></p> <p>e) disseminating information on financial instruments, incentives, grants and loans to support energy service projects;</p> <p><u>f) implementing an interim examination regarding the development status of the energy services market;</u></p> <p><u>g) 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.</u></p>
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		Member States shall ensure that <u>energy distributors, distribution system operators and retail energy sales companies</u> refrain from any activities that may impede the demand for and delivery of energy services or other energy efficiency improvement measures, or hinder the development of markets for energy services or other energy efficiency improvement measures, including foreclosing the market for competitors or abusing dominant positions.
<i>Article 15</i> Other measures to promote energy efficiency	CA 15	<i>Article 15</i> Other measures to promote energy efficiency
1. Member States shall evaluate and take appropriate measures to remove regulatory and non-regulatory barriers to energy efficiency, notably as regards:	1. Member States shall evaluate and take appropriate measures to remove regulatory and non-regulatory barriers to energy efficiency, notably as regards:	1. Member States shall evaluate and <u>if necessary take</u> appropriate measures to remove regulatory and non-regulatory barriers to energy efficiency, <u>without prejudice to national property and tenancy law</u> , notably 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;	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 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;	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;
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 efficiency-improving investments.	(b) legal, regulatory <i>and fiscal</i> 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 <i>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;</i> <i>(ba) the ability of energy companies to offer energy</i>	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 efficiency-improving investments; <u>c) providing energy consumers with reliable information on final prices of energy products.</u>

efficiency services or the uptake of innovative energy performance contracting and other third-party financing models to deliver energy saving measures;

(bb) the purchase, installation, authorisation and connecting to the grid of small scale energy generators, with a view to ensuring that households or groups of households are not deterred from using micro technologies to generate energy.

(bc) without prejudice to measures targeting energy poverty, requiring energy distributors to review their tariffs to ensure that the cost of marginal additional units of consumption of electricity or gas is greater than the initial block of consumed units so as to encourage consumers to be more efficient and not consume more than they need

(bd) the possibility to constitute groups of independent SMEs so as to provide more holistic contract structures such as energy performance contracting.

(bf) restrictions in public support programmes with crowding-out effects that are a barrier towards implementation of energy efficiency services by market actors with a view to ensuring a level playing field in the market and further developing businesses providing energy efficiency services;

(bh) the encouragement of measures that target long term savings or structured programmes.

(bi) assessing whether variable rates of VAT on a rising scale would encourage greater energy efficiency as well as reduced energy consumption in the household sector without prejudice to energy poverty;

(bj) national policies and measures regulating multi-owner property decision-making processes with the aim of facilitating investment in energy savings and

<p>These measures to remove barriers may include providing incentives, repealing or amending legal or regulatory provisions, or adopting guidelines and interpretative communications. These measures may be combined with the provision of education, training and specific information and technical assistance on energy efficiency.</p>	<p><i>setting up funds for this purpose.</i></p> <p>These measures to remove barriers may include providing incentives, <i>establishing public funds for energy efficiency, to which all qualified service providers should have preferential access</i>, repealing or amending legal or regulatory provisions, adopting guidelines and interpretative communications, <i>or simplifying administrative procedures</i>. These measures may be combined with the provision of education, training and specific information and technical assistance on energy efficiency.</p>	<p>These measures to remove barriers may include providing incentives, repealing or amending legal or regulatory provisions, or adopting guidelines and interpretative communications. These measures may be combined with the provision of education, training and specific information and technical assistance on energy efficiency.</p>
<p>2. The evaluation of barriers and measures referred to in paragraph 1 shall be notified to the Commission in the first supplementary report referred to in Article 19(2).</p>	<p>2. The evaluation of barriers and measures referred to in paragraph 1 shall be notified to the Commission in the first supplementary <i>national energy efficiency action plans</i> referred to in Article 19(2).</p>	<p>2. The evaluation of barriers and measures referred to in paragraph 1 shall be notified to the Commission in the first National Energy Efficiency Action Plan referred to in Article 19(2). <u>The Commission shall encourage the sharing of national best practices in this regard.</u></p>
<p><i>Article 16</i> Conversion factors</p>		<p><i>Article 16</i> Conversion factors</p>
<p>For the purpose of comparison of energy savings and conversion to a comparable unit, the conversion factors in Annex IV shall apply unless the use of other conversion factors can be justified.</p>		<p>For the purpose of comparison of energy savings and conversion to a comparable unit, the conversion factors in Annex IV shall apply unless the use of other conversion factors can be justified.</p>
<p>CHAPTER V Final provisions</p>		<p>CHAPTER V Final provisions</p>
<p><i>Article 17</i> Delegated acts and adaptation of annexes</p>		<p><i>Article 17</i> Delegated acts [...]</p>
<p>1. The Commission shall be empowered to adopt a delegated act in accordance with Article 18 to establish the system of mutual recognition of energy savings achieved under the national energy efficiency obligation schemes referred to in Article 6(9).</p> <p>The Commission shall be empowered to adopt a delegated act in accordance with Article 18 to establish the methodology for</p>	<p><i>deleted</i></p>	<p>1. [...]</p> <p>[...]</p> <p>[...]</p>

