

## Summary of The Third “Lunch & Learn”

### “Evaluation of EAs and EnMs programmes for enterprises: Lessons learnt from Article 8 for the implementation of Article 11 of the EED recast”

On 9th of April 20 Participants including experts Claudia Toro (ENEA), Ivana Rogulj (IEECP), Simon Hirzel (Fraunhofer ISI) and Carlos Herce (ENEA) discussed Article 11 of the new Energy Efficiency Directive. The four Experts introduced the topic during 4 short presentations which were followed by a discussion moderated by Claudia Toro. The third Lunch and Learn session was organized by Energy Evaluation Europe.

- Topic of discussion: Article 11 of the new Energy Efficiency Directive.
- Objective: Compare Article 8 of the previous Energy Efficiency Directive with the new Article 11, highlighting lessons learned, challenges, and expectations from its transposition.
- Presentation lineup: Claudia Toro (ENEA), Ivana Rogulj (IEECP), Simon Hirzel (Fraunhofer ISI), and Carlos Herce (ENEA), insights based on their extensive experience.

#### 1. Introduction and welcome by Claudia Toro

Focus areas of Article 11: Introduction of new aspects related to energy audits and energy management systems, including changes in obligations based on energy consumption thresholds.

- Notable modifications:
  - Reversal of the title order to emphasize additional requirements for companies, especially those with high energy consumption.
  - Introduction of consumption thresholds to determine audit or management system obligations.
  - Inclusion of an obligation to establish action plans for implementing identified actions.
- Timeline for compliance: Obligated enterprises with consumption higher than 10 terajoules required to undergo energy audits from October 2026, while those with consumption exceeding 85 terajoules must have energy management systems by October 2027.
- Additional points covered in Article 11:
  - Concrete action plans resulting from energy audits' recommendations.
  - Inclusion of water consumption data in enterprise annual reports.
  - Exceptions for companies with certified management systems or environmental management systems.
  - Additional criteria for energy audits outlined in Annex 6, including measures to decrease energy consumption and investigation of renewable energy use.
- Support for SMEs: Member States mandated to implement programs facilitating energy efficiency measures' quantification, development of energy efficiency roadmaps, and establishment of energy efficiency networks, with support from Energy Audit Centers.

## 2. Ivana Rogulj

Discussing specific challenges arising from Article 11 of the Energy Efficiency Directive and how they are addressed through the DEESME 2050 project.

- Focus on challenges faced by smaller companies in implementing energy efficiency measures, including difficulties in financing, low internal capital, lack of awareness, and technical resources.
- Stakeholder consultations highlighted the importance of supporting smaller enterprises and emphasizing the multiple benefits of energy efficiency.
- Suggestions from stakeholders include a benchmarking approach to demonstrate benefits, introduction of simpler monitoring and data collection from the companies, overcoming informational barriers through hubs or one-stop shops, and establishing national structural guidelines.
- Introduction of the concept of multiple benefits or non-energy benefits derived from energy efficiency projects, such as increased productivity and market value.
- Development of a methodology integrating multiple benefits into a company's business model, resulting in sustainability advancements and improved business performance.
- Presentation of a tool for quantifying and monetizing non-energy benefits, aimed at assisting companies and national authorities in energy efficiency implementation.
- Exploration of efforts to reduce monitoring and reporting burdens on companies by integrating multiple benefits into Environmental, Social, and Governance (ESG) indicators.
- Development of a benchmarking tool to provide companies with information on how similar entities approach energy efficiency, fostering motivation and facilitating additional funding.
- Collaboration with large companies to influence energy efficiency practices in their supply chains, thereby benefiting smaller companies.
- Invitation to explore further details on the DEESME 2050 project website and engage with the team for additional information and discussion on how to support companies in implementing Article 11 effectively.

## 3. Simon Hirzel

Discussing challenges and solutions for national authorities responsible for implementing regulations from the Energy Efficiency Directive (EED), focusing on the transition from Article 8 to Article 11.

