

Intelligent Energy



Europe

# WORK PROGRAMME 2007



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# I. GENERAL PROVISIONS

## 1. INTRODUCTION AND BACKGROUND

### 1.1. Policy background

The objective of the IEE II Programme is to contribute to secure, sustainable and competitively priced energy for Europe, by providing for action<sup>1</sup>:

- to foster energy efficiency and the rational use of energy resources;
- to promote new and renewable energy sources and to support energy diversification;
- to promote energy efficiency and the use of new and renewable energy sources in transport.

It will in particular contribute to the Commission's proposed integrated energy and climate change package<sup>2</sup> including the renewable energy road map<sup>3</sup>.

Intelligent Energy – Europe II (IEE II) builds on the experience gained from its predecessor, the first Intelligent Energy - Europe (IEE) Programme that was established by Decision 1230/2003/EC of the European Parliament and of the Council of 26 June 2003. This Programme has become the main Community instrument to tackle non-technological barriers to the spread of efficient use of energy and greater use of new and renewable energy sources.

As recommended in the Mid-term Evaluation of IEE<sup>4</sup>, IEE II has been included in the overall Competitiveness and Innovation Framework Programme (CIP)<sup>5</sup> in order to contribute to achieving the objectives of EU energy policy and to implementing the Lisbon Agenda.

IEE II should also help with faster and smooth implementation of energy-specific legislation. The objectives and priorities included in this document reflect also the following policy communications and legislation:

- Action Plan on Energy Efficiency<sup>6</sup>;

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<sup>1</sup> Decision No 1639/2006/EC of the European Parliament and of the Council of 24 October 2006 establishing a Competitiveness and Innovation Framework Programme (2007 to 2013), OJ L 310/15, 09.11.2006, , Article 37.

<sup>2</sup> Communication from the Commission to the European Council and the European Parliament, An energy policy for Europe, COM(2007)1 final of 10.01.2007

<sup>3</sup> Communication from the Commission to the Council and the European Parliament, Renewable Energy Road Map – Renewable energies in the 21st century: building a more sustainable future, COM(2006)848 final of 10.01.2007

<sup>4</sup> Commission Staff Working Paper, Annex to the Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions, Mid-term Evaluation of the Multiannual Programme for Action in the Field of Energy “Intelligent Energy - Europe, 2003-2006”, Summary of the Evaluators' Report, March 2006 (COM(2006) 357 final).

<sup>5</sup> Articles 37 to 45 of Decision No 1639/2006/EC of the European Parliament and of the Council of 24 October 2006 establishing a Competitiveness and Innovation Framework Programme (2007 to 2013).

<sup>6</sup> Communication from the Commission; Action Plan for Energy Efficiency: Realising the Potential (SEC(2006)1173).

- Biomass Action Plan<sup>7</sup>;
- Directive on electricity from renewable energy sources<sup>8</sup>;
- Directive on the energy performance of buildings<sup>9</sup>;
- Directive on the promotion of liquid biofuels for transport<sup>10</sup>;
- Directive on cogeneration of heat and power<sup>11</sup>;
- Directive on energy end-use efficiency and energy services<sup>12</sup>;
- Ecodesign Directive<sup>13</sup> and Energy Labelling Directives;
- Energy Star Agreement<sup>14</sup>.

## 1.2. Link with other EU programmes

Intelligent Energy Europe - II offers new possibilities for synergy with action under the other two pillars of the CIP. The possibility of recourse to the instruments, networks and facilities for SMEs provided for the whole CIP is one example.

The CIP has been designed fully to complement the 7th Framework Programme for research and technological development (FP7) including the relevant technology platforms (such as biofuels, forest sector, sustainable chemistry etc). In the case of Intelligent Energy - Europe II, the field of activity includes best available energy technologies and non-technological action, whereas the energy component of FP7 focuses on the research, development and demonstration sides.

The action taken under Intelligent Energy - Europe can also serve to reinforce and/or prepare the way for action within other programmes with energy-related objectives, such as the Structural Funds or LIFE +.

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<sup>7</sup> Communication from the Commission; Biomass Action Plan (SEC(2005) 1573).

<sup>8</sup> Directive 2001/77/EC of the European Parliament and of the Council of 27 September 2001 on the promotion of electricity produced from renewable energy sources in the internal electricity market.

<sup>9</sup> Directive 2002/91/EC of the European Parliament and of the Council of 16 December 2002 on the energy performance of buildings.

<sup>10</sup> Directive 2003/30/EC of the European Parliament and of the Council of 8 May 2003 on the promotion of the use of biofuels or other renewable fuels for transport.

<sup>11</sup> Directive 2004/8/EC of the European Parliament and of the Council of 11 February 2004 on the promotion of cogeneration based on a useful heat demand in the internal energy market and amending Directive 92/42/EEC.

<sup>12</sup> Directive 2006/32/EC of the European Parliament and of the Council of 5 April 2006 on energy end-use efficiency and energy services and repealing Council Directive 93/76/EEC.

<sup>13</sup> Directive 2005/32/EC of the European Parliament and of the Council of 6 July 2005 establishing a framework for the setting of ecodesign requirements for energy-using products and amending Council Directive 92/42/EEC and Directives 96/57/EC and 2000/55/EC of the European Parliament and of the Council.

<sup>14</sup> Council Decision 2006/1005/EC of 18 December 2006 concerning conclusion of the Agreement between the Government of the United States of America and the European Community on the coordination of energy-efficient labelling programmes for office equipment, Official Journal L 381 of 28.12.2006.

As a general rule, in conformity with Article 111(1) of the Financial Regulation, one project may give rise to the award of only one grant from the Community budget to any one beneficiary.

### **1.3. Link with national initiatives**

Actions should be complementary with relevant actions in/of Member States and participating countries. With the objective of maximising the impact of IEE II projects, proposers are encouraged to link their proposals to national, regional or local programmes.

### **1.4. Annual programming**

The CIP common provisions (Article 5) provide for an annual work programme for all specific programmes, taking into account the need to adjust to future developments. As provided for in the CIP Decision (Article 45), this Work Programme contains the following elements:

- measures needed for implementation of the Programme,
- priorities;
- related qualitative and quantitative objectives;
- appropriate evaluation criteria and qualitative and quantitative indicators to analyse effectiveness in delivering outcomes that will contribute to achieving the objectives of the IEE Programme and the CIP;
- operational timetables;
- the rules for participation; and
- the submission, selection, evaluation and award criteria.

These annual work programmes will be adopted by a decision of the Commission after prior consultation of the Member States, via the Intelligent Energy - Europe Management Committee (IEEC)<sup>15</sup>.

### **1.5. Structure of this document**

The annual Work Programme is divided into two parts:

#### **(1) General provisions**

Part I of the Work Programme covers the background to the Programme and how it is embedded into the CIP. It also highlights the link with other instruments of the Community and the Member States and the role of any Executive Agency. It sets out the objectives of the Programme and describes the means of implementing it. Most of the chapters focus on grants, the main instrument for implementing the IEE II Programme. They describe the instruments, rules for participation, funding limits, evaluation, negotiation and award procedure plus

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<sup>15</sup> CIP Decision, Article 46.

property rights. The general provisions also describe the expected outputs and programme indicators with a view to future evaluations and adjustments.

(2) Technical priorities

Part II of the Work Programme covers the technical priorities for grants and procurement for 2007. It includes the sectoral objectives, priorities for action, key players and target groups, and specific sectoral indicators.

## **2. OBJECTIVES, STRUCTURE AND MEANS OF IMPLEMENTATION**

### **2.1. Objectives of IEE II**

The objective of the IEE II Programme is to contribute to secure, sustainable and competitively priced energy for Europe, by providing for action:

- to foster energy efficiency and the rational use of energy resources;
- to promote new and renewable energy sources and to support energy diversification;
- to promote energy efficiency and the use of new and renewable energy sources in transport<sup>16</sup>.

In operational terms the IEE II Programme aims to<sup>17</sup>:

- (a) provide the elements necessary for the improvement of sustainability, the development of the potential of cities and regions, as well as for the preparation of the legislative measures needed to attain the related strategic objectives; develop the means and instruments to follow up, monitor and evaluate the impact of the measures adopted by the Community and its Member States in the fields addressed by that Programme;
- (b) boost investment across Member States [of the European Union] in new and best performing technologies in the fields of energy efficiency, renewable energy sources and energy diversification, including in transport, by bridging the gap between the successful demonstration of innovative technologies and their effective, broad market uptake in order to attain leverage of public and private sector investment, promote key strategic technologies, bring down costs, increase market experience and contribute to reducing the financial risks and other perceived risks and barriers that hinder this type of investment;
- (c) remove the non-technological barriers to efficient and intelligent patterns of energy production and consumption by promoting institutional capacity building ... , by raising awareness, notably through the educational system, by encouraging exchanges of experience and know-how among the main players concerned, business and citizens in general and by stimulating the spread of best practices and best available technologies, notably by means of their promotion at Community level.

These objectives are valid for the whole duration of the Programme, i.e. from 2007 to 2013. Each annual work programme will set a number of more specific, action-related objectives. See Part II “Technical priorities” for the specific objectives for 2007.

Most of IEE II is implemented by means of competitive allocation of financial support to independent parties proposing action in line with the Programme's priorities (grant

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<sup>16</sup> CIP Decision, Article 37.

<sup>17</sup> CIP Decision, Article 38.

procedure). The decision to propose this action obviously lies exclusively with the proposers. Responsibility for carrying out the action lies entirely with the contractors.

IEE II projects are of a "soft" nature: they normally aim to trigger market mechanisms or to induce third parties to take action in line with the Programme's objectives. The impact of IEE projects then extends far beyond the results of each individual project.

As a consequence, the quantitative impact of IEE II will be measured by performance indicators agreed upon by the contractors and the Commission. See point 2.4 for further details on performance indicators.

## **2.2. Scope of the IEE Programme**

The Programme covers action in the following fields:

### **Energy efficiency and rational use of energy (SAVE)<sup>18</sup>, including:**

- improving energy efficiency and the rational use of energy, in particular in the building and industry sectors;
- supporting the preparation and application of legislative measures.

### **New and renewable energy resources (ALTENER)<sup>19</sup>, including:**

- promoting new and renewable energy sources for centralised and decentralised production of electricity, heat and cooling and thus supporting the diversification of energy sources;
- integrating new and renewable energy sources into the local environment and the energy systems;
- supporting the preparation and application of legislative measures.

### **Energy in transport (STEER)<sup>20</sup> to promote energy efficiency and the use of new and renewable energies sources in transport, including**

- supporting initiatives relating to all energy aspects of transport and the diversification of fuels;
- promoting renewable fuels and energy efficiency in transport;
- supporting the preparation and application of legislative measures.

**Integrated initiatives<sup>21</sup>** where energy efficiency and renewable energy sources are integrated and synchronised in several sectors of the economy and/or where various instruments, tools and players are combined in the same action.

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<sup>18</sup> CIP Decision, Article 39.

<sup>19</sup> CIP Decision, Article 40.

<sup>20</sup> CIP Decision, Article 41.

<sup>21</sup> CIP Decision, Article 42.

Wherever possible, action financed by the Intelligent Energy - Europe Programme will promote synergies between different priorities and integration.

### 2.3. Structure of the Programme

						Integrated Initiatives																
Indicators: Fields:	Enabling Policies & Strategies	Market Transformation	Changing Behaviour	Access to Capital	Training	Local Leadership			Special Initiatives			Market Replication Projects (from 2008 onwards)	Programme Support Action (from 2008 onwards)									
SAVE		Energy-efficient buildings				Creation of local and regional energy agencies	European networking for local action	Sustainable communities	Bio-business initiative	Energy services initiative	Intelligent energy education initiative	CHP initiative	Concerted Action buildings (CA EPBD II)									
		Industry excellence in energy																				
		Energy-efficient products																				
ALTENER		Renewable electricity																				
		Renewable heating & cooling																				
		Domestic and other small-scale renewable applications																				
		Biofuels																				
STEER		Energy-efficient transport																				
		Clean vehicles and alternative motor fuels																				
		Strengthening of local players in the transport field (from 2008 onwards)																				

## 2.4. Programme performance indicators

### 2.4.1. Indicators to assess the impact of the Programme

Because of its nature, IEE II follows a bottom-up approach to evaluate its impact. Programme indicators are to be built up from individual project indicators plus complementary activities on harmonisation, rationalisation and estimation of the knock-on impact.

The objectives of using indicators are:

- to ensure a results-driven approach;
- to help contractors focus on core tasks;
- to introduce an effective management tool;
- to allow continuous monitoring of the activities;
- to help improve performance and the effectiveness of tasks.