cost-benefit analysis referred to in Article 10(9). The Commission shall be empowered to adopt delegated act in accordance with Article 18 to review the harmonised efficiency reference values referred to in Article 10(10) third indent.		The Commission shall be empowered to adopt delegated act in accordance with Article 18 to review the harmonised efficiency reference values referred to in the second subparagraph of Article 10(10) [...].
2. The Commission shall be empowered to adopt delegated acts in accordance with Article 18 to adapt to technical progress the values, calculation methods, default primary energy coefficient and requirements in Annexes I to XV and to adapt to competitive conditions the performance requirements in Annex III.		2. The Commission shall be empowered to adopt delegated acts in accordance with Article 18 to adapt to technical progress the values, calculation methods, default primary energy coefficient and requirements in Annexes I to XV [...].
<i>Article 18</i> Exercise of the delegation	CA 16	<i>Article 18</i> Exercise of the delegation
1. The powers to adopt delegated acts are conferred on the Commission subject to the conditions laid down in this Article.	1. The powers to adopt delegated acts are conferred on the Commission subject to the conditions laid down in this Article.	1. The power[...] to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The delegation of power referred to in Article 17 shall be conferred on the Commission for an indeterminate period of time from [the date of entry into force of this Directive].	2. The delegation of power referred to in Article 17 shall be conferred on the Commission for a period of three years from the date of entry into force of this Directive.	2. The [...] power to adopt delegated acts referred to in Article 17 shall be conferred on the Commission for a [...] period of five years from [the date of entry into force of this Directive].
3. The delegation of power referred to in Article 17 may be revoked at any time by the European Parliament or by the Council. A decision of revocation shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the <i>Official Journal of the European Union</i> or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.		3. The delegation of power referred to in Article 17 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the <i>Official Journal of the European Union</i> or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.		4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
5. A delegated act adopted pursuant to Article 17 shall enter into force only if no objection has been expressed either by the		5. A delegated act adopted pursuant to Article 17 shall enter into force only if no objection has been

<p>European Parliament or the Council within a period of 2 months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by 2 months at the initiative of the European Parliament or the Council.</p>		<p>expressed either by the European Parliament or the Council within a period of 2 months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.</p>
<p style="text-align: center;"><i>Article 19</i> Review and monitoring of implementation</p>	<p style="text-align: center;">CA 3</p>	<p style="text-align: center;"><i>Article 19</i> Review and monitoring of implementation</p>
<p>1. By 30 April each year, Member States shall report on the progress achieved towards national energy efficiency targets, in accordance with Annex XIV(1).</p>	<p>1. Each Member State shall submit a report to the Commission on the progress achieved towards their binding national energy efficiency targets, in accordance with Annex XIV(1) by 30 April 2013, and every year thereafter.</p>	<p>1. By 30 April each year, Member States shall report on the progress achieved towards national energy efficiency targets, in accordance with Annex XIV(1). The report may form part of the National Reform Programmes referred to in Council Recommendation 2010/410/EU on broad guidelines for the economic policies of the Member States and of the Union.¹</p>
<p>2. By 30 April 2014, and every three years thereafter, Member State shall submit supplementary reports with information on national energy efficiency policies, action plans, programmes and measures implemented or planned at national, regional and local level to improve energy efficiency in view of achieving the national energy efficiency targets referred to in Article 3(1). The reports shall be complemented with updated estimates of expected overall primary energy consumption in 2020, as well as estimated levels of primary energy consumption in the sectors indicated in Annex XIV(1).</p>	<p>2. By 30 April 2014, and every three years thereafter, Member State shall submit to the Commission supplementary national energy efficiency action plans. These plans shall include national energy efficiency policies, action plans, programmes and measures implemented or planned at national, regional and local level to improve energy efficiency in view of achieving the national energy efficiency targets referred to in Article 3. The plans shall further indicate updated estimates of expected overall primary energy consumption in 2014, 2016, 2018 and 2020 and whether the Member State's improvement in energy efficiency is in line with the trajectory set by the Member States under Article 3, as well as estimated levels of primary energy consumption in the sectors indicated in Annex XIV(1).</p>	<p>2. By 30 April 2014, and every three years thereafter, Member State shall submit National Energy Efficiency Action Plans. The Plans shall cover significant energy efficiency improvement measures and expected/achieved energy savings, including those in the supply, transmission and distribution of energy as well as energy end-use in view of achieving the national energy efficiency targets referred to in Article 3(1). The Plans shall be complemented with updated estimates of expected overall primary energy consumption in 2020, as well as estimated levels of primary energy consumption in the sectors indicated in Annex XIV(1).</p>
	<p style="text-align: center;">CA 17</p>	

