

GHR Energy Law Quarterly – March 2013

## New EU Directive on Energy Efficiency

### Active energy policy of the EU

The European Union (EU) perceives itself to be pioneer in the area of energies and climate policies, notably in relation to renewable energies and energy efficiency. In “Energy 2020”, the EU pursues the ambitious strategy according to which renewable energies are to increase by 20% and emissions decrease by 20%, and efficiency is also to be increased by 20% (the so-called “20-20-20-goal” according to Directive 2009/28 EG) until the year 2020. Apart from that, there is an Energy Roadmap 2050 which provides for significantly higher values in these areas (55% renewable energies, 80-95% less emissions compared to the 1990 position, 40% energy saving). The strategy “Energy 2020” and the “Energy Roadmap 2050” are to provide a competitive, sustainable and secure power supply.

Since the Treaty of Lisbon (EU-Treaty) which came into effect on 1 December 2009, energy policy is one of the areas in which the EU and its member states share responsibility (Art. 194 EU-Treaty). In these areas, the EU can take steps when it is in the position of being able to act more effectively than the individual member states.

### Energy efficiency as a central issue

In 2011, the EU brought the Action Plan for Energy Efficiency<sup>1</sup> into force. According to this Action Plan, the increase in energy efficiency is one of the central measures for reaching the European Energy Policy’s targets. Notably, the Action Plan relies on improvements in the efficiency of equipment, an improvement in the effectiveness of energy produc-

tion and the introduction of intelligent networks and meters for optimizing consumption.

### Energy Efficiency Directive

On 25 October 2012, the EU issued the Directive 2012/27 on Energy Efficiency for the implementation of the Energy Efficiency Action Plan 2011. This Directive provides mandatory regulations for energy conservation for the member states for the first time. The most important target is the reduction of consumer demand for electricity by 1.5% annually until 2020. The Directive provides a joint framework for the promotion of energy efficiency in the Union and also outlines concrete measures and obligations of individual member states. For instance, the member states are obliged to set their own efficiency targets and to submit national efficiency action plans every three years. However, member states are largely free in their individual implementation measures. Thus, for instance, they can introduce obligations for the energy suppliers or national energy savings plans using other incentives. Furthermore, the target value of 1.5% can be reduced to 1.1% by the member states via exceptions and by means of offsetting earlier savings.

### Effects on Switzerland

Not being a member of the EU, Switzerland is not directly affected by the new Energy-Efficiency Directive. However, the EU’s Energy Strategy is an important influencing factor in the negotiations of bilateral agreements in the area of electricity or energy. An energy policy completely independent of the EU is neither sensible nor realistic for Switzerland as it is an important transit country but also an importer and exporter of electricity. In the long run, integration into the EU’s internal electricity market is inevitable. Accordingly, since 2007,

<sup>1</sup> Energy Efficiency Plan 2011, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the regions, COM (2011) 109.

Switzerland has been negotiating a bilateral electricity agreement with the EU. In 2010, the Swiss Federal Council extended the negotiating mandate so that the newest developments in the EU could be taken into account. To what an extent the new Energy Efficiency Directive will impact matters here is hard to say at this stage. It is clear though that with its “Energy Strategy 2050” Switzerland is pursuing its own concrete goals in the areas of promoting renewable energies and energy efficiency which, in fact, largely correspond to the EU’s targets.

## **Conclusion**

In the area of energy policy, the EU endeavours to ensure a competitive, secure and above all sustainable energy supply. To achieve this, the EU has set itself concrete medium- and long-term targets in the areas of reduction of emissions, promotion of renewable energies and improvement in energy efficiency. To reach these targets, for the first time, the new Energy Efficiency Directive stipulates mandatory provisions for individual member states.

Switzerland is not directly affected by this Directive. However, doubtlessly the ongoing negotiations for a bilateral electricity agreement are being influenced by it.

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