

Energy Efficiency Obligation after 2020

*Energy efficiency policies toward 2030:
opportunities and challenges for Central Europe*

26 November 2018

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Revised Directive 2012/27/EU on Energy Efficiency

- Clean Energy for All Europeans - **Energy Efficiency First Principle**
- Final approval and publication by the end of 2018
- EU energy efficiency target at **32,5 %**
- Real rate of energy savings at **0,8 % of final energy consumption**
 - ▶ No exclusions and no exemptions

National Energy and Climate Plan

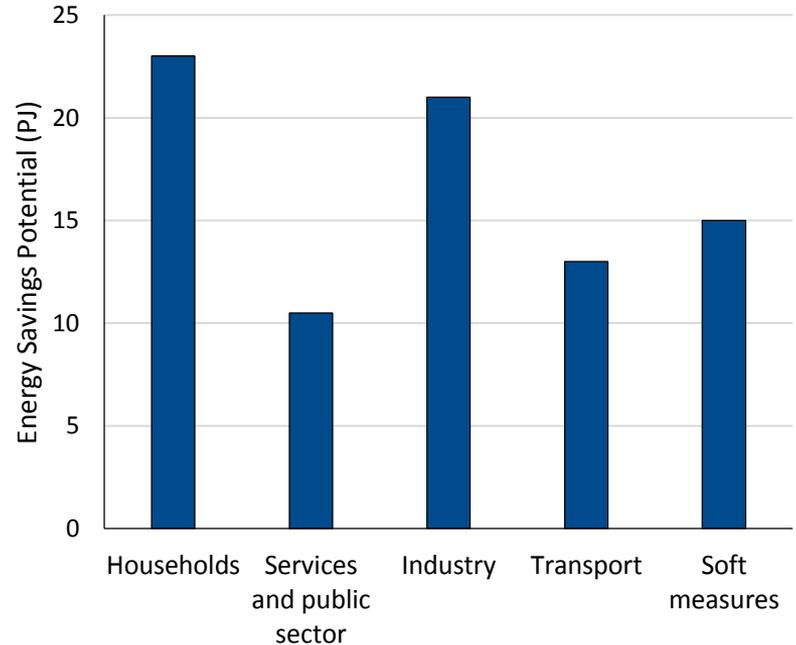
Energy Efficiency

- ➔ National energy efficiency contribution until 2030 (Art. 3)
 - ▶ Maximum level of energy consumption
 - ▶ **Set on the basis of the real potential to reduce energy consumption**
- ➔ Energy savings obligation 2021-2030 (Art. 7)
 - ▶ Cumulative end-use energy savings
 - ▶ Annual energy savings of **8,4 PJ** – total of **462 PJ cumulative energy savings** until 2030

How to make sure we reach the goal?

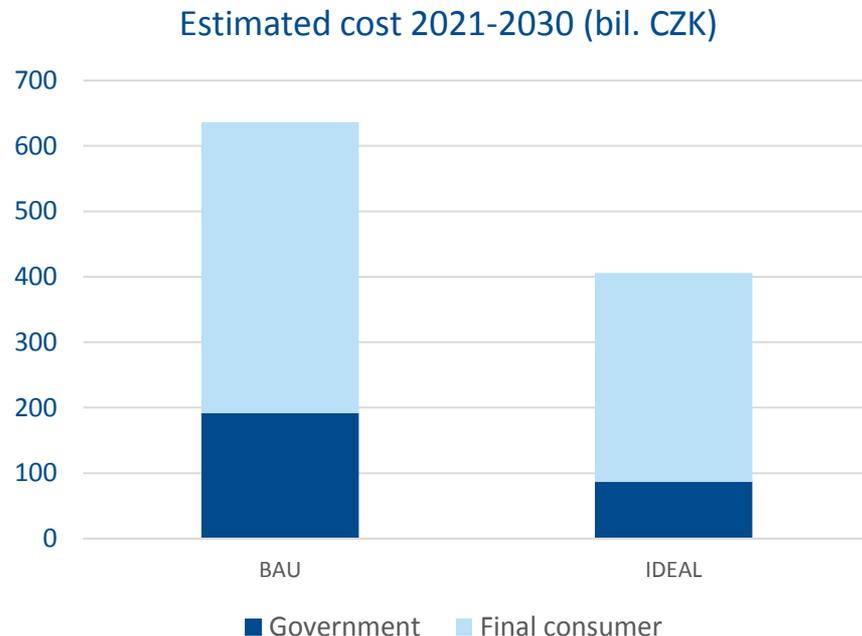
Real energy savings potential for 2021-2030

- ➔ Based on the **realistic estimates** of energy consumption trends and the potential to implement energy savings measures in the individual sectors in 2021-2030
- ➔ **There is insufficient potential in the individual sectors** to fulfil the 84 PJ target on the basis of the current alternative approach
 - ➔ Low rate of additional and material energy savings (6 % in households, 30 % in industry)