¹ OJ L 191, 23.7.2010, p. 28.

<p>The Commission shall, not later than 1 January 2014, provide a template as guidance for the supplementary reports. This template shall be adopted in accordance with the advisory procedure referred to in Article 20(2). The supplementary reports shall in any case include the information specified in Annex XIV.</p>	<p><i>Without prejudice to Article 3, Member States may, taking into account the industry sectors which are exposed to a significant risk of carbon leakage as determined in Commission Decision 2010/2/EU, encourage voluntary agreements among industrial sectors or set separate targets such as primary or final energy intensity or sectoral energy intensities.</i></p> <p>The Commission shall, not later than 1 January 2013, provide a template for the supplementary <i>national energy efficiency action plans as referred to in paragraph 2.</i> This template shall <i>comprise the minimum requirements set out</i> in Annex XIV. <i>Member States shall comply with that template in the presentation of their national energy efficiency action plans.</i></p>	<p>The Commission shall, not later than 1 January 2013, provide a template as guidance for the Plans. This template shall be adopted in accordance with the advisory procedure referred to in Article 20(2). The National Energy Efficiency Action Plans shall in any case include the information specified in Annex XIV.</p>
<p>3. The reports referred to in paragraph 1 may form part of the National Reform Programmes referred to in Council Recommendation 2010/410/EU.</p>		<p>3. [...]</p>
<p>4. The Commission shall evaluate the annual reports and supplementary reports and assess the extent to which Member States have made progress towards the achievement of the national energy efficiency targets required by Article 3(1) and towards the implementation of this Directive. The Commission shall send its assessment to the European Parliament and the Council. Based on its assessment of the reports the Commission may issue recommendations to Member States.</p>	<p>4. The Commission shall evaluate the annual reports and supplementary <i>national energy efficiency action plans</i> and assess the extent to which Member States have made progress towards the achievement of the national energy efficiency targets required by Article 3 and towards the implementation of this Directive. The Commission shall send its assessment <i>and report every year</i> to the European Parliament and the Council. Based on its assessment of the reports <i>and action plans</i> the Commission may issue recommendations to Member States. <i>In particular, if a Member State is not keeping to the indicative trajectory set under Article 3 then the Commission shall require that Member State to set out adequate and proportionate measures to rejoin the trajectory within a reasonable timescale and may in the meantime refuse the action plan.</i></p> <p><i>The first Commission's assessment and report shall be submitted to the European Parliament and the</i></p>	<p>4. The Commission shall evaluate the annual reports and National Energy Efficiency Action Plans and assess the extent to which Member States have made progress towards the achievement of the national energy efficiency targets required by Article 3(1) and towards the implementation of this Directive. The Commission shall send its assessment to the European Parliament and the Council. Based on its assessment of the reports and the National Energy Efficiency Action Plans the Commission may issue recommendations to Member States.</p>