It should be clear from the outset that indicators are not a measure of the performance of the contractors *per se*, but a quantitative assessment of the impact of the projects carried out. They will be used to measure the impact of projects year to year and the impact of the Programme as a whole.

A number of reference performance indicators are listed in Part II “Technical priorities” for each action. All contractors will be required to propose performance indicators in line with those listed which:

- allow objective estimates of the impact of each project;
- add up to programme indicators.

A chapter in the User Manual will deal with performance indicators at the level of individual projects.

Inclusion of appropriate performance indicators is a necessary condition during the evaluation for awarding contracts and during negotiations for concluding contracts.

The Commission will undertake an exercise to rationalise, harmonise, extrapolate and group action performance indicators to produce sets of programme performance indicators. The final performance indicators will be in line with those listed in Part II of this document.

### 2.4.2. Indicators to assess the effectiveness of the Programme

Besides impact-related programme indicators, IEE II aims to achieve the following targets:

- Balanced participation by public and private, non-profit and profit-making beneficiaries, appropriate to fulfil the pre-competitive objectives of the IEE II Programme.

Indicator: percentage of public and private beneficiaries.

- A high share of SMEs among the private beneficiaries.

Indicator: share of SMEs among the private beneficiaries.

- Active participation by applicants from all participating countries.

Indicator: representation of eligible countries.

- A good share of new beneficiaries applying to and succeeding in IEE II, particularly from Member States that acceded to the EU in 2004 and 2007 and countries with just a few organisations participating so far.

Indicator: percentage of new beneficiaries from new Member States and countries with just a few organisations participating so far; percentages of new beneficiaries in other countries.

- More active involvement of beneficiaries from new Member States.

Indicator: percentage of coordinators applying to and succeeding in IEE II.

- Reaching out to new local and regional authorities.

Indicator: percentage of new local and regional authorities involved in the applications.

## 2.5. Means of implementation

The IEE Programme will be largely implemented by means of two main instruments:

- (a) Grants:** Grant agreements in the case of proposals selected on the basis of either a call for proposals or concerted action;
- (b) Procurement - calls for tender:** Public procurement contracts for proposals selected on the basis of a call for tenders.

The distinction between grant agreements and public procurement is defined by the Financial Regulation<sup>22</sup>. Grants are direct financial contributions to finance action intended to help achieve an objective forming part of a European Union policy.

In the case of public procurement, in return for payment the Commission obtains a product or service which it needs and defines itself.

Most of the action in the IEE Programme will be implemented by means of grant agreements.

Furthermore, the CIP allows the possibility of cooperation with European and international financial institutions such as the EIB and EBRD, in which case part of the annual budget will be managed by the relevant financial institutions. This option will be explored in detail within the first year or more of implementation of the Programme.

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<sup>22</sup> Directive Article 108(1) of the Financial Regulation applicable to the general budget of the European Communities (Regulation No 1605/2002 of 25 June 2002).

Regarding the contractual set-up, the Commission's standard model contracts will be applied. For grant agreements the Commission will draw up models suitable for the different types of action supported under the IEE Programme.

## **2.6. Financial perspective**

In line with the Council and European Parliament Decision, the total budget allocated to implementation of Intelligent Energy – Europe II for the period 2007-2013 is €727.3 million. For this Work Programme for 2007, €65 million has been allocated. The budget will be increased year after year during the timespan for implementation of the Programme.

## **2.7. Complementarity between financial instruments**

One action may give rise to the award of only one grant from the budget to any one beneficiary<sup>23</sup>. Action which receives financial support for the same purpose from other Community financial instruments, including the other specific programmes under the CIP, the 7th Framework Programme for Research and Development, the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the LIFE+ Programme, the European Agricultural Fund for Rural Development and the European Fisheries Fund will not receive funding from the IEE Programme.

Beneficiaries applying for funding from the IEE Programme will have to provide information on any funding they have received from the Community budget and on their pending applications to the Commission for funding for centrally financed measures or to the national agency for delegated measures.

Synergy and complementarity with other Community instruments will be sought.

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<sup>23</sup> Article 111(1) of the Financial Regulation.

### **3. PROCUREMENT**

#### **3.1. General principles for procurement**

The Financial Regulation applicable to the general budget of the European Communities defines “procurement” as contracts for pecuniary interest concluded in writing by a contracting authority (i.e. a Commission department) in order to obtain, against payment of a price paid in whole or in part from the budget, the supply of movable or immovable assets, the execution of works or the provision of services.

Procurement will be used to obtain studies and services required by the Commission to achieve the objectives of the Intelligent Energy - Europe Programme. The areas covered are likely to include commissioning consultancy work or technical assistance and carrying out studies, conducting information, promotion and communication campaigns, purchasing publications and organising conferences.

All procurement financed in part or in whole by the IEE Programme must comply with the principles of transparency, proportionality, equal treatment and non-discrimination.

#### **3.2. Calls for tenders**

The Commission<sup>24</sup> will issue calls for tenders for projects under the Intelligent Energy - Europe Programme, in accordance with the requirements laid down in the relevant annual Work Programme.

The invitation to tender and the attached specifications must provide a full, clear and precise description of the subject, terms and conditions of the contract, together with a clear and precise description of the different criteria to be applied throughout the entire process up to and including selection of the contractor.

The Commission is not legally bound with regard to an economic operator until the contract is signed. Up to the point of signature, the Commission may either abandon the procurement or cancel the award procedure without the candidates or tenderers being entitled to claim any compensation.

#### **3.3. Participation in tendering procedures**

Participation in tendering procedures is open to any natural or legal person or consortium. Participation must be open on equal terms to all natural and legal persons coming within the scope of the Treaties and to all natural and legal persons in a third country which has a special agreement with the European Communities in the field of public procurement under the conditions laid down in the relevant agreement.

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<sup>24</sup> If management of the IEE II Programme is delegated to the Intelligent Energy Executive Agency, the Agency might be given a mandate to execute specific tenders agreed necessary for implementation of the IEE Programme.

Where the Multilateral Agreement on Government Procurement concluded within the World Trade Organisation applies, the contracts must also be open to nationals of the States which have ratified that agreement, under the conditions laid down in the same agreement.

## **4. GRANTS - RULES FOR PARTICIPATION AND TYPES OF ACTION**

### **4.1. General principles for implementation of grants**

Any legal person, whether public or private, established in a Member State or in an associated country<sup>25</sup> or in a third country, as defined below, may propose action within the IEE Programme, provided the minimum conditions laid down in this document are met and the content of the proposal is in line with the priorities set in the annual Work Programme.

**“Legal person”** means any entity created under the national law of its place of establishment, Community law or international law, which has legal personality and which, acting under its own name, may exercise rights and be subject to obligations.

**“Public body”** means a body created by a public authority or a legal entity governed by private law with a public service mission, financed totally or to a large extent (i.e. more than 50%) by public sources, whose internal procedures and accounts are submitted to control by a public authority, and for whose liabilities a public authority will accept responsibility in the event that the public body ceases its activities.

### **4.2. Specific provisions**

#### **Joint Research Centre**

The Joint Research Centre of the European Commission (JRC) may participate in action under the IEE Programme on the same footing and with the same rights and obligations as a legal entity established in a Member State.

#### **International organisations**

“International organisation” means any legal entity arising from an association of States, other than the Community, established on the basis of a treaty or similar act, having common institutions and an international legal personality distinct from that of its Member States.

Any international organisation may take part in action under the IEE Programme subject to the conditions set out in this chapter. It may receive a Community financial contribution if it is essential for carrying out the action.

#### **Participation of third countries**

In line with the CIP Decision and its provisions on the CIP Framework Programme, the IEE Programme is open to participation by EU Member States plus:

- (a) European Free Trade Association (EFTA) countries which are members of the European Economic Area (EEA), in accordance with the conditions laid down in the EEA Agreement;

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<sup>25</sup> Under Article 4 of Decision 1639/2006/EC the CIP is open to participation by EFTA countries which are members of the EEA, candidate countries and countries of the Western Balkans, all in accordance with the conditions laid down in the specific Agreements and Memoranda of Understanding. Participation is also open to any other third country, when agreements so allow.

- (b) accession countries and candidate countries benefiting from a pre-accession strategy, in accordance with the general principles and general terms and conditions for the participation of those countries in Community programmes established in the respective Framework Agreements and Association Council Decisions;
- (c) countries of the Western Balkans, in accordance with the provisions to be determined with those countries following the establishment of Framework Agreements concerning their participation in Community programmes;
- (d) other third countries, when Agreements and procedures so allow.

#### **4.3. Types of action**

The CIP Decision draws a distinction between two principal kinds of action: **promotion and dissemination projects** and **market replication projects**.

##### *4.3.1. Promotion and dissemination projects*

Article 43 of the CIP Decision spells out the following groups of action for which Community funding can be provided:

- (a) strategic studies on the basis of shared analysis and regular monitoring of market developments and energy trends for the preparation of future legislative measures or for the review of existing legislation, including with regard to the functioning of the internal energy market, for the implementation of the medium- and long-term strategy in the energy field to promote sustainable development, as well as for the preparation of long-term voluntary commitments with industry and other stakeholders and for the development of standards, labelling and certification systems, where appropriate also in cooperation with third countries and international organisations;
- (b) creation, enlargement or reorganisation of structures and instruments for sustainable energy development, including local and regional energy management, and the development of adequate financial products and market instruments;
- (c) promotion of sustainable energy systems and equipment in order to further accelerate their penetration of the market and stimulate investment to facilitate the transition from their demonstration to the marketing of more efficient technologies, awareness campaigns and the creation of institutional capabilities;
- (d) development of information, education and training structures, the utilisation of results, the promotion and dissemination of know-how and best practices involving all consumers, dissemination of results of the action and projects and cooperation with the Member States through operational networks;
- (e) monitoring of the implementation and the impact of Community legislative and support measures.

#### 4.3.2. *Market replication projects*

Article 44 of the CIP Decision adds that “The Community shall provide support to projects concerned with the market replication of innovative techniques, processes, products or practices of Community relevance, which have already been technically demonstrated with success. These shall be designed to promote broader utilisation ... within the participating countries and facilitate their market uptake.”

Market replication projects are a novel instrument compared with the previous IEE Programme (2003-2006) as they can entail Community funding for a share of the investment cost within the project. **This strand will be opened for the first time under the 2008 call for proposals.**

#### 4.3.3. *Specific activities for restricted target groups*

##### **Action with standardisation bodies**

Community legislation and policy in the field of energy efficiency and renewable energy sources often entail a degree of standardisation at EU level. Where this is the case, only recognised standardisation institutes will be targeted and special means of implementation will be applied<sup>26</sup>.

##### **Concerted action with Member States and participating countries (CA)**

Concerted actions with Member States and participating countries (CA) concern a limited number of specific activities in relation to the implementation of Community legislation and policy. They aim at fostering the exchange of information and experience among Member States and participating countries with regard to the implementation of Community legislation and policy. They only cover topics where a coordination and/or harmonisation of approaches would be beneficial, but is not required by Community legislation. Thus a concerted action is designed to provide added value as compared with measures taken by each Member State acting on its own and to make it possible to achieve an optimum combination of the various instruments at the disposal of both the Community and the Member States.

To reach this objective, a concerted action is addressed only to national authorities transposing and implementing a specific Community legislation and policy, or to bodies appointed by the national authorities to implement a specific Community legislation and policy.

For such cases, a call for tenders or call for proposals would be inappropriate because there would be only one organisation in each Member State eligible to carry out the task. Due to this specificity, which has to be demonstrated in each individual case, a concerted action meets the conditions laid down in Article 168(1)(c) of the rules implementing the Financial Regulation and the relevant procedures will be applied. A concerted action will be undertaken

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<sup>26</sup> In principle, action will be supported using specific agreements with CEN/CENELEC executed in accordance with the Framework Partnership Agreement between CEN/CENELEC and the European Commission.

by organisations designated by the Member States and countries participating in the CA. The Commission has the role of coordinating this kind of action with the countries concerned.

Each concerted action will be allocated to a consortium made up of organisations designated and entrusted by the countries participating in the concerted action, under the coordination of one member of the consortium.

#### **4.4. Minimum conditions for project consortia**

The minimum conditions for participation in and implementation of IEE action are as follows:

**General rule:** Unless otherwise specified in the call for proposals, consortia participating in IEE projects must be made up of at least three independent legal entities, each of which is established in a different eligible country.

In this respect two legal entities will be regarded as independent of each other if neither is under the direct or indirect control of the other or under the same direct or indirect control as the other.

Control may, in particular, take either of the following forms:

- (a) a direct or indirect holding of more than 50% of the nominal value of the issued shared capital in the legal entity concerned, or of a majority of the voting rights of the shareholders or associates of that entity;
- (b) direct or indirect holding, in fact or in law, of decision-making powers in the legal entity concerned.

