

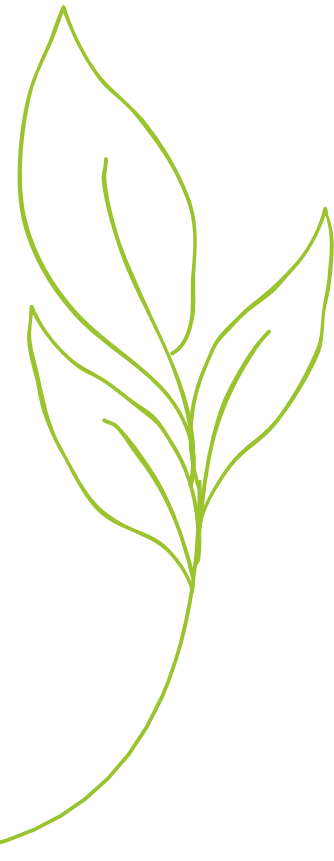


RECAST OF ENERGY EFFICIENCY DIRECTIVE

EESC EXPERT HEARING

DR. ZUZANA KREJCIRIKOVA, CEZ GROUP

CLEAN
ENERGY OF
TOMORROW 

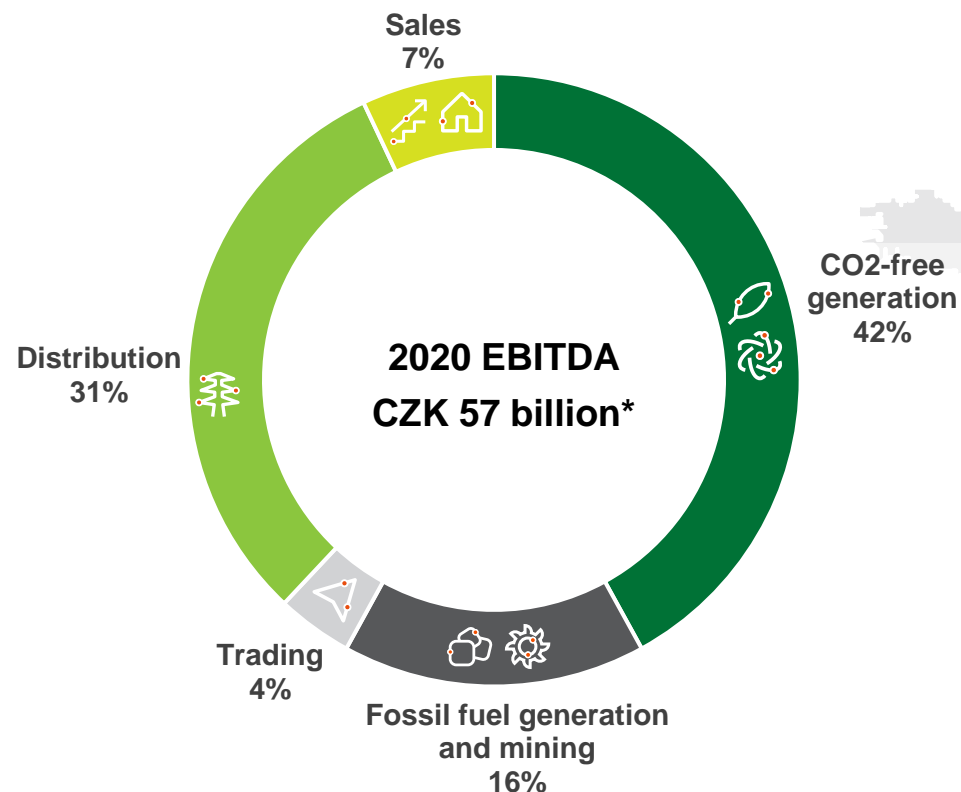


WE ARE AN INTERNATIONAL UTILITY, AMONG THE LARGEST IN EUROPE BY MARKET CAP

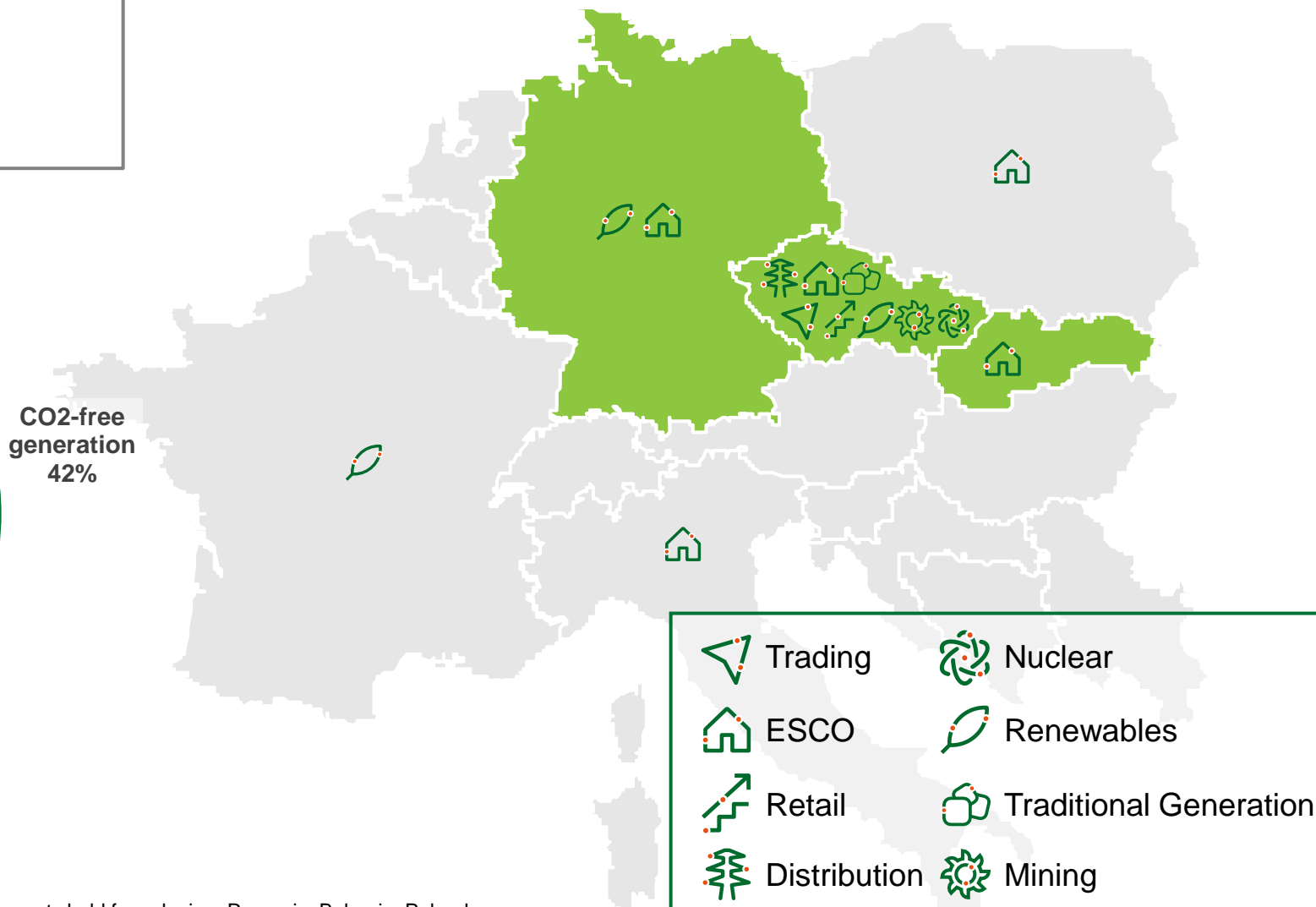


CEZ Group

10th largest in number of customers
 12th largest in installed capacity
 15th largest by market capitalization



CO2-free generation
42%



* Strategic assets, excluding CZK 7.6 billion contribution of assets held for sale, i.e., Romania, Bulgaria, Poland

WE LEAD ENERGY TRANSFORMATION OF THE CENTRAL EUROPE THROUGH BRINGING THE CLEAN ENERGY OF TOMORROW



Generation

Transforming electricity and heat generation to low-emission, growing renewables

Distribution

Continuous modernization and digitalization of our distribution networks

Retail

Leading electricity supplier of energy helping to decarbonize the Czech industrial base

ESCO

Expanding energy services and clean decentralized generation and heating in Czechia, Germany, Poland, Slovakia and Northern Italy

ENERGY EFFICIENCY DIRECTIVE RECAST COULD REPRESENT A SUPPORTIVE TOOL FOR DECARBONISATION IF BASED ON REALISTIC MEASURES



- **Art. 3 – new Energy efficiency first principle**
 - The MS will ensure consideration of the principle in planning, policy, major investment decisions in energy systems
 - The principle shouldn't be applied as a dogma. Sometimes it is more cost efficient to generate clean electricity through RES rather than to save it. Some decarbonisation-delivering technologies are highly energy intensive. In order to reach the decarbonisation goals it would be contra-productive to cap energy consumption – the same applies to the efficiency targets in art. 4 or saving obligations in art. 8.
- **Art. 4 – Energy efficiency targets**
 - MS should achieve an EU binding reduction in energy consumption by 9% in 2030 compared to the projections of the 2020 reference scenario, resulting in final energy consumption up to 787 Mtoe and primary consumption 1023 Mtoe.