<p>5. The Commission's assessment of the first supplementary report shall include an assessment of the energy efficiency levels of existing and new installations undertaking the combustion of fuels with a total rated thermal input of 50 MW or more and installations undertaking the refining of mineral oil and gas, in the light of the relevant best available techniques as developed in accordance with Directive 2010/75/EU and Directive 2008/1/EC. Where this assessment identifies significant discrepancies between the actual energy efficiency levels of such installations and energy efficiency levels associated with the application of the relevant best available techniques, the Commission shall propose, if appropriate, requirements to improve the energy efficiency levels achieved by such installations or that the use of such techniques shall in future be a condition for the permitting of new installations and for the periodic review of the permits for existing installations.</p> <p>The Commission shall also monitor the impact of implementing this Directive on Directive 2003/87/EC, Directive 2009/28/EC as well as Directive 2010/31/EC.</p>	<p>Council in 2013.</p> <p>CA 18</p> <p>5. The Commission's assessment of the first supplementary <i>national energy efficiency action plans</i> shall include an assessment of the energy efficiency levels of existing and new installations undertaking the combustion of fuels with a total rated thermal input of 50 MW or more in the light of the relevant best available techniques as developed in accordance with Directive 2010/75/EU and Directive 2008/1/EC. Where this assessment identifies significant discrepancies between the actual energy efficiency levels of such installations and energy efficiency levels associated with the application of the relevant best available techniques, the Commission shall propose, if appropriate, <i>by 31 December 2015</i>, requirements to improve the energy efficiency levels achieved by such installations or that the use of such techniques shall in future be a condition for the permitting of new installations and for the periodic review <i>or updating</i> of the permits for existing installations.</p> <p>The Commission shall <i>carefully</i> monitor the impact of implementing this Directive on Directive 2003/87/EC, Directive 2009/28/EC, <i>Decision No 406/2009/EC</i> as well as Directive 2010/31/EC.</p> <p><i>By 30/06/2013 at the latest, the European Commission shall come forward with a proposal to adjust the Effort Sharing Decision (Decision No 406/2009/EC of the European Parliament and of the Council).</i></p> <p><i>As soon as possible but no later than the date of entry into force of this directive, the Commission shall present a report to Parliament and Council. This report shall examine, amongst others, the impacts on incentives for investments in low carbon</i></p>	<p>5. The Commission's assessment of the first National Energy Efficiency Action Plan shall include an assessment of the energy efficiency levels of existing and new installations undertaking the combustion of fuels with a total rated thermal input of 50 MW or more [...], in the light of the relevant best available techniques as developed in accordance with Directive 2010/75/EU and Directive 2008/1/EC. Where this assessment identifies significant discrepancies between the actual energy efficiency levels of such installations and energy efficiency levels associated with the application of the relevant best available techniques, the Commission shall propose, if appropriate, amendments to Directive 2010/75/EU to include requirements to improve the energy efficiency levels achieved by such installations or that the use of such techniques shall in future be a condition for the permitting of new installations and for the periodic review of the permits for existing installations [...].</p> <p>The Commission shall also monitor the impact of implementing this Directive on Directive 2003/87/EC, Directive 2009/28/EC as well as Directive 2010/31/EU.</p>
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	<p><i>technologies and the risk of carbon leakage. Before the start of the third phase, the Commission shall, if appropriate, amend the regulation referred to in article 10 (4) of Directive 2003/87/EC in order to implement appropriate measures which may include withholding of the necessary amount of allowances.</i></p> <p><i>The Commission shall carefully monitor the impact of implementing this directive on industry sectors, in particular on those that are exposed to a significant risk of carbon leakage. The Commission shall propose, if appropriate, by 31 December 2015, measures to ensure that the provisions of this Directive do not impede the development of these sectors.</i></p>	
		<p>5a. The Commission shall review the continued need for the possibility of exemptions from Article 10(3), (6) and (8) for the first time in the assessment of the first National Energy Efficiency Action Plan and every [three] years thereafter. Where the review identifies that any of the criteria for these exemptions can no longer be justified taking into account the availability of heat load and the real operating conditions of the exempted installations, the Commission shall propose appropriate measures.</p>
<p>6. Member States shall submit to the Commission before 30 November each year statistics on national electricity and heat production from high and low efficiency cogeneration, in accordance with the methodology shown in Annex I, in relation to total heat and electricity capacities. They shall also submit annual statistics on cogeneration heat and electricity capacities and fuels for cogeneration, and on district heating and cooling production and capacities, in relation to total heat and electricity capacities. Member States shall submit statistics on primary energy savings achieved by application of cogeneration in accordance with the methodology shown in Annex II.</p>		<p>6. Member States shall submit to the Commission before 30 November each year statistics on national electricity and heat production from high and low efficiency cogeneration, in accordance with the methodology shown in Annex I, in relation to total heat and electricity capacities. They shall also submit annual statistics on cogeneration heat and electricity capacities and fuels for cogeneration, and on district heating and cooling production and capacities, in relation to total heat and electricity capacities. Member States shall submit statistics on primary energy savings achieved by application of cogeneration in accordance with the methodology</p>