However, the following relationships between legal entities are not in themselves deemed to constitute control:

- (a) the same public investment corporation, institutional investor or venture-capital company has a direct or indirect holding of more than 50% of the nominal value of the issued share capital or a majority of voting rights of the shareholders or associates;
- (b) the legal entities concerned are owned or supervised by the same public body.

**JRC and/or international organisations:** If one of the participants is the JRC or an international organisation, it is deemed to be established in a Member State or associated country other than any Member State or associated country in which another participant in the same action is established.

#### ***Specific provisions for grants to specific target groups***

- Creation of new local and regional energy management agencies: one legal person which must be a local or regional public authority.
- Action with standardisation bodies: one standardisation body which has signed a framework agreement with the European Commission.

- Concerted actions with Member States and participating countries (CA) will be undertaken only if a critical mass of Member States and participating countries support the action concerned. The bodies with a *de jure* or *de facto* monopoly, will be duly substantiated in the award decision.

## **5. GRANTS - COMMUNITY FINANCIAL CONTRIBUTION**

### **5.1. General**

The Community financial contribution to grants is based on reimbursement of the eligible costs of the action. In specific cases, the Community financial contribution may take the form of lump-sum financing for the types of action indicated in the call for proposals.

### **5.2. Upper funding limits**

As a general rule, the following ceilings for the Community contribution apply:

- (a) Promotion and dissemination projects: up to 75% of the total eligible cost.
- (b) Market replication projects: Market replication projects will not be included in the Work Programme for 2007.

#### ***Grants to specific target groups***

- *Creation of new local and regional energy management agencies*: up to 75% of the total eligible cost and up to a maximum Community contribution of €250 000.
- *Action with standardisation bodies*: up to 95% of the total eligible cost.
- *Concerted Action with Member States and participating countries*: only the additional costs arising from coordination of the activity, together with other costs necessary to give the activity a Community dimension, will be eligible. They will be 100% funded.

### **5.3. Co-financing requirements**

Action supported by grants must be co-financed, at least at the minimum rates laid down for each type of action. The Community contribution to reimburse eligible costs must not give rise to a profit. The sources of co-funding must be transparent and stated in such a way that they are clearly identifiable and accountable.

If necessary, the call for proposals may lay down specific provisions concerning the form which co-financing from sources other than Community financing may or may not take, depending on the nature of the action and/or the beneficiaries concerned, to guarantee sound financial management and that the financial contributions between co-funders are balanced.

**Overview – Grants to promotion and dissemination projects (Article 43)**  
**– Rules on participation and funding limits**

	<b><i>Rules on participation</i></b>	<b><i>Level of Community support</i></b>
<i>Promotion and dissemination activities</i>	<i>Three independent legal entities, each of which is established in a different eligible country</i>	<i>Up to 75% of the total eligible cost</i>
<i>Exception: Creation of local and regional energy agencies</i>	<i>One local or regional public authority</i>	<i>Up to 75% and up to a maximum of €250 000</i>

## **6. GRANTS - SUBMISSION, EVALUATION, SELECTION AND AWARD PROCEDURES<sup>27</sup>**

### **6.1. Calls for proposals**

Grants are generally implemented via calls for proposals. The Commission will issue calls for proposals for action under the Intelligent Energy – Europe Programme, in accordance with the requirements laid down in this Work Programme<sup>28</sup>.

#### Exceptions to calls for proposals

In the framework of IEE II, grants may be awarded without a call for proposals only according to Article 168(1)(c) of the rules implementing the Financial Regulation for actions carried out by, bodies with a *de jure* or *de facto* monopoly, duly substantiated in the award decision. This could be standardisation and certification actions to be undertaken by recognised standardisation bodies or provision of statistics by recognised statistical offices plus concerted action with Member States and other countries participating.;

For these exceptions the procedures will be established in accordance with the Financial Regulation and the associated implementing rules.

### **6.2. Principal evaluation procedure**

With the exception of the action referred to above, proposals are submitted in response to calls for proposals (“calls”). The content and timing of calls (“call text”) are described in Part II of the annual Work Programme. Part II also includes the rules governing the procedure for submission of proposals and the related evaluation, selection and award procedures.

Calls will be published on the dedicated Programme website and will be announced in the Official Journal of the European Union. Additional publicity will be sought through specific information channels, including information days, and via the national contact points set up by the Member States and the associated countries. All the information needed by those wishing to apply in response to calls is made available on a dedicated website.

In particular, user manuals are produced jointly with all specific programmes within the CIP for every call, explaining the conditions and deadlines for submission of proposals, along with the related evaluation, selection and award procedures. The Commission will also provide information and set out procedures for redress for applicants and adopt rules to ensure consistent verification of the legal status and financial capacity of participants.

The Commission will evaluate all the proposals submitted in response to a call for proposals on the basis of the principles for evaluation, and the eligibility, selection and award criteria set out in the annual Work Programme. Proposals which do not fulfil the conditions set in the Work Programme or in the call for proposals may not be selected. Such proposals may be excluded from the evaluation procedures at any time. Where appropriate, the Commission may appoint independent experts to assist with evaluating and monitoring a call for proposals.

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<sup>27</sup> The procedures for calls for tenders are as provided for in the relevant regulations and will be published at the time of publication of each call.

<sup>28</sup> If management of the IEE II Programme is delegated to an Executive Agency, the Agency will be given a mandate to execute the call for proposals.

At the end of the evaluation, proposals will be ranked on the basis of the evaluation results. Funding decisions will be made on the basis of this ranking. The evaluation results will include recommendations for the negotiations, including possible modifications to the proposed work programme.

### **6.3. Eligibility, selection and award criteria for grants**

#### *6.3.1. Eligibility criteria and check*

Proposals must meet all the eligibility criteria if they are to be accepted for evaluation. These criteria are rigorously applied. If it becomes clear before, during or after the evaluation phase that one or more of the eligibility criteria have not been fulfilled, the proposal is declared ineligible by the Commission and is withdrawn from any further examination. Where there is any doubt about the eligibility of a proposal, the Commission reserves the right to proceed with the evaluation, pending a final decision on eligibility. The fact that a proposal is evaluated in such circumstances does not constitute proof that it is eligible.

The following eligibility criteria are checked by the Commission for all proposals submitted in response to a call<sup>29</sup>:

- receipt of the proposal by the Commission on or before the date and time established in the call, if applicable;
- minimum number of participants, as referred to in the call for proposals;
- completeness of the proposal, i.e. presence of all the requested administrative forms and the description of the proposal (N.B. the completeness of the information contained in the proposal will be assessed at a later stage (see award criteria); the eligibility checks only make sure that all the relevant parts of the proposal are present);
- scope of the call: the content of the proposal must relate to the part of the Work Programme open in the call. A proposal will be deemed ineligible on grounds of “scope” only in clear-cut cases (N.B. the scope will be checked when assessing the technical quality of the proposal (see award criteria); the eligibility checks only make sure that the indicated scope of the proposal complies);
- correct funding scheme: the proposal must come under one of the funding schemes specified for the relevant topic in the call for proposals.

#### *6.3.2. Grounds for exclusion*

In accordance with Article 114(2) of the Financial Regulation, grants may not be awarded to applicants who, at the time of the award procedure, are in one of the situations referred to in Articles 93 and 94 of the same Regulation.

Applicants must certify that they are not in one of the situations referred to in these two articles. A declaration to that effect must accompany the application forms.

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<sup>29</sup> In accordance with Article 114 of the Financial Regulation, no participant may fall under any of the exclusion criteria referred to therein. These criteria will be assessed, normally at the negotiation stage (see grounds for exclusion).

As provided for in Articles 93 to 96 of the Financial Regulation and in the rules implementing those articles, administrative and financial penalties of an effective, proportionate and dissuasive nature may be imposed on applicants who are excluded under Article 114(2) of the Financial Regulation.

Such penalties may also be imposed on beneficiaries who are found guilty of false declarations and on beneficiaries who have been found guilty of seriously failing to meet their contractual obligations, in accordance with the conditions laid down in Article 133 of the implementing rules.

The call for proposals must specify the grounds for exclusion and the administrative and financial penalties applicable.

### *6.3.3. Selection criteria*

The selection criteria cover the financial and technical capacity of each applicant. Each applicant must have stable and sufficient sources of funding to maintain his activity throughout the period during which the action is being carried out or the year for which the grant is awarded and to participate in funding the action. The applicant must have the professional skills and qualifications required to complete the proposed action.

The selection criteria will be assessed by the Evaluation Committee. Failure to comply with these criteria will result in a proposal not being evaluated further by the Evaluation Committee. The Evaluation Committee may ask an applicant to provide additional proof or to clarify the supporting documents relating to the selection criteria (financial and technical capacity of proposers) within a specified time limit.

The Commission will adopt and publish rules to ensure consistent verification of the existence, legal status and financial capacity of participants in IEE II projects.

### **Financial capacity of applicants**

Applicants must show that they exist as a legal entity and have the financial capacity and operational capability to complete the operation to be supported and must provide their balance sheet for the last financial year for which the accounts have been closed. The latter requirement does not apply to public bodies and international organisations. In accordance with Article 173(4) of the rules implementing the Financial Regulation, if the application concerns grants for action which exceed €500 000, an audit report produced by an approved external auditor must be submitted. That report must certify the accounts for the last financial year available.

### **Technical capacity of applicants**

Applicants must have the technical and operational capability to complete the action to be supported and should provide supporting documents (e.g. CVs of those responsible for carrying out the action, description of projects and activities undertaken in the last three years, etc.).

#### 6.3.4. Award criteria

The action will be evaluated against five award criteria relating to the technical quality of the proposal and its team.

The five award criteria will carry equal weighting within the overall assessment. If a proposal is to be classified as worth funding, the grand total of the marks for all the award criteria should be equal to or greater than 70% of the maximum total score. In addition, a mark of over 50% will be required for each criterion. Proposals that pass these thresholds will be considered for funding. A ranking will be established by the Evaluation Committee and approved by the authorising officer.

#### **(a) Award criteria for promotion and dissemination activities**

##### **1. Relevance of the action (score 0-10), with the following subcriteria:**

- Extent to which the proposed action reflects the state of the art and builds on previous action in the context of the objectives of the IEE II Programme and relevant action by/in participating countries;
- Potential impact of the action in relation to EU policies and priorities, targets and legislation;
- Relevance of the expected results to the target groups involved and/or addressed; involvement of market players in the action.

##### **2. Quality of the methodology (score 0-10), with the following subcriteria:**

- Structure, clarity, consistency and suitability of the proposed approach (definition of work packages, schedule and deliverables) to achieve the expected results;
- Appropriateness of the targets and performance indicators;
- Ambition of the communication/dissemination plan and appropriateness of the communication tools to be used for the specified target groups.

##### **3. Community added value (score 0-10), with the following subcriteria:**

- Justification and benefits of addressing the subject of the proposal at European level;
- Appropriate geographical coverage of the project;
- Transferability of the solutions offered by the proposal to other parts of the EU.

##### **4. Costs and co-financing (score 0-10), with the following subcriteria:**

- Appropriate level of effort for the work packages and the main tasks in the work packages;
- Appropriate weight of costs per cost category, including sub-contracting;
- Transparency, sustainability, sources and commitment of the co-financing scheme.

## **5. Management and organisation of the team (score 0-10), with the following subcriteria:**

- Composition and balance of skills of the team;
- Distribution and balance of effort, budget and responsibilities between partners;
- Management, including management structure, work plan, coordination and project team communications.

Within the general conclusions, the evaluation will provide a qualitative judgment on the overall value for money – comparing the outcomes based on the five award criteria with the costs and effort involved.

### **(b) Award criteria for the creation of local and regional energy agencies**

#### **1. Quality of the agency (score 0-10), with the following subcriteria:**

- Credibility of the proposed agency and commitment to the future agency after three years of Community funding;
- Operational role and profiles envisaged for the permanent staff;
- Evaluation and control of performance.

#### **2. Quality of the approach (score 0-10), with the following subcriteria:**

- Clear definition of the role of the agency and consistency with local needs;
- Value and ambition of dissemination and communication activities;
- Quality and relevance of the expected impact over the medium to long term on sustainable development/the environment/energy demand.

#### **3. Community added value (score 0-10), with the following subcriteria:**

- Local, national and European partnerships with relevant stakeholders other than energy agencies;
- European cooperation projects; quality of the technical support from other agencies;
- Partnership with neighbour agencies and/or national agency.

#### **4. Costs and benefits (score 0-10), with the following subcriteria:**

- Co-financing scheme, including proposed levels of co-financing. Co-funding already secured;
- Sustainability of the agency after three years: credibility of the business plan;
- Appropriate costs per cost category, notably sub-contracting, and percentage of wages and direct costs;
- Value for money — comparing the direct outcomes expected from the project with the costs and effort involved.