- Drawing from past projects and evaluations, highlights the need to adapt solutions to fit the diverse contexts of EU member states.
- Challenges identified include limited resources for transposition, identification of obligated companies, ensuring compliance, managing reporting and monitoring burdens, and promoting uptake of energy efficiency measures.
- Strategies to address challenges include setting up straightforward implementation processes, utilizing existing data sources for company identification, and streamlining reporting and monitoring procedures.

- Emphasizes the importance of providing clear and accessible guidance to obligated companies and leveraging peer networks and workshops to facilitate action, particularly for small and medium enterprises (SMEs).
- Non-energy benefits are highlighted as a significant aspect of energy efficiency projects, doubling or tripling energy savings and serving as a convincing argument for implementation.
- Quality assurance measures for audits, such as auditor training and certification, are discussed, along with support mechanisms like workshops and interactive resources to aid companies in understanding and implementing energy efficiency measures.
- Emphasizing the abundance of good practice examples and opportunities for learning and discussion in implementing Article 11 based on experiences from Article 8.

#### 4. Carlos Herce

Challenges with the transposition of the directive and lessons learned from past projects are discussed.

- Identification of obligated companies poses a significant challenge due to limited access to energy data, particularly for SMEs.
- Uncertainty remains regarding the number of obligated companies, which impacts planning and implementation efforts.
- Access to energy data is limited, hindering the assessment of energy consumption, potential savings, and effectiveness of energy efficiency measures.
- Efforts are made to publish information on energy audits and sector analyses to support policymaking and inform companies and auditors.
- Lack of aggregated data on SME energy consumption hampers policy development and necessitates harmonization of data and definitions.
- Analysis of policies for SMEs reveals a lack of qualitative information and transparency across countries, with limited insights into policy effectiveness.
- Challenges persist in accessing energy data and promoting the importance of data availability for policymaking and supporting SMEs.
- Overall, efforts are ongoing to address these challenges and improve data availability and transparency in energy efficiency policymaking.

Discussion:

- There are numerous challenges in transposing from Article 8 to Article 11, but there's a more established base compared to previous efforts.
- Efforts to involve SMEs in energy efficiency initiatives are ongoing, with a focus on emphasizing multiple benefits and addressing risk aversion.
- Sustainability requirements and pressure from other companies may incentivize SMEs to engage in energy efficiency.
- Differentiating approaches for energy efficiency in SMEs across countries could be beneficial, but challenges arise due to varying contexts and mindsets.
- Connecting energy efficiency initiatives with other obligations and objectives like carbon footprint and ESG is complex but being researched.

- Providing benchmarks and data on peer performance can motivate SMEs to engage in energy efficiency measures by making the benefits more tangible and competitive.
- Local associations and chambers of commerce play a crucial role in engaging SMEs in energy efficiency initiatives.
- Differentiating approaches for very small companies versus medium-sized SMEs is necessary due to differences in scope, risk, and mindset.

Follow Up reading:

- DEESME 2050, Developing Energy Efficiency Projects in SMEs for European 2050 targets: <https://ieecp.org/projects/deesme2050/>
- Guidance for national authorities on overcoming challenges in the implementation of Article 8 EED: [https://deesme.eu/wp-content/uploads/2021/07/D2.4\\_Generic-guideline-on-best-practise-public-version.pdf](https://deesme.eu/wp-content/uploads/2021/07/D2.4_Generic-guideline-on-best-practise-public-version.pdf)
- Overview of Energy Efficiency Policies and Programmes for SMEs in Italy:
  - Paper: <https://energy-evaluation.org/wp-content/uploads/2022/10/eee2022-paper-toro.pdf>
  - Presentation: <https://energy-evaluation.org/wp-content/uploads/2022/10/eee2022-presentation-toro.pdf>
- Evaluation of the German Funding Scheme for Energy Efficiency in the Economy: Classical versus Competitive Financial Measures:
  - Paper: <https://energy-evaluation.org/wp-content/uploads/2022/10/eee2022-paper-hirzel.pdf>
  - Presentation: <https://energy-evaluation.org/wp-content/uploads/2022/10/eee2022-presentation-hirzel.pdf>
- More information on various topics: <https://energy-evaluation.org/resources/>
- An extensive review of the energy efficiency policies in SMEs, with quantitative and qualitative analysis can be found in <https://doi.org/10.3390/su16031023>