		shown in Annex II.
7. By 30 June 2014 the Commission shall submit the assessment referred to in Article 3(2) to the European Parliament and to the Council, followed, if appropriate, by a legislative proposal laying down mandatory national targets.	7. By 30 June 2014 the Commission shall submit the assessment referred to in Article 3(2) to the European Parliament and to the Council <i>and</i> , if appropriate, a legislative proposal laying down mandatory targets <i>if these are not in place in accordance with Article 3.</i>	7. By 30 June 2013 the Commission shall submit the assessment referred to in Article 3(2) to the European Parliament and to the Council, followed, if necessary , by [...] proposals for further measures. [...]
	<p><i>7a. By 30 June 2013, the Commission shall present an analysis and action plan on the financing of energy savings and energy efficient technologies with a view, in particular, to:</i></p> <p><i>(a) better use of cohesion and structural funds and framework programmes;</i></p> <p><i>(b) better and increased use of funds from the European Investment Bank and other public finance institutions;</i></p> <p><i>(c) better access to risk capital, notably by analysing the feasibility of a risk sharing facility for investments in energy savings; and</i></p> <p><i>(d) better coordination of Union, national and regional/local funding and other forms of support.</i></p>	7a. By 30 June 2015, the Commission shall submit the assessment referred to in Article 3(2a) to the European Parliament and to the Council.
8. By 30 June 2018, the Commission shall report to the European Parliament and the Council on the implementation of Article 6. That report shall be followed, if appropriate, by a legislative proposal for one or more of the following purposes:	8. By 30 June 2017 , the Commission shall report to the European Parliament and the Council on the implementation of Article 6. That report shall be followed, if appropriate, by a legislative proposal for one or more of the following purposes:	8. By 30 June 2018, the Commission shall report to the European Parliament and the Council on the implementation of Article 6. That report shall be followed, if appropriate, by a legislative proposal for one or more of the following purposes:
a) to change the saving rate laid down in Article 6(1);	a) to <i>continue or set a new</i> saving rate laid down in Article 6(1);	a) to change the final date laid down in Article 6(1);
b) to establish additional common requirements, in particular as regards the matters referred to in Article 6(5).	b) to establish additional common requirements, in particular as regards the matters referred to in Article 6(5).	b) to establish additional common requirements, in particular as regards the matters referred to in Article 6(5).
9. By 30 June 2018, the Commission shall assess the progress made by Member States in removing the regulatory	9. By 30 June 2016 , the Commission shall assess the progress made by Member States in removing the	9. By 30 June 2018, the Commission shall assess the progress made by Member States in removing the