## **5. Organisation of the team (score 0-10), with the following subcriteria:**

- Decision- and policy-making bodies;
- Degree of autonomy of the agency;
- Involvement of elected representatives;
- Management, including project management structure, work plan, coordination and project team.

Within the general conclusions, the evaluation will provide a qualitative judgment on the overall value for money.

### **6.4. Assistance by independent experts**

Independent experts may be invited to assist the Commission with evaluation of proposals. This may be carried out fully or partially at their home or place of work (“remote evaluation”) or on Commission premises. Experts will be chosen considering:

- the skills and knowledge appropriate to the tasks to be assigned,
- geographical distribution,
- gender balance, and
- a reasonable share of new experts in each evaluation.

The independent experts will be identified and selected on the basis of calls for applications from individuals. If no experts having the required skills for certain programme areas are included in this list, the Commission may , select appropriate individuals from outside the list, whilst preserving identical criteria as set out in the call for applications.

When appointing an independent expert, the Commission will take all necessary steps to ensure that the expert is not faced with a conflict of interests. The Commission will adopt a model appointment letter, which will include a declaration that the independent expert has no conflict of interest at the time of appointment and undertakes to inform the Commission if any conflict of interest should arise in the course of providing his or her opinion or carrying out his or her duties. It will equally include a declaration on the confidentiality of the evaluation process. The Commission will draw up an appointment letter between the Community and each independent expert.

The Commission will publish periodically in any appropriate medium the list of independent experts who have assisted it.

### **6.5. Technical/financial adaptations and award decision**

Following formal approval by the authorising officer of the rankings of the proposals recommended for Community funding established by the Evaluation Committee and acting on the recommendations by the Evaluation Committee, the Commission may enter into negotiations with the applicants selected. This process aims to clarify technical and financial

aspects of the proposals selected in order to facilitate subsequent management. The principles of transparency and equal treatment must be guaranteed throughout the negotiation process.

At the same time as opening negotiations, the Commission launches an inter-service consultation (ISC) of Directorates-General and other departments which could be interested in the action proposed for financing, in order to make sure that the action in question is not already being financed from the Community budget.

Based on the results of the negotiations and within the limits of the annual budget available, the authorising officer then approves the individual award decisions for each of the grant agreements.

If proposals involving legal entities from countries other than Member States are selected, a grant agreement will only be signed once that the necessary steps have been taken for the country concerned to join the Programme. Up to date information on which countries are part of the programme is available on the programme web site at [http://ec.europa.eu/energy/intelligent/index\\_en.html](http://ec.europa.eu/energy/intelligent/index_en.html).

## **6.6. Main elements of grant agreements**

### *6.6.1. Eligibility of costs*

The Financial Regulation provides the framework for which costs qualify for Community funding. Specific conditions for eligibility under the IEE Programme will be set in the model grant agreement. As a general guideline, for costs to be eligible they must:

- relate to the purpose of the action;
- be included in the estimated budget annexed to the grant agreement;
- be necessary for completion of the action;
- be generated during the duration of the action;
- be reasonable, justified, consistent with the usual internal rules of the participant and in accordance with the principle of sound financial management, especially cost-effectiveness and “value for money”;
- be identifiable, verifiable and determined in accordance with the relevant accounting principles;
- be actually incurred by the participant and recorded in the accounts of the participant;
- exclude any profit margin;
- be substantiated by evidence allowing proper identification and checking.

### *6.6.2. Cost categories*

Eligible costs are split into direct and indirect costs. For promotion and dissemination projects, the following applies:

- (a) *Direct costs*: typical costs directly related to the action funded under the IEE Programme would include, for example, costs of technical staff assigned to the action, travel costs of these staff, costs for subcontracting and other specific costs, such as for workshops or publications. They may include depreciation for small equipment needed for the action, such as measurement devices;
- (b) *Indirect costs*: these include general costs for the infrastructure and administrative expenses necessary for carrying out the action. The Commission authorises use of a flat rate of up to 60% of the eligible staff costs as an acceptable level of overheads.

Indirect costs are not eligible as part of a project grant awarded to a beneficiary who is already receiving an operating grant from the Commission during the period in question.

### 6.6.3. *Provisions concerning ownership/use of results and access rights*

Where appropriate, the grant agreement will establish the respective obligations of the participants with regard to access rights and use and dissemination of background, in so far as those obligations have not been laid down in this chapter.

For this purpose, the following definitions apply:

- (a) “background” means information which is held by participants prior to their accession to the grant agreement, as well as copyrights or other intellectual property rights pertaining to such information, for which an application has been filed before their accession to the grant agreement, and which is needed for carrying out the action or for using the results of the action;
- (b) “foreground” means the results, including information, which are generated by the action, whether or not they can be protected. Such results include rights related to copyright, design rights, patent rights or similar forms of protection.

#### ***Ownership of foreground***

Unless stipulated otherwise in the grant agreement, ownership of foreground, including industrial and intellectual property rights, and of the reports relating to it will be vested in the beneficiaries (i.e. participants).

Without prejudice to this, the beneficiaries must grant the Community the right to make free use of the results of the action as it deems fit, provided it does not breach its confidentiality obligations or existing industrial property rights in the process.

Unless stipulated otherwise in the grant agreement, ownership of deliverables and other documents relating to the action falls in the public domain. Where deliverables may lead to commercial application, access rights for use and dissemination will be granted to the Community under fair and reasonable conditions to be agreed for a period of one/two year(s) after completion of the action.

Where appropriate to the nature and objectives of the action, the grant agreement may also specify additional conditions on transfer and protection of ownership of foreground.

### *Use and dissemination*

Participants must use the foreground which they own, or ensure that it is used. Each participant must ensure that the foreground in its ownership is disseminated as swiftly as possible. If it fails to do so, the Commission may disseminate that foreground.

Dissemination activities must be compatible with intellectual property rights, confidentiality and the legitimate interests of the owner of the foreground. Prior notice of any dissemination activity must be given to the other participants concerned. Following notification, any of those participants may object if it considers that its legitimate interests in relation to its foreground could suffer disproportionate harm. In such cases, no dissemination activity may take place unless appropriate steps are taken to safeguard these legitimate interests.

Any dissemination of foreground shall include a statement that the foreground concerned was generated with the assistance of financial support from the Community. The terms of that statement will be established in the grant agreement.

### *Access rights to background and foreground*

For the purpose of this section “access rights” means licences and rights to use foreground or background.

#### (a) General principles

Participants may define the background needed for the purposes of the action in a written agreement and, where appropriate, may exclude specific background. All requests for access rights must be made in writing. Unless otherwise agreed by the owner of the foreground or background, access rights confer no right to grant sub-licences.

Exclusive licences for foreground or background may be granted, subject to written confirmation by all the other participants concerned that they waive their access rights thereto. Without prejudice to this, any agreement providing access rights to foreground or background to participants or third parties shall be such as to ensure that potential access rights for other participants are maintained.

Participants in the same action shall inform each other as soon as possible of any limitation on granting access rights to background or of any other restriction which might substantially affect the granting of access rights.

Termination of participation in an indirect action in no way affects any participant's obligation to grant access rights to the remaining participants in the same action under the terms and conditions established by the grant agreement.

#### (b) Access rights for implementation of action

Access rights to foreground must be granted to other participants in the same action, if they need access in order to carry out their own work under that action. Such access rights must be granted on a royalty-free basis.

Access rights to background shall be granted to other participants in the same action, if they need access in order to carry out their own work under that action, provided the participant

concerned is entitled to grant them. Such access rights shall be granted on a royalty-free basis, unless otherwise agreed by all participants before they entered the grant agreement.

(c) Access rights for use

Participants in the same action enjoy access rights to foreground if access is needed in order to use their own foreground. Such access rights must be granted either under fair and reasonable conditions or royalty-free.

Participants in the same action shall enjoy access rights to background, if access is needed in order to use their own foreground, provided the participant concerned is entitled to grant them. Such access rights shall be granted either under fair and reasonable conditions or royalty-free.

Subject to the participants' legitimate interests, access rights may be requested under the conditions laid down in the previous paragraph until two years after the end of the action or after the termination of the participation of a participant, whichever falls earlier, unless the participants concerned agreed on a longer period.

## **7. MONITORING AND EVALUATION OF THE PROGRAMME AND ACTION**

### **7.1. Monitoring and evaluation of the action**

The Commission will monitor implementation of the action, mainly on the basis of progress reports but also by on-the-spot inspections and other means deemed appropriate. Beneficiaries must give a commitment to facilitate this key work by all means, particularly by:

- establishing in the proposals adequate performance indicators and sets of expected results and adapting them to the recommendations made in the evaluation;
- making arrangements to provide all information required for ex-post impact analysis;
- including a work package for dissemination purposes;
- including a small standard work package to respond to specific requests for information by the Commission;
- informing the Commission, before starting the action, about possible restrictions on dissemination of information for confidentiality reasons.

The Commission may appoint independent experts to advise on implementation of the Programme.

### **7.2. Monitoring and evaluation of the Programme**

Annual report on financial implementation, plus the results and impact of the activities supported.

Interim evaluation: to be completed by 31 December 2009.

Final evaluation: by 31 December 2011.

Under Article 8 of the CIP Decision the annual implementation reports and the results of the evaluations must be communicated to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.

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## II. TECHNICAL PRIORITIES

### 8. OBJECTIVES

#### 8.1. Overall objectives

The Intelligent Energy - Europe Programme will provide for action, in particular:

- (a) to foster energy efficiency and the rational use of energy resources;
- (b) to promote new and renewable energy sources and to support energy diversification;
- (c) to promote energy efficiency and the use of new and renewable energy sources in transport.

#### 8.2. Operational objectives

The Intelligent Energy - Europe Programme aims to:

- (a) provide the elements necessary for the improvement of sustainability, the development of the potential of cities and regions, as well as for the preparation of the legislative measures needed to attain the related strategic objectives; develop the means and instruments to follow up, monitor and evaluate the impact of the measures adopted by the Community and its Member States in the fields addressed by that Programme;
- (b) boost investment across Member States in new and best performing technologies in the fields of energy efficiency, renewable energy sources and energy diversification, including in transport, by bridging the gap between the successful demonstration of innovative technologies and their effective, broad market uptake in order to attain leverage of public and private sector investment, promote key strategic technologies, bring down costs, increase market experience and contribute to reducing the financial risks and other perceived risks and barriers that hinder this type of investment;
- (c) remove the non-technological barriers to efficient and intelligent patterns of energy production and consumption by promoting institutional capacity building at, inter alia, local and regional level, by raising awareness, notably through the educational system, by encouraging exchanges of experience and know-how among the main players concerned, business and citizens in general and by stimulating the spread of best practices and best available technologies, notably by means of their promotion at Community level.

#### 8.3. Project objectives

##### 8.3.1. *Enabling policies and strategies*

Priority will be given to projects which monitor, promote and/or build on the existing EU policy and legislative frameworks, which have been put in place in recent years. They should contribute to more effective implementation of the relevant Directives and/or to providing

feedback on implementation to policymakers and/or contribute to further development of the relevant EU policy and regulatory frameworks.

#### *8.3.2. Market transformation*

Priority will be given to projects which help to convert policy into action on the market and contribute to improving the competitiveness of European EE and RE industries, especially SMEs. As far as possible, projects should help to move EE and/or RE technologies, systems and fuels into mainstream market structures and supply chains.

#### *8.3.3. Changing behaviour*

Priority will be given to projects which do more than raise the awareness of individual citizens, householders and decision-makers. They should lead to changes in their purchasing and investment decisions and in their daily demand for energy. One major component of this category of action will involve education authorities, schools, colleges and universities.

#### *8.3.4. Access to capital*

Priority will be given to projects which involve the financing community (bankers, financial institutions, fund managers, venture capitalists, etc.) and which aim to address the financing needs on the markets for small and medium-sized energy efficiency and/or renewable energy systems. Other important measures in this category are projects aiming to build investor confidence and to establish long-term financing mechanisms that will accelerate growth on the markets for sustainable energy.

#### *8.3.5. Training*

Priority will be given to training for technicians and professionals whose daily work has an impact on the design, selection, approval, installation, operation, maintenance, sales and marketing of sustainable systems.

### **8.4. Relationship between the IEE programme and FP7**

Due attention will be paid to ensuring effective coordination between those areas which are supported by the IEE Programme and those supported by the FP7 research programme.

In the case of dissemination and promotion projects, the IEE Programme will focus primarily on promoting energy products and systems which are ready for rapid market growth and on tackling non-technological market barriers, whereas FP7 will support research, demonstration and dissemination of new knowledge about innovative energy technologies and the results of technological research and demonstration projects.

