

Efficiency First means Consumers First: the crucial role of energy advisory services in realising the EU's energy ambitions

A briefing by the Energy Advice Exchange, September 2016

Consumers should be at the centre of EU energy in buildings policy. Active and engaged consumers are essential for Europe to achieve its ambition to move to a low carbon, secure and competitive economy. The EU policy package, though, barely provides for consumer support for energy efficiency and renewable energy investments, in the form of energy advisory services. There is an opportunity to refocus the policy package to put the Consumer First through this Autumn's review of the two main framework directives to promote energy savings and renewable energy in buildings (Energy Performance of Buildings Directive [EPBD] and Energy Efficiency Directive [EED]). This briefing highlights the importance of providing energy advisory services that support the critical role of the consumer in realising the EU's energy ambitions. A Discussion Paper to support this briefing will follow shortly.

Why energy advisory services are essential to EU climate ambitions

The European Union's ambitious climate and energy targets for 2020 and 2030 are likely to become more ambitious following the COP21 Paris Agreement. Energy Efficiency is recognised as the most cost-effective method of reducing carbon and 'Efficiency First' is one of the five policy pillars of the EU's Energy Union.

To realise the full potential for energy efficiency, the buildings sector will require a huge increase in both the rate of building renovation (annual rate must be tripled before 2020, [EPBD CA, 2013](#)) and in the ambition of each renovation (to nearly zero energy, smart buildings). There must be a significant transition from a model which relies on a centralised energy supply to a model where the 'First Fuel' – energy efficiency – is delivered by many decentralised energy saving actions carried out by an even greater number of diverse stakeholders. In this new model, the consumer is at the centre of the market. The EU's 'Efficiency First' pillar must be delivered hand in hand with a 'Consumer First' approach.

In this decentralised model, reliance on large numbers of individual actions by consumers creates an enormous need for consumer information, advice, and support.

Consumer advisory services can deliver against some of the headline priorities of the 'Efficiency First' policy model. Advisory services create consumer awareness that leads to demand for renovation; can overcome market barriers and distortions from a malfunctioning market; secure actual delivered energy and carbon savings; and address social inclusion and fairness. Advisory services also act as the 'glue' between other policy interventions like incentives, legislation and standards, certification, funding and finance.

Currently, however, the provision of advisory services to consumers (defined here as households and SMEs) is the

weak link in the European energy in buildings policy package.

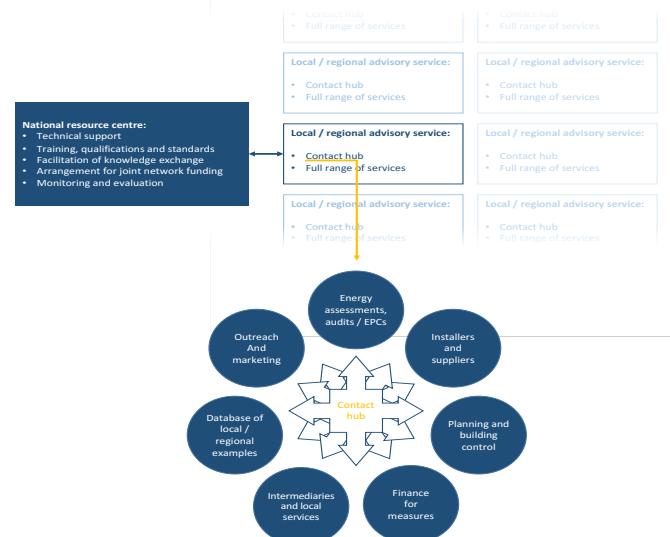
What are effective energy advisory services

Most European countries have been providing some form of energy advice since the oil crises in the 1970s. Yet, there is little consolidated understanding of what energy advisory services are for, what they can achieve in practice, and how. Furthermore, there is no clear definition of what energy advisory services entail in the European policy documents.

This has resulted in various interpretations of what constitutes adequate information or advisory services and a frequent mismatch between the aim of the policy and the adequacy of the advice provided.

A blueprint below illustrates an energy advisory service that adequately supports the level of renovation Europe needs. The service must be expert, independent of commercial bias, tailored to the needs of the individual consumer and building, and accessible to all. It is also likely to be local, integrated and holistic (a 'one-stop-shop') and serve a number of different consumers and supply chains.

