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Consultation on the review of Directive 2012/27/EU on Energy Efficiency

This paper briefly highlights some remarks to the European Commission's consultation on the review of Directive 2012/27/EU. In a non-exhaustive manner – and without prejudice to the scope of the EEA Agreement – Norway would like to underline the following:

Norway and the EU cooperate on energy efficiency through the EEA agreement. Norway supports an ambitious energy efficiency policy that allows measures to be adapted to national circumstances and based on cost efficiency and benefits. Details on how to set energy efficiency requirements should be tackled at national level to be able to adapt them to each country's energy situation, particularly regarding choice of policy instruments and sector specific areas.

Norway refers to that policies on energy efficiency aims to fulfill several objectives. Improving security of supply and transition to decarbonized economy in Europe are prominent goals. Objectives may also be linked to broader environmental goals, employment, competitiveness and regional policy.

The European countries are different in many aspects, and the optimal ways for reaching the above objectives will therefore differ. When it comes to security of supply the challenge might differ between countries for example with regard to renewable share. While energy efficiency in many countries can contribute to emission reductions in building sector and electricity production, other countries have to focus their efforts more towards the transport sector and industry. The balancing of cost efficient climate policy and energy policy must fit the specific circumstances in each country.

The ambition must be that energy efficient solutions become the preferred choice for consumers in the future. This ambition depends firstly on success in developing and maintaining a well-functioning internal energy market. Ensuring correct price signals and metering energy consumption are core elements in giving consumers the right incentives. It might also be necessary with additional efforts to reduce distinct barriers in different parts of the market. These are often intricately questions, which require great insight and competence on micro-level in the each country. To reduce the distinct barriers we believe in subsidiarity and tailoring to ensure cost efficiency.

With this backdrop, it is likely that the EU-countries have to align their energy efficiency policy to the most important characteristics in the economy, and the energy system. The main concerns are therefore to preserve subsidiarity and flexibility in this policy field.

The review of the Energy Efficiency directive should take into account that in order to achieve improvements in energy efficiency and energy savings, there is a delicate balance between the choice of different measures, such as regulatory measures, market-instruments,

economic incentives and market forces (prices), information measures and voluntary actions. Likewise, it is important to strike a balance between the need for reaching overall political goals and the regulatory measures put in place in Member States. Imbalances between the two might lead to less cost-efficient measures, sub-optimal results and unnecessary bureaucracy. Further progress in this field, will in our opinion, require flexibility in the choice of policy instruments and adaptation to each country's particular situation with regards to energy security, competitiveness and emissions.

With a different energy system in place, due to a high share of renewables, energy intensive industrial production, and comparatively low emissions from the building stock, Norway has accommodated its energy efficiency policies somewhat differently than the EU. Norway has ambitious policies on energy efficiency, emission-reduction and renewable energy, and we have implemented a number of instruments in this area, through regulations, economic incentives, and information measures. When assessing which measures to implement, specific features of the renewable share, the energy production, the energy system and the climatic conditions in Norway are taken into account.