Before they are launched in 2008, special attention will be given to defining market replication projects, in order to clarify their role in relation to the demonstration projects supported by FP7.

## **9. TYPES OF PROJECT**

### **9.1. Promotion and dissemination projects**

The following will be supported:

- (a) strategic studies on the basis of shared analysis and regular monitoring of market developments and energy trends for the preparation of future legislative measures or for the review of existing legislation, including with regard to the functioning of the internal energy market, for the implementation of the medium- and long-term strategy in the energy field to promote sustainable development, as well as for preparation of long-term voluntary commitments with industry and other stakeholders and for the development of standards, labelling and certification systems;
- (b) creation, enlargement or reorganisation of structures and instruments for sustainable energy development, including local and regional energy management, and the development of adequate financial products and market instruments;
- (c) promotion of sustainable energy systems and equipment in order to further accelerate their penetration of the market and stimulate investment to facilitate the transition from the demonstration to the marketing of more efficient technologies, awareness campaigns and the creation of institutional capabilities, aiming in particular to implement the clean development mechanism and joint implementation under the Kyoto Protocol<sup>30</sup>;
- (d) development of information, education and training structures, the utilisation of results, the promotion and dissemination of know-how and best practices involving all consumers, dissemination of results of the action and projects and cooperation with the Member States through operational networks;
- (e) monitoring of the implementation and the impact of Community legislative and support measures.

### **9.2. Market replication projects (not open in 2007)**

From 2008 onwards Community funding will be available for action and projects concerned with the first market replication of just-proven technologies of Community relevance, designed to promote broader utilisation within the Member States, either under different economic or geographical conditions or with technical modifications, of innovative techniques, processes or products which have already been technically demonstrated with success but, owing to residual risk, have not yet penetrated the market, so that the Community shares the risk involved in economic application of the results of research, technological development and demonstration activities.

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<sup>30</sup> Under the Kyoto protocol, the EU-15 (the 15 countries that were Members of the EU at the time of ratification of the protocol) is committed to reducing its greenhouse gases emissions by 8% below 1990 levels during the first commitment period from 2008 to 2012.

## 10. TARGET GROUPS

Key action	SAVE			ALTENER				STEER		INTEGRATED						
	Buildings	Industry	Products	RES-e	RES-H/C	Domestic / small scale RES	Biofuels	Energy efficient transport	Clean vehicles and alternative motor fuels	Energy agencies	Networking for local actions	Sustainable energy communities	Bio-business initiative	Energy services	Energy education	CHP initiative
<b>Target group</b>																
<b>Public authorities</b>																
National authorities																
Regional authorities																
Local and Municipal authorities																
Planners																
Regulators																
<b>Policy makers</b>																
Support scheme managers																
Market analysts, researchers, modellers																
statistical offices																
<b>Utilities</b>																
TSO's and DSO's																
District heating companies																
ESCO's																
<b>Energy / transport agencies</b>																
<b>Education system</b>																
<b>Investors</b>																
Financial institutions																
Bankers																
Project developers																
<b>Civil society</b>																
NGOs																
Associations																
End users																
<b>Architects</b>																
Building services engineers																
Building managers/administrators																
Public Buildings owners																
Homeowners																
Housing associations																
<b>Manufacturers</b>																
Chambers of commerce																
Commerce, Retailers																
Product distributors, wholesalers																
<b>Farmers, landowners</b>																
Forestry industries																
<b>Industry</b>																
SME's																
Craftsmen																
Installers																
Fuel processors																
Industry associations																
<b>Transport operators</b>																
Fleet operators																
Freight operators																
Drivers groups and associations																
Vehicle manufacturers																
<b>Standards bodies</b>																
<b>Media</b>																

## 11. SAVE: ENERGY EFFICIENCY AND RATIONAL USE OF RESOURCES

Energy efficiency and rational use of resources constitute a cornerstone of European energy policy. They are by far the most effective ways to improve security of supply, reduce carbon emissions and foster competitiveness.

According to the recent Action Plan for Energy Efficiency<sup>31</sup>, it is technically and economically possible for the European Union to save 20% of its primary energy consumption by 2020, equivalent to annual fuel savings worth €100 billion and a 780 Mt reduction in CO<sub>2</sub> emissions compared with the baseline scenario.

Activities funded under SAVE aim to tap this large potential for energy savings by improving energy efficiency and rational use of energy resources, in particular in buildings and industry. Activities to promote energy efficiency in transport are covered separately under STEER.

Activities under SAVE may facilitate optimum implementation of legislation relating to energy efficiency<sup>32</sup>, support preparation of legislative measures and change energy behaviour, so that society uses less energy while enjoying the same or an even better quality of life.

In this respect, institutional capacity-building, awareness-raising, access to capital, training and clear, credible and accessible information on energy-efficient technologies and practices are key elements of SAVE which will foster rational behaviour. They should mobilise the general public and policy-makers at all levels of government, together with market players.

SAVE projects may cover one or more of the following Key Actions:

**Energy-efficient buildings:** for action raising the energy performance of new and existing buildings, in both the residential and tertiary sectors, where the potential is estimated to be around 27% and 30% of energy use, respectively.

**Industrial excellence in energy:** for action increasing energy efficiency in industry, in particular SMEs. Although industry has made more rapid progress on energy efficiency than other sectors, the potential savings remain high, in the order of 25% in manufacturing industry.

**Energy-efficient products:** for action increasing the market share of energy-efficient products and encouraging users to choose and use them rationally.

### 11.1. Energy-efficient buildings

#### 11.1.1. Objectives

- To improve the energy performance of new and existing buildings and promote integration of renewable energy sources

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<sup>31</sup> COM(2006) 545 final.

<sup>32</sup> Current legislation includes: Directive 2006/32/EC on energy end-use efficiency and energy services, Regulation Number 2422/2001 on the Energy Star Programme, Directive 2005/32/EC on ecodesign requirements for energy-using products, Directive 2004/8/EC on promotion of cogeneration, Directive 2002/91/EC on the energy performance of buildings and Directive 92/75/EEC on labelling.

- To foster adoption of intelligent energy use patterns in buildings.
- To improve the capacity of building professionals to offer intelligent energy solutions and increase demand for such solutions.
- To facilitate implementation and monitoring of Directive 2002/91/EC on the energy performance of buildings (EPBD).
- To ensure that the recommendations issued with the energy performance certificates are followed by practical action and thus lead to actual energy savings.
- To foster action beyond the EPBD requirements.
- To contribute to furtherance of the EPBD in line with the suggestions listed in the Energy Efficiency Action Plan.

#### *11.1.2. Priorities for action*

##### (a) Enabling policies and strategies

- Action aiming to achieve more appropriate harmonised and integrated approaches to implementation of the EPBD.
- Analyses, studies on expansion of the scope of the Directive along the lines of the Energy Efficiency Action Plan, e.g. by lowering the threshold for minimum performance requirements for major renovation.
- Voluntary action/schemes for certification of buildings in accordance with the EPBD legislation even if they are not for sale or rent, and for buildings not covered by the Directive (e.g. smaller properties and renovation).

##### (b) Market transformation

- Targeted action to address specific categories of buildings and/or specific topics/technologies (e.g. cooling, insulation, energy management systems, etc.).
- Targeted action for the uptake of low-energy, energy-neutral and energy-positive buildings which go beyond the EPBD requirements.

##### (c) Changing behaviour

- Action concerning public buildings – in 2007 the focus is on educational buildings – to lead by example and adopt new proven technologies and strategies, including renewable energy sources.
- Large-scale awareness-raising and public information campaigns about implementation of the measures on the energy performance certificates.
- Large-scale awareness-raising on behavioural and cultural aspects of use of buildings (e.g. adapting the work place, changing patterns of daily life, etc.).

(d) Access to capital

- See the energy services initiative.

(e) Training

- Large-scale education and training schemes/activities in all Member States to qualify the market for implementation of the EPBD: agreements with universities, associations of installers, chambers of commerce, etc. to institutionalise the necessary education/training.

*11.1.3. Key players and target groups*

See table.

*11.1.4. Indicators*

(a) Enabling policies and strategies

- Greater consistency between national EPBD implementation schemes.
- Acknowledgement by several EPBD implementation authorities, and practical examples, of the benefits of the Programme for implementation of the EPBD.
- Inputs generated by IEE beneficiaries which are instrumental in furthering the EPBD.

(b) Market transformation

- Number of examples of successful transfer of knowledge/experience regarding low-energy, energy-neutral and energy-positive buildings. Estimation of replication potential of such examples.

(c) Changing behaviour

- Number of flagship public buildings exemplifying implementation of the EPBD and generating media attention; number of countries concerned.
- Impact of promotional activities in terms of number of people reached, when possible with categorisation of target populations.

(d) Training

- Number of construction workers and building professionals trained across Europe and estimated knock-on effect.
- Number of education and training schemes institutionalised and running beyond the duration of the projects.

## 11.2. Industrial excellence in energy

### 11.2.1. Objectives

- To increase the energy performance of industry, in particular SMEs, thereby improving their reliability, competitiveness and reputation.
- To raise awareness among industrial decision-makers and have them consider energy as a profit centre.
- To promote energy services, energy management schemes, procurement guidelines and training for industry.
- To develop well-targeted tools and information for industries to reduce their energy use.
- To help to improve energy conversion and increase the share of poly-generation in industry, including CHP.

### 11.2.2. Priorities for action

#### (a) Enabling policies and strategies

- Development and promotion of comprehensive energy audit and management schemes, including for non-core processes.
- Action paving the way for new policy initiatives in the field of industry, in line with the suggestions listed in the Energy Efficiency Action Plan.

#### (b) Market transformation

- Action to encourage wider implementation of poly-generation, including high-efficiency cogeneration, in industry. Includes targeted promotion and dissemination, assessment of potential and training schemes.
- Action supporting improvements in energy conversion for existing generation capacity and for new electricity generation and district heating and cooling capacity.
- Action to introduce and promote the concept of energy services in industry.

#### (c) Changing behaviour

- Action making industrial decision-makers commit to improving the energy performance of their company and communicating their achievements to their customers, suppliers and shareholders (e.g. through voluntary agreements with quantified and staged objectives, monitoring and reporting).
- Action facilitating exchanges of know-how and experience between energy managers.
- Action to support adoption of energy-efficient procurement and purchasing by industry (e.g. guidelines, networks, etc.).

(d) Access to capital

- Action facilitating leveraging of financing of energy-efficiency projects in industry, e.g. by integrating sustainable energy in business plans.
- Action to promote use of public/private energy-efficiency funds and financial packages for industries for energy audits and specific energy-efficiency investments identified in audits.

(e) Training

- Action enhancing the awareness, capabilities and skills of energy and utilities managers and maintenance personnel in industry.
- Development and promotion of free user-friendly energy management tools customised for industry, including tools for competitively priced energy audits and for energy benchmarking.

*11.2.3. Key players and target groups*

See table.

*11.2.4. Indicators*

(a) Enabling policies and strategies

- Number/evidence of new ideas for energy-efficiency policies and measures in industry.
- Number of new or updated certification schemes for industry, expected energy impact of such measures and estimated knock-on effect.

(b) Market transformation

- Results of projects in terms of new investment in poly-generation and estimated knock-on effect.

(c) Changing behaviour

- Number of commitments and firm action plans from industrial decision-makers to increase their energy performance and their share of renewable energy sources.

(d) Training

- Number of large-scale training activities with high visibility, likely to be repeated beyond the duration of projects.
- Number of trained energy and utilities managers and maintenance personnel; number and quality of new networks created.
- Wider implementation of energy-management schemes and tools; creation and use of new tools.

### 11.3. Energy-efficient products

#### 11.3.1. Objectives

- To increase the market share of energy-efficient products, i.e. all energy-using products and systems (except vehicles).
- To foster gradual phasing-out of the less efficient products available on the market and accelerate replacement of old, less efficient appliances in use.
- To have buyers/salesmen consider energy labels and energy efficiency in general in their purchases/sales.
- To have energy-using products designed, manufactured, purchased, installed, used and disposed of in the most energy-intelligent way.

#### 11.3.2. Priorities for action

##### (a) Enabling policies and strategies

- Communication of independent testing of products to raise confidence in labels and minimum ecodesign requirements.
- Action aiming to explain, check and enforce proper energy labelling.
- Action collecting stock, sales, use and resource consumption data, monitoring market transformation and analysing/forecasting market development in relation to (current and future) policies and measures and preparing the ground for new policy initiatives, taking into account the suggestions from the Energy Efficiency Action Plan.
- Several other types of action supporting legislation are expected be covered by calls for tenders.