and non-regulatory barriers referred to in Article 15(1); this assessment shall be followed, if appropriate, by a legislative proposal.	regulatory and non-regulatory barriers referred to in Article 15(1); this assessment shall be followed, if appropriate, by a legislative proposal. The Commission shall make the reports referred to in paragraphs 1 and 2 publicly available.	regulatory and non-regulatory barriers referred to in Article 15(1); this assessment shall be followed, if appropriate, by re commendations .
10. The Commission shall make the reports referred to in paragraphs 1 and 2 publicly available.		10. The Commission shall make the reports referred to in paragraphs 1 and 2 publicly available.
<i>Article 20</i> Committee procedure		<i>Article 20</i> Committee procedure
1. The Commission shall be assisted by a Committee.		1. The Commission shall be assisted by a <u>committee</u> . That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Articles 3, 4 and 9 of the Regulation 182/2011/EU shall apply, having regard to the provisions of Article 11 thereof.		2. Where reference is made to this paragraph, Article [...] 4 [...] of [...] Regulation (EU) No 182/2011[...] shall apply [...].
		3. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply. Where the committee delivers no opinion, the Commission shall not adopt the draft implementing act and the third subparagraph of Article 5(4) of that Regulation shall apply.
<i>Article 21</i> Repeal		Article 21 Repeal
Directive 2006/32/EC is repealed from [the date of time-limit for transposition of this Directive], except its Article 4 (1) to (4) and Annexes I, III and IV, without prejudice to the obligations of the Member States relating to the time limit for its transposition into national law. Articles 4 (1) to (4) and Annexes I, III and IV of Directive 2006/32/EC shall be repealed with effect from 1 January 2017.		Directive 2006/32/EC is repealed from [the date of time-limit for transposition of this Directive], except its Article 4 (1) to (4), Article 13(1) and Annexes I, III and IV, without prejudice to the obligations of the Member States relating to the time limit for its transposition into national law. Articles 4 (1) to (4) and Annexes I, III and IV of Directive 2006/32/EC shall be repealed with effect from 1 January 2017.
Directive 2004/8/EC is repealed from [the date of time-limit for		Directive 2004/8/EC is repealed from [the date of time-limit for transposition of this Directive], without

<p>transposition of this Directive], without prejudice to the obligations of the Member States relating to the time limit for its transposition into national law.</p> <p>Article 9(1) and (2) of Directive 2010/30/EU is repealed from [the date of time-limit for transposition of this Directive].</p> <p>References to Directive 2006/32/EC and Directive 2004/8/EC shall be construed as references to this Directive and shall be read in accordance with the correlation table set out in Annex XV.</p>		<p>prejudice to the obligations of the Member States relating to the time limit for its transposition into national law.</p> <p>Article 9(1) and (2) of Directive 2010/30/EU is repealed from [the date of time-limit for transposition of this Directive].</p> <p>[...]</p> <p>References to Directive 2006/32/EC and Directive 2004/8/EC shall be construed as references to this Directive and shall be read in accordance with the correlation table set out in Annex XV.</p>
		<p><u>Article 21a</u> <u>Amendment to Regulation (EU) No XX/2012</u> <u>[Energy Star]</u></p>
		<p>Article 6 of Regulation (EU) No XX/2012 amending Regulation (EC) No 106/2008 is replaced by the following from [the date of time-limit for transposition of this Directive]: "For the duration of the Agreement, the Commission and the other Union institutions shall, without prejudice to Union law and economic criteria, specify energy-efficiency requirements not less demanding than those set out in the Common Specifications for public supply contracts having a value equal to or greater than the thresholds laid down in Article 7 of Directive 2004/18/EC [...]"</p>
<p><i>Article 22</i> Transposition</p>		<p><i>Article 22</i> Transposition</p>
<p>1. Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive by [12 months after the entry into force of this Directive] at the latest. They shall forthwith communicate to the Commission the text of those provisions and a correlation table between those provisions and this Directive.</p>		<p>1. Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive by [12 months after the entry into force of this Directive] at the latest. They shall forthwith communicate to the Commission the text of those provisions [...].</p>

When Member States adopt those provisions, they shall contain a reference to this Directive or be accompanied by such a reference on the occasion of their official publication. Member States shall determine how such reference is to be made.		When Member States adopt those provisions, they shall contain a reference to this Directive or be accompanied by such a reference on the occasion of their official publication. Member States shall determine how such reference is to be made.
2. Member States shall communicate to the Commission the text of the main provisions of national law which they adopt in the field covered by this Directive.		2. Member States shall communicate to the Commission the text of the main provisions of national law which they adopt in the field covered by this Directive.
<i>Article 23</i> Entry into force		<i>Article 23</i> Entry into force
This Directive shall enter into force on the twentieth day following that of its publication in the <i>Official Journal of the European Union</i> .		This Directive shall enter into force on the twentieth day following that of its publication in the <i>Official Journal of the European Union</i> .
<i>Article 24</i> Addressees		<i>Article 24</i> Addressees
This Directive is addressed to the Member States. Done at Brussels, <i>For the European Parliament For the Council</i> <i>The President The President</i>		This Directive is addressed to the Member States. Done at Brussels, <i>For the European Parliament For the Council</i> <i>The President The President</i>