 - Increasing the ambition for efficiency targets at the EU level is disproportionately high given that only 9 Member States are estimated to have met their indicative national targets by 2020.
 - Goal of decarbonisation should stand higher than energy consumption target, especially if the extra energy would be RES generated.
- **Art. 7 – Public procurement**
 - Applies to not only contracting authorities, but also contracting entities (energy companies – when concluding public contracts and concessions with a value above thresholds (2014/23/EU, 2014/24/EU, 2014/25/EU) should purchase only products, services, buildings and works with high energy-efficiency performance
 - This demand should be directed solely towards public bodies not energy companies.

IF NOT HANDLED IN A REALISTIC MANNER, THE EED RECAST COULD EVEN HINDER DECARBONISATION IN MANY MS



- **Art. 8 – Energy savings obligation**
 - 1.1.2021 - 31.12.2023 – **new annual final energy savings 0.8%**
 - 1.1.2024 - 31.12.2030 – **new annual final energy savings 1.5%**
 - Annual final energy consumption savings almost doubled is a disproportionately high ambition, given that 12 Member States, including the Czech Republic, are unlikely to meet the cumulative savings by 2020.
 - Goal of decarbonisation should stand higher than energy final consumption obligation, especially if the extra energy would be RES generated.
- **Art. 24 – Heating and cooling supply – definition of efficient district heating/cooling**
 - Changes of the definition over time (until end 2025, as of 2026, 2035, 2045 and 2050) prescribing minimum shares of RES, waste heat and (high efficiency) cogenerated heat.
 - Application of the changes in definition over time must not have a retroactive effect, otherwise it would be very problematic for operational support granted or in the case of project financing.
 - Change of definition should not apply to systems already in operation, but only to new or significantly refurbished systems.