##### (b) Market transformation

- Action focusing on market transformation for energy end-use products identified in the European Climate Change Programme<sup>33</sup> as representing the biggest energy savings potential, e.g. electric motor systems, office equipment, lighting and consumer electronics.
- Voluntary approaches, codes of conduct: on the supplier side mainly with manufacturers but also with wholesalers and/or retailers, where appropriate, and on the consumer side mainly with public authorities and big buyer groups.
- Action making procurement practices more favourable to energy-efficient products, in particular in the public sector.

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<sup>33</sup> European Climate Change Programme Report, European Commission Directorate General for Environment, June 2001. <http://ec.europa.eu/environment/climat/eccpreport.htm>

- Communication campaigns relying on the EU labelling scheme and aiming to foster early replacement of less-efficient energy-using products.

- Internet as a marketplace.

(c) Changing behaviour

- Action to convince consumers to purchase the most efficient products adapted to their actual needs (promoting both efficiency and sufficiency), including provision of energy consumption data in the specialised press.
- Action to persuade end-users to reduce their energy use, e.g. through appropriate metering, informative billing, public recognition, etc.

(d) Access to capital

- Constitution of large buyers' groups to overcome cost barriers associated with new technologies.
- Exchanges of information and best practices on tax incentives, rebates and accelerated depreciation rules for commercial and industrial equipment.

(e) Training

- Training sales personnel on energy labels and life-cycle cost principles, so that they can use them as a sales argument.
- Training of technicians responsible for installation and maintenance of energy-using products.

*11.3.3. Key players and target groups*

See table.

*11.3.4. Indicators*

(a) Enabling policies and strategies

- Results of projects used in implementation of the Ecodesign Directive, possible amendment of the Labelling Framework Directive and amendment of the Energy Star Agreement on office equipment.
- Enhanced visibility and credibility given to energy labels.
- Improved monitoring of market transformation and innovative ideas to accelerate this transformation, in particular for products with the highest potential savings.

(b) Market transformation

- Results of projects linked to new investment in energy-efficient appliances.

- Number/evidence of new voluntary commitments on the part of suppliers, distributors and consumers.
- Increases in sales of energy-efficient products.
- Number of people targeted by communication campaigns.

(c) Changing behaviour

- Greater attention by sales personnel/purchasers to energy labels and life-cycle costing.
- Number of communication activities undertaken by industry/retailers on energy-efficient products.

(d) Access to capital

- Development of large buyers' group, voluntary initiatives and green procurement initiatives.

(e) Training

- Number of sales personnel, installers and maintenance staff trained and number of purchasers better informed.

## 12. ALTENER: NEW AND RENEWABLE RESOURCES

Renewable energy sources (RES) can provide a wide range of energy services sustainably, and can be produced locally within the EU, delivering secure supplies of electricity, heating and cooling, and motive power for transport without adding to greenhouse gas emissions and climate change. RES are becoming more competitive, and policies supporting the use of RES are making the manufacture and supply of RE technologies, as well as the production of bio-energy resources (biomass and biofuels) more attractive as business opportunities. Actions supported under ALTENER should build on existing EU policies and legislation (see below), and help to increase the use of RE in the EU.

The 1997 White Paper on Renewable Energy<sup>34</sup> set the context for the EU policy and legislative framework that has been put in place for the renewable energy sector in recent years, and this has recently been up-dated in the 2007 energy package<sup>35 36 37</sup>.

For *electricity*, the Directive on electricity produced from RES sets national indicative targets and addresses the need to overcome market barriers. In its recent communications<sup>38 39</sup> the Commission has emphasised the need to take further action if these targets are to be achieved.

For *heating and cooling*, there is not yet any EU legislation aiming specifically to maximise the up-take of RES (biomass, solar and geothermal), but the Directive on the Energy Performance of Buildings (EPBD), the Directive for the promotion of cogeneration<sup>40</sup>, and the Biomass Action Plan<sup>41</sup> are all helpful.

For *domestic and small-scale renewable energy systems*, which include both systems integrated into buildings and small stand-alone RE plants, the EPBD also plays an important role.

For biofuels, the Commission has adopted two important Directives, one to promote biofuels for transport<sup>42</sup>, the other to reduce excise rates for biofuels<sup>43</sup>. Future policy and regulatory frameworks for this sector are outlined in the recently revised Biomass Action Plan.

ALTENER projects may include one or more of the following Key Actions:

- **Electricity from renewable energy sources (RES-e)**, to support EU policy by tackling barriers to market growth and helping to achieve future renewable energy targets.

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<sup>34</sup> Energy for the future: renewable sources of energy. White Paper and action plan COM(97) 599 26.11.1997.

<sup>35</sup> An energy policy for Europe COM(2007)1 final 10.01.2007

<sup>36</sup> Renewable energy roadmap COM(2006)848 final 10.01.2007

<sup>37</sup> Biofuels progress report COM(2006) 845 final 10.01.2007

<sup>38</sup> COM (2004) 366 of 26 May 2004. The share of renewable energy in the EU.

<sup>39</sup> COM(2005) 627 of 7 December 2005. The support of electricity from renewable energy sources

<sup>40</sup> Directive 2004/8/EC of 11 February 2004 on the promotion of cogeneration based on useful heat demand in the internal energy market and amending Directive 92/42.EEC

<sup>41</sup> COM (2005) 628 final of 7 December 2005 Biomass Action Plan

<sup>42</sup> Directive 2003/30/EC on the promotion of the use of biofuels or other renewable fuels for transport

<sup>43</sup> Directive 2003/96/EC of 27 October 2003 restructuring the Community framework for the taxation of energy products and electricity

- **Renewable energy heating/cooling (RES-H/C)**, to promote greater use of biomass, solar and geothermal heating and cooling, especially in buildings and industry.
- **Domestic and other small-scale RE applications**, to increase use of small-scale renewable energy systems in buildings, in line with the Energy Performance of Buildings Directive, and to promote use of small-scale stand-alone RE systems.
- **Biofuels**, to promote use of sustainable forms of biodiesel, alcohols, biogas and bio-additives to replace fossil fuels for transport applications and to contribute to achieving future EU targets.

## 12.1. Electricity from renewable energy sources (RES-e)

### 12.1.1. Objectives

- To support policy development by transferring experience and improving understanding of the actual and potential contributions by RES-e to electricity consumption in the EU; to monitor, benchmark and assess the effectiveness of RES-e policies, legislation and support schemes; and to make RES-e policies more consistent with other sectoral policies and objectives.
- To remove market barriers and simplify approval procedures for construction and use of renewable energy generators.
- To change the behaviour of decision-makers and RES-e stakeholders so that they communicate better and work to create more competitive products and services through economies of scale.
- To encourage investment in RES-e generation, transmission and distribution systems and in manufacture of RES-e technology, notably by SMEs.
- To train more RES-e professionals, technicians and craftsmen.

### 12.1.2. Priorities for action

#### (a) Enabling policies and strategies

- Analyse, monitor, benchmark and develop innovative policies, including support schemes (optimisation of effectiveness, coordination and harmonisation), potential and targets; promote and exchange experience of EU, national, local and regional policies.
- Monitor the impact of RES-e, including on security of supply, the environment, economic growth, competitiveness, employment, human safety, decommissioning and recycling (WEEE requirements).
- Make RES policies more consistent in terms of energy efficiency, CHP, conventional power, the internal market, innovation, emission trading/Kyoto flexible instruments, the environment, agriculture and water.

- Monitor, benchmark and develop innovative legislation, codes, permits and standards, including application procedures, construction and planning permits, grid connection procedures and international trading.
- Improve the consistency of the on-shore and off-shore regulatory frameworks for RES-e, including coordinated action and networking for regulators, TSOs and DSOs, utilities, planners and policy-makers.
- Monitor RES-e markets, including investment, operating costs and charges; grid connection, transmission and distribution costs and charges; and life-cycle, decommissioning and external costs.

(b) Market transformation

- Simplify procedures for authorising construction of RES-e generators, including sharing and transferring best practices and trials of innovative approaches.
- Accelerate deployment in the EU of specific RES-e technologies, including bioelectricity, offshore technologies, wind, hydro, geothermal and solar.
- Intelligent grid management and pricing (peak demand management, reserve capacity, etc.), intelligent combinations of RES-e and storage (non-technological aspects) and intelligent meters.
- Improve market transparency, including disclosure, guarantee of origin and transparent tariffs.
- Strengthen the competitiveness of EU industry by promoting business opportunities for RES-e technologies on global markets and developing export strategies for RES-e technology.
- Improve the competitiveness and reliability of biomass supply chains, communication and networking for farmers, fuel processors, distributors and power station managers.

(c) Changing behaviour

- Action to change attitudes and behaviour in the electricity industry.
- Networking of professionals, decision-makers and national support scheme managers.
- User behaviour studies related to sales and use of RES-e (including cultural issues).
- Information, promotion and transfer of best practices to businesses, households and the public sector to encourage switching to cleaner electricity supplies.

(d) Access to capital

- Innovative financing schemes and communication drives involving RES-e project developers, financial institutions and investors plus cooperative project financing.
- Action to establish/strengthen renewable ESCOs.

(e) Training

- Strengthen RE topics in vocational training curricula and certification schemes.
- For the electricity sector, address modern grid planning, design and optimisation, plus approval procedures for RES-e grid connections and safety, security and environmental issues.
- For urban and rural planners, address environmental and other issues affecting RES-e.

*12.1.3. Key players and target groups*

See table.

*12.1.4. Indicators*

(a) Enabling policies and strategies

- Use of results of IEE projects in policymaking, regulations and planning.
- More consistent policies, regulations and planning, especially for grid issues.
- More reliable data on RES-e potential, impact, trends, economies and markets.

(b) Market transformation

- Link between the results of IEE projects and more competitive RES-e generators and businesses.
- Simplified authorisation procedures for development of RES-e.
- Improved market frameworks for RES-e (tariffs, transparency and grid management).

(c) Changing behaviour

- Number of utilities involved in behavioural change activities.
- Number of users switching to clean electricity and changes in attitudes to RES-e.
- Number of educational entities incorporating RE in their curricula and number of students affected.

(d) Access to capital

- Number of new and innovative financing schemes established.
- Link between the results of IEE projects and new investment in RES-e generators and businesses.

(e) Training

- Number of people trained on RES-e in the electricity sector, including SMEs.
- Number of planners and public-sector decision-makers trained on RES-e.

**12.2. Renewable energy heating/cooling (RES-H/C)<sup>44</sup>**

*12.2.1. Objectives*

- To support policy development by transferring experience and improving understanding of the actual and potential contributions by RES-H/C to heating and cooling consumption in the EU; to monitor, benchmark and assess the effectiveness of RES-H/C policies, legislation and support schemes; and to make RES-H/C policies more consistent with other sectoral policies and objectives.
- To remove market barriers and simplify approval procedures for construction and use of biomass, solar and geothermal heating/cooling systems; to improve the availability, quality and sustainability of biomass fuels; and to strengthen market links between biomass production and use.
- To change the behaviour of decision-makers and RES-H/C stakeholders so that they communicate better and work to create more competitive products and services through economies of scale.
- To stimulate new investment in RES-H/C, including district heating and CHP, and in manufacture of RES-H/C technology, notably by SMEs.
- To train more RES-H/C professionals, technicians and craftsmen.

*12.2.2. Priorities for action*

(a) Enabling policies and strategies

- Analyse, monitor, benchmark and develop innovative policies, including support schemes (optimisation of effectiveness, coordination and harmonisation), potential and targets; promote and exchange experience of EU, national, local and regional policies.
- Monitor the impact of RES-H/C, including on security of supply, the environment, economic growth, competitiveness, employment, human safety, decommissioning and recycling (WEEE requirements).
- Monitor, benchmark and develop innovative legislation, codes, permits and standards, including application procedures, construction and planning permits.

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<sup>44</sup> Note: In the building sector, this Key Action focuses on development of the market, the industry and policy and regulatory frameworks which directly affect use of RE heating and cooling systems. More general action addressing implementation of the EPBD is a priority under Key Action 1.

- Monitor RES-H/C markets, including production/consumption of RES-H/C; investment, operating and maintenance costs, decommissioning costs and charges; and international trading of fuels and systems.

(b) Market transformation

- Simplify procedures for authorising construction of RES-H/C systems, including sharing and transferring best practices and trials of innovative approaches.
- Accelerate deployment of RES-H/C, including district heating and/or CHP, solid biomass, biogas, solar and geothermal applications in buildings and in industry.
- Initiatives to promote sustainable production and supply of biomass fuel, plus intelligent combinations of RES-H/C and storage (non-technological aspects).
- Improve market transparency, including disclosure, guarantee of origin and transparent tariffs in district heating systems plus transparent RE fuel pricing.
- Strengthen the competitiveness of EU industry by promoting business opportunities on global markets, developing export strategies for RES-H/C technology and long-term industrial agreements.
- Improve the competitiveness and reliability of biomass and biogas supply chains, including communication and networking for farmers, fuel distributors, CHP and district heating system managers.

