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PKEE's position on the recast of the Directive (EU) 2012/27/EU on energy efficiency

The Polish Electricity Association (PKEE) believes that improvements in energy efficiency are necessary to achieve more ambitious EU climate targets. However, the recast of Directive (EU) 2012/27/EU on energy efficiency (EED) must acknowledge different starting points of individual Member States, especially regarding district heating and high-efficiency cogeneration.

The PKEE believes that a prerequisite for success is to ensure that any new possible targets remain achievable. Yet, the Commission tries to significantly speed up energy efficiency efforts by 2030, which in absolute terms are considerably higher than the current EU target. Having in mind that the Commission has already identified a delivery gap of 2.8 pp. for primary and 3.1 pp. for final energy consumption in the EU, stricter targets might be difficult to fulfil, especially without developed demand side solutions. It is essential to provide the appropriate level of flexibility to Member States in implementing the energy efficiency measures in the way that best suits their national circumstances. Thus, the PKEE is concerned with the proposal of new governance competences to the Commission, as well as a brand new methodology to define reference energy savings that would exclude fossil fuels from 2024.

Poland still has a high share of coal generation and faces major challenges in the district heating sector. Members of the PKEE are actively involved in the transformation of domestic district heating, replacing coal plants with natural gas-fired high-efficiency cogeneration plants bringing numerous benefits to local district heating systems. For Poland, in the short and medium term, it is the only viable solution to reduce emissions, improve air quality and not aggravate energy poverty. Thus, the PKEE is concerned with the proposal to overhaul the definition of an efficient district heating and cooling system. We urge to keep the criteria regarding the share of high-efficiency cogenerated heat, which should not be increased since 2026 but 2030. Cogeneration units are very important both to the security of heat supply and to the national power system since currently around 16% of electricity in the national power system is generated in CHPs. Secondly, the proposals about the share of renewables in efficient systems seem to be unreasonable when taking into account the lack of RES technologies that could ensure a sufficiently high temperature of the carrier supplied to the system. Therefore, we opt for enabling the calculation of RES electricity used for the generation of heat and cold toward RES-H target, as well as with a view of possible changes to the EED. At the same time, respective derogation for large district heating systems should be considered. New requirements should facilitate the transformation of the heating sector, whereas too radical rules for efficient systems might impede the financing of investments (more difficult access to funding) and as a result, bring the opposite effect.

High-efficiency cogeneration is crucial for obtaining primary energy savings, which directly corresponds to the overarching EED objectives. Thus, the PKEE regrets that the Commission proposal to introduce an emission



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performance standard for high-efficiency cogeneration does not foresee any adequate transitional period for an adaptation nor methodology to calculate it. Introducing the limit as of 2026, in relation to proposed changes in the definition of an efficient district heating and cooling system, jeopardises the implementation of the coal phase-out programme in district heating, as it is not possible to complete all investments by the end of 2025. Failure to meet this criterion may threaten the financing possibilities and affect the heat supply to end-users, including industrial and vulnerable users. The PKEE believes that a new criterion should apply as of 2030 to enable adjustment of investment plans and a methodology to calculate CO₂ emissions should reflect the specifics of CHPs' operation.