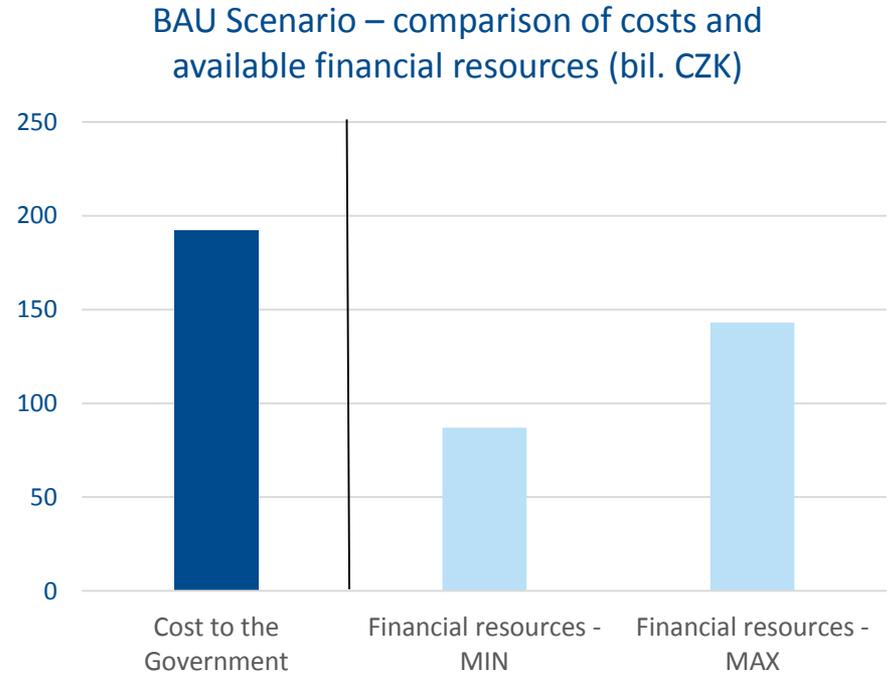
Cost to meet the energy savings obligation

- ➔ Estimated cost to reach the energy savings obligation for 2021-2030 with the current alternative scheme is more than **600 bil. CZK (23 bil. EUR)**
- ➔ **Combination of approaches and eligible energy efficiency policy measures can lead to a reduction of the total cost**



Available financial resources

- ➔ Key factor to determine the approach are **available financial resources in the state budget**
- ➔ Based on the current estimates of the main sources of financing (ESIF and emission trading) **the available financial resources at 87 – 143 bil. CZK**
- ➔ Estimated resources will be **insufficient to cover the cost** of the obligation scheme based on the alternative approach (BAU)

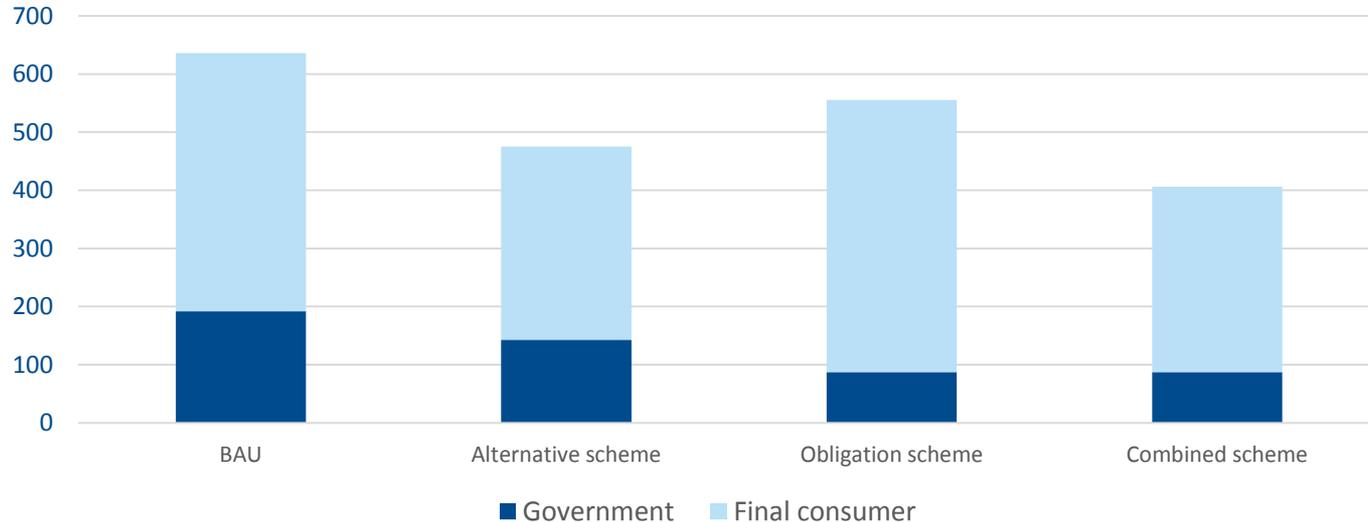


Energy Efficiency Obligation after 2020

- ➔ Key factors:
 - ▶ real energy savings potential
 - ▶ rate of additional and material savings
 - ▶ estimated costs
 - ▶ available financial resources
 - ▶ experience from the current period
- ➔ **Revision of the energy efficiency policy framework for the next period is necessary**
- ➔ Possible scenarios:
 - ▶ Alternative scheme
 - ▶ Obligation scheme
 - ▶ Combined scheme

Combined scheme after 2020

- ➔ Estimated cost of the implementation of the combined scheme is the lowest
- ➔ Part of the obligation implemented by the obligated parties – distributors or retail energy companies
- ➔ **Suitable combination of investment, legislative and soft measures**



Thank you!

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