(c) Changing behaviour

- Action to change attitudes and behaviour in farming and forestry.
- Networking of professionals, decision-makers and support scheme managers.
- User behaviour studies related to sales and use of RES-H/C systems and fuels.
- Information, promotion and transfer of best practices to businesses, households and the public sector on switching to RES-H/C systems and fuels.

(d) Access to capital

- Innovative financing schemes and communication drives involving RES-H/C project developers, financing institutions and investors plus cooperative project financing.
- Action to establish/strengthen renewable ESCOs.

(e) Training

- Strengthen local entrepreneurship capacity (notably in SMEs) for providing services related to fuel supply and installation and management of RES-H/C systems.
- Environmental and procedural issues for urban and rural planners and building authorisation officers.

- Training and certification schemes for suppliers and installers.

### *12.2.3. Key players and target groups*

See table.

### *12.2.4. Indicators*

#### (a) Enabling policies and strategies

- Use of results of IEE projects in policymaking, regulations and planning.
- More consistent policies, regulations and planning.
- More reliable data on RES-H/C potential, impact, trends, economies and markets.

#### (b) Market transformation

- Link between the results of IEE projects and more competitive RES-H/C systems and businesses.
- Simplified authorisation procedures for development and installation of RES-H/C.
- Improved market frameworks for RES-H/C systems and fuel supplies.

#### (c) Changing behaviour

- Number of RES-H/C suppliers involved in behavioural change activities.
- Number of users switching to clean energy schemes and changes in attitudes to RES.
- Number of educational entities incorporating RE in their curricula and number of students affected.

#### (d) Access to capital

- Number of new and innovative financing schemes (including ESCOs) developed.

#### (e) Training

- Number of people trained on RES in the heating and cooling industry, especially SMEs.
- Number of planners, construction approval officers and other public-sector decision-makers trained.

## 12.3. Domestic and other small-scale RE applications<sup>45</sup>

### 12.3.1. Objectives

- To support policy development by transferring experience and improving understanding of the actual and potential contributions by domestic and small-scale RE applications to EU energy consumption; to monitor, benchmark and assess the effectiveness of policies, legislation and support schemes, and to make these policies more consistent.
- To remove market barriers and simplify approval procedures for construction and use of domestic and small-scale RE systems.
- To change the behaviour of decision-makers, householders and individuals by making them aware of successful experience and solutions to develop the local market.
- To encourage investment and local markets in small-scale RE applications.
- To train more professionals, technicians and craftsmen, and thereby stimulate new/expanded/stronger businesses (especially SMEs) in the small-scale RE sector.

### 12.3.2. Priorities for action

#### (a) Enabling policies and strategies

- Analyse, monitor, benchmark and develop innovative policies, including support schemes (optimisation of effectiveness, coordination and harmonisation), potential and targets; promote and exchange experience of EU, national, local and regional policies.
- Monitor the impact, including on security of supply, the environment, business growth and competitiveness, employment, safety and recycling (WEEE requirements).
- Monitor, benchmark and develop innovative legislation, codes, permits and standards, including application procedures, construction and planning permits.
- Monitor domestic and small-scale RES markets, including investment, operating costs (including fuel costs), maintenance costs, decommissioning costs and international trading of fuels and systems.
- Innovative rules and frameworks (i.e. codes, regulations and statutes) encouraging energy customers also to become energy producers.

#### (b) Market transformation

- Improve the transparency of policies and regulations and thereby help implementation of the EPBD (in residential, tertiary and public buildings), with particular emphasis on using RES to contribute to the targets set by the Directive.

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<sup>45</sup> Note: In the building sector, this Key Action focuses on development of the market, the industry and policy and regulatory frameworks, which directly affect use of small-scale RE systems in buildings. More general action addressing implementation of the EPBD is a priority under Key Action 1.

- Simplify procedures for authorising construction of small-scale RES systems, including sharing and transferring best practices and trials of innovative approaches.
- Promote manufacture and cost-effective integration into buildings and stand-alone applications of domestic and other small-scale RE systems, including solar heating and cooling, photovoltaics, biomass (wood pellets, chips and logs) and biogas systems, ground-coupled heat pumps, hydrogen and fuel cells, micro-wind, micro-CHP and micro-hydropower. In particular, support SMEs, “plug and play” solutions, product labelling, system guarantees, model contracts and internet marketing for cost-effective integration of small-scale RES in buildings.
- Improve the competitiveness and reliability of biomass supplies to householders, including better communications and model contracts between farmers, fuel distributors and users.
- Strengthen the competitiveness of small-scale RES industry by promoting business opportunities on global markets and developing export strategies for technology.
- Standards and quality management in sales, design, installation and operation, in order to protect end-users and increase consumer confidence.
- Promote “shining” examples of RE systems, especially in public buildings.

(c) Changing behaviour

- Action to change the attitudes and behaviour of householders and building owners.
- User behaviour studies related to sales and use of small-scale RES systems.
- Information, promotion and transfer to businesses, households and the public sector of best practices on switching to small-scale RES systems and fuels.

(d) Access to capital

- Creation and promotion of innovative financing schemes and communication drives involving financial institutions and other investors.
- Action to assist householders with financing, including tailored financing and support schemes, reducing costs through joint procurement (“buyers' pools”), economies of scale and renewable ESCOs.

(e) Training

- Training and “certification” courses for system installers, building system specifiers, other businesses (including SMEs), distributors, wholesalers and retail sales staff.
- Training for building professionals, planners and public-sector authorising officers.
- Capacity-building in regions with a slower penetration of small-scale RE applications.

### 12.3.3. *Key players and target groups*

See table.

### 12.3.4. *Indicators*

#### (a) Enabling policies and strategies

- More reliable data on potential, impact, trends, economies, targets and markets.
- Use of results of projects in policymaking, regulations and planning.
- More consistent regulations and planning.

#### (b) Market transformation

- Link between the results of IEE projects and more competitive RES systems and businesses.
- Simplified authorisation procedures for RES installations.
- Improved market frameworks for RES systems and fuel supplies.

#### (c) Changing behaviour

- Number of small-scale RES system suppliers involved in behavioural change activities.
- Number of users shifting to small RE systems and changes in attitudes to RES.
- Number of educational entities incorporating RE in their curricula and number of students affected.

#### (d) Access to capital

- Number of ESCOs and innovative financing schemes developed.
- Link between the results of projects and new investment in RES systems and businesses.

#### (e) Training

- Number of people trained in the small-scale RES systems industries, especially SMEs.
- Number of planners, construction approval officers and other public-sector decision-makers trained.
- Number of professionals, technicians and craftsmen trained.

## 12.4. Biofuels

### 12.4.1. Objectives

- To support policy development by transferring experience and improving understanding and benchmarks of the energy performance, environmental impact, land use requirements and potential contributions of biofuels (biodiesel, bio-alcohols, biogas and bio-additives) to fuel consumption in transport and other uses; to promote and exchange experience of EU, national, local and regional policies, legislation and support schemes; and to make biofuels policies more consistent with other sectoral policies and objectives.
- To promote production, transparent certification of environmental sustainability, processing and trading of the potentially most economical and sustainable biofuels (within the EU and in non-EU countries), whilst removing market barriers and simplifying approval procedures.
- To change the behaviour of public and fuel industry decision-makers, stakeholders in the biofuels market (including farmers, foresters and distributors) so that they communicate better and work together to create competitive products and services through economies of scale.
- To encourage investment in production (planting, managing growth and harvesting) and processing of more competitive first-generation biofuels with less environmental impact and in second-generation biofuels and in enhanced distribution infrastructure for biofuels.
- To train more biofuels professionals, technicians and craftsmen.

### 12.4.2. Priorities for action

#### (a) Enabling policies and strategies

- Analyse, monitor, benchmark and develop innovative policies, including support schemes (optimisation of effectiveness, coordination and harmonisation), potential and targets; promote and exchange experience of EU, national, local and regional biofuels policies.
- Assess and monitor the impact of biofuels, including on security of supply, the environment, land use, economic growth, competitiveness and employment.
- Make biofuels policies more consistent with other EU policies, such as on the internal market, innovation, emission trading/Kyoto flexible instruments, the environment, agriculture and water, forestry and industrial policy.
- Monitor, benchmark and develop innovative legislation, permits and standards, including application procedures for land use, construction and planning permits for processing plants and international trading of biofuels.
- Monitor biofuels markets, including investment, production, processing and distribution costs, possible market distortions, and the perspective of end users and prepare the way for introduction of second-generation biofuels.

#### (b) Market transformation

- Stimulate market players in the biofuel supply chain (farmers, fuel processors and distributors) to increase the competitiveness and reliability of biofuels supplies.
- Simplify procedures for authorising growing and processing of biofuel crops, sharing and transferring best practices and trials of innovative approaches.
- Improve market transparency, including guarantees of sustainable production, labelling and transparent pricing.
- Strengthen the competitiveness of the EU biofuels industry by promoting business opportunities for biofuels products and services on global markets.

(c) Changing behaviour

- Action to accelerate change and to develop business opportunities for biofuel in agricultural communities.
- Local initiatives to encourage production and local use of biofuels.
- Networking of professionals, decision-makers and support scheme managers.
- Long-term agreements between farmers, foresters, fuel distribution companies and vehicle engine manufacturers.

(d) Access to capital

- Stimulate potential stakeholders in the biofuel supply chain to invest and increase the supply of biodiesel, bio-alcohols, biogas, bio-additives and second-generation biofuels.
- Promote well-informed dialogue between biofuel producers (farmers, forestry owners and fuel processors) and potential investors (project developers, financial institutions and potential partners in cooperative project financing or other innovative financing schemes).
- Promote national, regional and local biofuels support schemes plus investment in biofuels distribution infrastructure.

(e) Training

- Training of farmers, agricultural workers and foresters.
- Training of small biofuel processors and business owners (SMEs).
- Training of public-sector (local) authorising officers on environmental and related issues.
- Training of biofuel distributors.

*12.4.3. Key players and target groups*

See table.

#### 12.4.4. Indicators

##### (a) Enabling policies and strategies

- Better monitoring of the biofuels markets, leading to more reliable data on market potential, impact, trends, economies and targets.
- Use of results of projects in policymaking, regulations and planning.
- More consistent regulations and planning.

##### (b) Market transformation

- Link between the results of IEE projects and more competitive biofuels production and distribution businesses.
- Simplified authorisation procedures for switching land to biofuels production and for construction of biofuels processing plants.
- Improved market frameworks for biofuels.

##### (c) Changing behaviour

- Number of biofuels suppliers involved in behavioural change activities.
- Changes in attitudes to biofuels.
- Number of educational entities incorporating biofuels in their curricula and number of students affected.

##### (d) Access to capital

- Number of innovative financing schemes developed.
- Link between the results of projects and new investment in biofuels production.

##### (e) Training

- Number of people trained on biofuels in farming and fuel supply chains, especially SMEs.
- Number of planners and other public-sector decision-makers trained.
- Number of professionals, technicians and craftsmen trained.

### 13. STEER: ENERGY IN TRANSPORT

Transport plays a central role in the European economy and accounts for almost 20% of total primary energy consumption in Europe. 98% of the energy consumed in this sector is fossil fuel. As transport is also the fastest growing sector in terms of energy use, it is essential to tap the potential for energy-efficiency gains in this sector.

Action to promote energy efficiency and use of new and renewable energy sources in transport may include:

- (a) supporting initiatives relating to all energy aspects of transport and diversification of fuels;
- (b) promoting new and renewable (alternative) fuels and energy efficiency in transport;
- (c) supporting preparation and application of legislative measures.

STEER will give priority to projects which promote, build on and/or implement the existing EU policy and legislative frameworks for energy efficiency and renewable or alternative fuels in transport, taking into account the suggestions made in the Energy Efficiency Action Plan<sup>46</sup>. Projects should build on well-tested strategies and technologies and remove the market barriers to wider application thereof.

Priority will also be given to projects which do more than raise the awareness of individual citizens, householders and decision-makers but actually achieve changes in transport behaviour and modal choice, including persons and goods. Projects should deliver and apply existing knowledge in a convincing and motivating way to the relevant target groups and contribute to wider dissemination and use of well-proven strategies. They should help end-users to take informed decisions and increase public acceptance of more energy-efficient transport behaviour, alternative and renewable fuels and clean vehicles.

Priority will also be given to training professionals and officials, whose daily work has an impact on take-up of energy-efficient transport strategies and alternative fuels on the one hand. On the other the knowledge and capacity of end-users to decide for and use modes of transport with lower energy consumption and/or alternative fuels will be built up.