A blueprint for energy advice for deep renovation

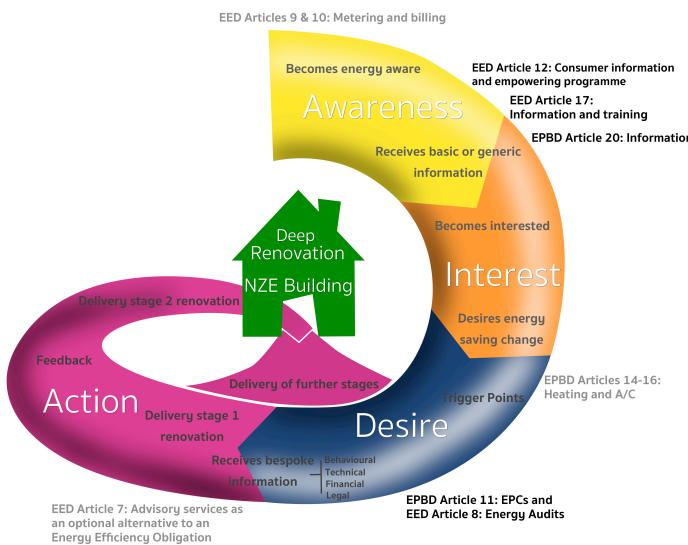


Energy advice in the current EU policy package

An assessment of the information or advice measures in the two Directives under review this Autumn, and the National Renovations Strategies, found:

- There is no clear definition of information and advisory services in the EPBD or EED; and little clarity on the spectrum from awareness raising to full bespoke support, or the level of input needed to support deep, staged renovations.
- Information and advice are not conceived from a consumer's perspective. Provisions are piecemeal, overlapping and non-specific. They fail to promote assistance to consumers in the essential action stages of the customer journey.
- The EPC is severely limited in its potential to adequately support a consumer to achieve a deep renovation and should not be seen as an adequate stand-alone measure.
- National Renovation Strategies, required by the EED, generally (with a few notable exceptions) fail to reflect the necessary role of improved advisory services in delivering the scale and depth of renovations needed.

Mapping of the information and advice measures in the EPBD and EED against consumer journey



Recommendations for the new energy efficiency package

- EED, Article 2 should be revised to include a definition of advisory services and 'one-stops-shops';
- The overlapping information requirements of the EPBD and EED (specifically the 'generic information' requirements in EED Articles 12, 17 and EPBD Article 20) should be consolidated;
- There should be a requirement within the EED for a

robust strategy for information and advice provision to consumers on technical, legal, financial and behavioural issues; and clear requirements for relevant stakeholders in the market (at a minimum, energy auditors, contractors, installers, financial institutions) to provide information to consumers;

- The new requirement in the EED should emphasise advisory services that assist consumers at the 'action' stages of a renovation, and encourage future stages of renovation. This could be delivered effectively through a 'one-stop-shop' approach;
- The new requirements should be specific and measureable and stipulate that advice services must be evaluated regularly and evaluation reports published;
- For clarity, in EED Article 7 (9(f)) 'training and education' and 'energy advisory programmes' should be listed as separate policy measures as alternatives to the Energy Efficiency Obligation Scheme.
- The value of the EPC as a consumer information tool should be increased by requiring a long-term renovation plan for the building, which can be updated over time in EPBD Article 11 (2).
- A consolidation of existing Articles in the EPBD (in particular Articles 7 [renovation] and 14-16 [systems inspections]) should require identification of the key 'trigger points' for energy renovation and mechanisms in place to ensure referral to adequate and appropriate advisory services.
- Changes should be made to improve the conceptualisation and presentation of information and advisory services in National Renovations Strategies:
 - EED Article 4 should be reworded to increase the focus on the broader policy framework beyond stock data/technical potential and finance provision.
 - To support investment by consumers, Article 4 should include a requirement for mechanisms to provide advisory services to facilitate deep, staged renovations and the transition to 'smart', integrated buildings.
 - The Commission's [guidance](#) on the National Renovation Roadmaps should provide for a more comprehensive elaboration on "policies and measures" (EED Article 4(c)). In particular, point 3((a)) which defines the need for an appraisal of "Information campaigns" should be changed to read "*Information and Advice services for consumers*".
- A resource should be created for member states to design advisory programmes; and as a first step, establishment of a working group under the three relevant Concerted Actions (EPBD, EED and RES) to explore options.