

Responsible and managing authority: Ministry for the Economy

### Status, timeline and current target

The scheme has started in **January 2015**, for a period up to the end of **2020**.

The overall target has been set to achieve 100% of the target for the EED article 7: **5 993 GWh** of final energy savings cumulated **over 2015-2020**.

The individual targets are set annually (level of about **285 GWh/a** of new final energy savings).

In 2015, 162 GWh has been reported by obligated parties and 102 GWh assumed by the ministry.

### Energy savings actions

Actions are eligible in **all end-use sectors** to save **all types of energy**. A catalogue of **40 standardised actions** (including deemed savings) has been prepared. A calculation methodology is available for other types of actions. Behavioural actions may be eligible under conditions.

The results are counted in **1st-year final energy savings**, taking into account that the actions have to deliver savings in 2020. In 2015, in number of measures, most of them were realised in buildings. But in terms of energy savings, half were achieved in the residential/commercial sector and half in the industry sector.

### Specificities of the scheme or context

The obligation is defined as a mission of public service. This allows the scheme to be partly funded by the State budget.

The high share of savings in the residential sector in 2015 can be explained because specific measures are more complex and time-consuming to implement. So few of them could be completed at the start of the scheme. However, specific measures, despite their small number, account for half the total savings made.

### Key actors and scope

The **Ministry** has the responsibility of the scheme, including its administration and management. The **Energy Regulator** applies the sanctions after decisions by the Ministry. The agency **MyEnergy** provides a technical support.

The obligated parties are all the **electricity** (10) and **gas** (6) **suppliers**, based on their sales in the **residential, service and industry** sectors. Some suppliers are both electricity and gas suppliers. In this case, their market shares in electricity and gas are added for the purpose of the calculation of their annual target.

No trading is included, but **bilateral transfers** of energy savings certificates may be possible between obligated parties. Energy savings projects can be led by third parties (installers, energy advisors, etc.), but they have to be directly subcontracted by the obligated parties (through call for projects, bilateral contracts or simple negotiations).

### Accounting/crediting/validation of the energy savings

Obligated parties have to **report their energy savings each year** (before 31<sup>th</sup> March). Actions are reported according to a standard template defined by the Ministry of the Economy. **Complementary details** have to be documented and **kept for 10 years in case of control** (especially the documentation of the type of intervention with the final customer and the attestation of anteriority).

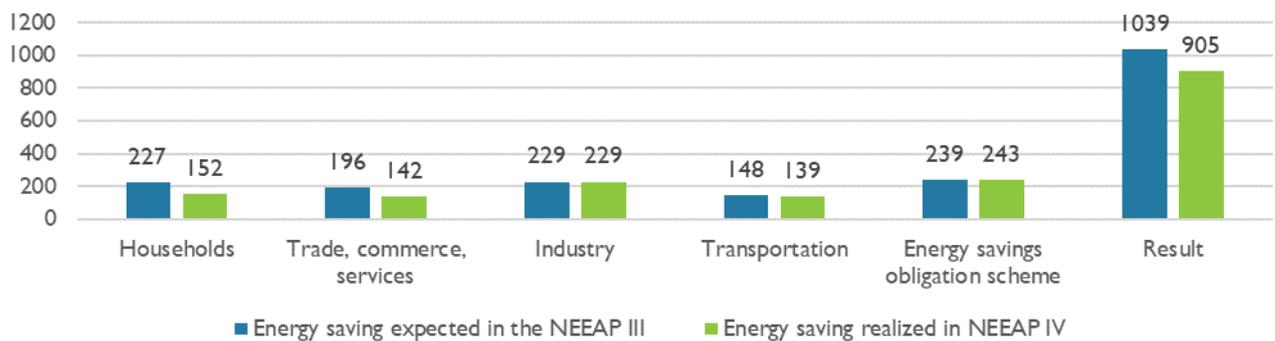
Independent consultancies perform **annual random controls** of a representative sample of actions, under the supervision of the Ministry of Economy. The control of 5% of the energy efficiency measures validated for 2015 is currently in progress.

**Penalties** may be applied in case of non-achievement of the target, but the penalties are **not in full discharge** (the missing energy savings have to be achieved the next year).

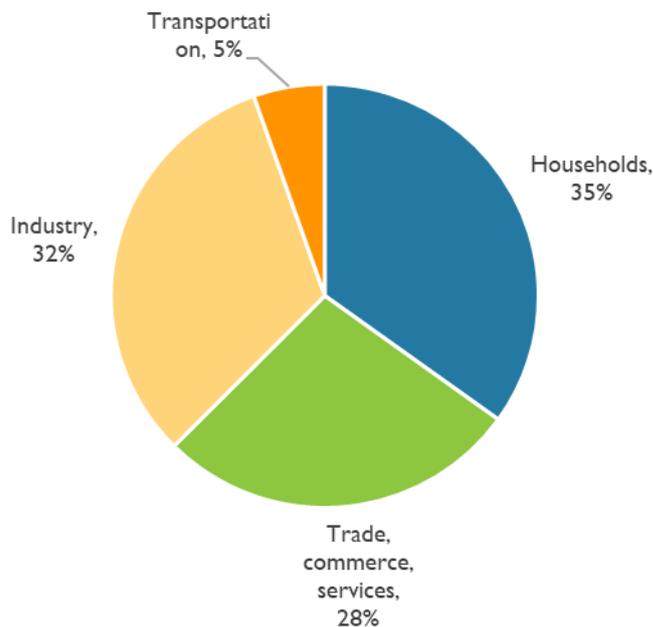




### Overview of the cumulative energy savings expected and the actual energy savings for the years 2013-2015 [GWh]



### Forecast in final energy savings in 2020 by sector [GWh]



The central energy efficiency measure in industry is **the voluntary agreement** between the Luxembourg Government and the Luxembourg Business Federation. It aims to improve energy efficiency by 7% for the period 2016-2020.

Two fiscal measures that will increase the cost of motorised transport are implemented to improve energy efficiency in **the transport sector**. Expanding public transport and soft mobility is used to encourage a shift to more sustainable forms of transport.

In January 2017, **the Climate Bank** entered into effect. It offers applicants financial support in the form of loans with reduced interest rates, or interest-free loans for low-income households.

#### Costs for obligated parties

The additional costs borne by obligated parties from making energy savings may be passed on to the final consumers, thus leading to an increase in electricity and gas prices. In order to avoid distortion of competition, a tax may be imposed on energy sources such as fuel oil, as the fuel oil suppliers are not included in the obligation scheme.

#### Other information about costs and benefits

The obligated parties may undertake measures in all sectors (including transport) and involving all types of energy in order to achieve energy savings with the best cost-benefit ratio.