STEER may relate to one or both of the following Key Actions:

- **Alternative fuels and clean vehicles:** projects should help to harness existing supply structures by creating increased demand and/or help to prepare the ground for potential new supply structures. Projects should encourage players (e.g. fleet operators) to join forces.
- **Energy-efficient transport:** projects which address energy-efficient transport should prepare the ground for more effective implementation of European policies. They should contribute to extending and widening the potential range of market players and accelerate the take-up and transfer of best practice. Projects should tap the potential of the various

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<sup>46</sup> COM(2006) 545 final.

modes and combined use thereof as a contribution to more energy-efficient transport. Policies related to integrated strategies and (dis)incentives will likewise help to steer the behaviour and decisions of transport users, authorities and operators.

Separate action on capacity-building and structural integration of transport/energy-related activities into agencies is not included in this call but is envisaged for the 2008 call.

### **13.1. Alternative fuels and clean vehicles**

#### *13.1.1. Objectives*

- To diversify energy sources used in transport.
- To stimulate demand for alternative fuels and clean vehicles.
- To promote greater use of biofuels in order to meet the targets set in the Biofuels Directive.
- To develop a market for clean vehicles through captive fleets.

#### *13.1.2. Priorities for action*

This Key Action focuses on use of alternative fuels and complements the ALTENER Key Action on production of biofuels. It covers all modes of transport. The priorities focus on alternative fuels which are capable of achieving a significant market share in the short to medium term. They are intended to create and coordinate greater demand for alternative fuels and clean vehicles and to lower the barriers for end-users to use of alternative fuels and clean vehicles.

##### (a) Enabling policies and strategies

- Action to develop and promote transparent EU-wide user information on the location of filling stations selling alternative fuels.

##### (b) Market transformation

- Promote joint procurement of clean and efficient vehicle fleets (e.g. buses, hired cars, business car fleets and maintenance vehicles) or of alternative fuels.
- Implement comprehensive strategies and action to support market development of clean vehicles and vehicles running on alternative fuels, including networking and awareness-raising.
- Promote use of alternative fuels by national, regional and local public authorities.
- Gain practical experience (of vehicle operating efficiencies, environmental impact and other issues) with use of biofuels at different blending levels (10%, 15%, 20%, etc.).
- Encourage players, in particular SMEs, to apply measures and exchange knowledge with a view to making vehicles more energy efficient (eco-tuning).

(c) Changing behaviour

- Action to change customer behaviour and increase public acceptance of clean vehicles or alternative fuels.
- Action to inform and educate public authorities and users about use of alternative fuels.
- Action to increase awareness of and demand for alternative fuels and clean vehicles.

(d) Training

- Training in market development strategies for alternative fuels and/or clean vehicles targeted at (local) public-sector authorising officers, fleet operators and fuel distributors.

*13.1.3. Key players and target groups*

See table.

*13.1.4. Indicators*

(a) Enabling policies and strategies

- Contribution to achieving the objectives set in the Biofuels Directive.

(b) Market transformation

- Improved access to and overview of alternative fuels and clean vehicles available.
- Impact of promotional activities in terms of number of users and institutions reached.
- Number of examples of successful transfer of procurement schemes.
- Sales of vehicles running on biofuels and/or other alternative fuels in the different Member States and in captive fleets.

(c) Changing behaviour

- Measure the increase in public acceptance and market confidence.

(d) Training

- Number of examples of successful transfer of knowledge/experience about clean vehicles and alternative fuels.

## 13.2. Energy-efficient transport<sup>47</sup>

### 13.2.1. Objectives

- To encourage a shift of passengers and/or freight to less energy-intensive modes, especially in urban areas and over long distances.
- To reduce unnecessary demand for transport.
- To increase the energy efficiency of transport and promote co-modality.
- To transfer, apply and promote widely well-proven best practice, strategies and technologies.
- To raise the awareness of different target groups of the impact of their mobility behaviour on energy efficiency and to motivate and achieve changes in behaviour.

### 13.2.2. Priorities for action

#### (a) Enabling policies and strategies

- Identification and involvement of new players and relevant key market players to apply measures to increase energy efficiency in transport (stakeholder mobilisation and activation, particularly in the new Member States and accession countries, the industry and the housing sector).
- Creation of economic incentives or disincentives for transport users or for zones with limited or regulated access with the aim of promoting energy-efficient transport modes, clean vehicles or vehicles using alternative fuels.
- Promotion of intelligent technologies aiming to increase energy efficiency by improving driver behaviour and skills, planning freight logistics and optimising information on sustainable travel options.
- Practical measures and integrated strategies for clean urban transport and for energy-efficient urban freight distribution, including establishment of appropriate local/regional management mechanisms and organisational structures, particularly in the new Member States and accession countries.
- Transfer of experience and promotion of shared ownership and/or use of private road vehicles and of less car-dependent lifestyles.
- Action to increase the attractiveness and use of energy-efficient public transport by rail or road.
- Networking of mobility management initiatives with the aim of strengthening European cooperation, coordination and dissemination.

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<sup>47</sup> Covers all modes except aviation and long-distance maritime transport.

- Action to increase the modal share of safe walking and cycling, including promotion of green technologies in cycling, such as electric bicycles.

(b) Market transformation

- Encourage the use of vehicle (private car) navigation to increase the energy-efficiency of driving.
- Offering alternative mobility options (integrated public transport, park and ride options, etc.) in navigation systems (web- and GNSS-based) to increase energy efficiency.

(c) Changing behaviour

- Compile and customise available information and knowledge on specific aspects of energy efficiency in transport and pro-active and innovative dissemination thereof to well-identified target groups.
- Create and promote voluntary agreements and mobility covenants between different stakeholders, e.g. residential communities and public transport providers and public-private partnerships.
- Use white certificates, audits, standards, labelling for mobility management or energy-efficient transport.
- Promotion and/or standardization of labels for energy efficiency in transport
- Provide coordination, management and information mechanisms to fleet operators, retailers and other players in the freight sector (in addition to passenger transport)
- Establish travel plans for organisations, schools, authorities and residential areas.
- Launch innovative awareness campaigns for travellers.
- Take action to address and educate drivers and promote improved maintenance (e.g. tyre pressure control) and a more energy-efficient driving style.
- Educate children, students and their educators on the implications of transport patterns with the intention of changing those patterns towards energy efficiency.
- Promote an optimal integration of energy efficiency into the preparatory and implementation activities concerning the EU directive for vocational drivers (2003/59).

(d) Training

- Transfer knowledge and experience from advanced players, cities and countries to places where energy use in transport is not yet sufficiently addressed.

*13.2.3. Key players and target groups*

See table.

#### 13.2.4. Indicators

##### (a) Enabling policies and strategies

- Number of new players promoting and applying specific energy-efficient transport measures.
- Number of examples of successful transfer of knowledge/experience of energy-efficient transport. Estimation of replication potential of such examples.
- Acknowledgement by key players, especially in the new Member States, and specific examples of the benefits of the Programme for implementation of energy-efficient transport.

##### (b) Market transformation

- Number of success stories with replication potential.

##### (c) Changing behaviour

- Impact of promotional activities in terms of number of people reached, when possible with categorisation of target populations.
- Number of success stories with replication potential and targeted dissemination thereof.
- Number of voluntary agreements or mobility covenants initiated and created.
- Number of pilot labelling and auditing activities for transport and indications of enhanced visibility and credibility.

##### (d) Training

- Number of examples of successful transfer of knowledge/experience of energy-efficient transport to new players.

## 14. INTEGRATED INITIATIVES

Action combining several of the specific fields (SAVE, ALTENER and STEER) or relating to certain Community priorities may include:

- (a) integrating energy efficiency and renewable energy sources in several sectors of the economy;
- (b) combining various instruments, tools and players within the same action or project.

### 14.1. Creation of local and regional energy agencies<sup>48</sup>

#### 14.1.1. Objectives

- To contribute to implementation and future development of EU, national, local and regional policies, strategies and legislation for promoting action by householders, businesses (especially SMEs) and the public sector to improve energy efficiency and increase use of renewables, especially in buildings and transport (including biofuels).
- To create a critical mass of local activity and achieve local economies of scale in order to reduce the costs of energy efficiency and renewable energy systems.
- To change citizens' behaviour and improve the quality of local/regional decision-making on implementation of energy efficiency and renewable energy systems.
- To increase levels of investment in energy efficiency and renewable energy services at local and regional levels.
- To promote establishment, public financing and use of local energy agencies by public authorities as a vital tool for achieving these objectives.

#### 14.1.2. Priorities for action

##### (a) Enabling policies and strategies

- Monitoring and facilitating local and regional policies, including support schemes (optimisation, coordination and harmonisation), potential and targets.

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<sup>48</sup> Proposals to create new local and regional energy agencies may be submitted by public authorities only and must meet the requirements set out in the IEE Guide for Proposals. In particular, new local energy agencies must:

- be independent, newly established on a not-for-profit basis and provide advisory and information services to local authorities, businesses and householders;
- give detailed information on energy efficiency and renewable energy products and services from a range of European suppliers, permitting householders and other decision-makers to "see, touch and feel" the latest European RE and EE products, systems and services;
- address energy efficiency, renewable energy sources and energy in transport;
- promote establishment of more local energy agencies by other public authorities.

Local energy agencies will benefit from specific training, networking and events organised via the Managenergy service provider.

- Promoting and monitoring local and regional legislation, codes and permits.
- Monitoring the local impact, including on security of supply, the environment, economic growth, competitiveness and employment.

(b) Market transformation

- Simplifying local procedures for authorising construction of renewable energy systems, including transfer of best practices and trials of innovative approaches.
- Monitoring local energy markets, investment, costs and businesses.
- Action to introduce sustainable energy services at local level.

(c) Changing behaviour

- Local user behaviour studies, monitoring and benchmarking public acceptance and market confidence.
- Local energy-efficiency and renewable energy campaigns, bringing together citizens, businesses (especially SMEs) and local authorities.
- Detailed information and advice on European and locally produced energy efficiency and renewable energy technologies and promotion of best practices and sustainable energy solutions and services to businesses, households and the public sector.
- Local action to change attitudes and behaviour in the bio-energy supply chain (farming and forestry).
- Local networking of energy professionals, decision-makers and support scheme managers.

(d) Access to capital

- Innovative financing schemes (including local cooperatives) and improved communications between project developers, financial institutions and investors.
- Action to establish/strengthen local EE and RE businesses, including SMEs and ESCOs.

(e) Training

- Strengthen local business capacity (notably in SMEs) for providing services related to renewable fuel supplies and installation and management of RE systems.
- Environmental and procedural issues for planners and building authorisation officers.
- Local training and certification schemes for suppliers and installers.
- Local capacity-building and advisory services.

#### *14.1.3. Key players and target groups*

See table.

#### *14.1.4. Indicators*

Results of the activities of the local energy agency in terms of:

- Local energy savings and numbers of successful low-energy buildings.
- Growth in the installed capacity of renewable energy systems and transformation of local RE markets.
- Updated sustainable energy (EE and RE) plans.
- Number of local jobs created in the sustainable energy sector.
- Number of organisations, fleets and citizens switching to more sustainable transport.
- Increase in levels of local skills resulting from training and education initiatives.
- Continuity of the agency's activities after the three-year period of IEE funding.

### **14.2. European networking for local action**

Although local action is relevant to most of the action in this Programme, this integrated action reflects the need to apply a global cross-sector approach to promotional activities at local level.

#### *14.2.1. Objectives*

- To enhance collaboration between local players in different EU Member States, including sharing information and experience, thereby promoting use of sustainable energy sources by means of common or simultaneous activities across the EU (e.g. energy weeks and campaigns).
- To convey the need for an integrated approach benefiting from cross-fertilisation between the major sectors: energy efficiency, renewable energy sources and sustainable transport.
- To promote the concept of intelligent energy as a key input for local sustainable development planning, paying special attention to job creation, environmental protection, improved quality of life and social image.
- To convey a positive message about the opportunities offered to consumers by sustainable energy patterns and intelligent energy attitudes.

#### *14.2.2. Priorities for action*

- (a) Enabling policies and strategies

- Thematic networks of local players, with a specific field of activity, committed to quantifiable results and with a view to continuity beyond the duration of the contract, demonstrated by a business plan.

(b) Market transformation

- Action combining the promotional activities envisaged for SAVE, ALTENER and STEER into a single action at local/regional level, provided there is evidence of an EU dimension in the content of the action and of replication potential.

(c) Changing behaviour

- Organisation of energy days and weeks, coordinated between a number of local and regional sites in Europe.
- Implementation of road-shows on intelligent energy.
- In general, large-scale promotional activities with a result-oriented approach and demonstrable expected impact, including a relevant media impact.

*14.2.3. Key players and target groups*

See table.

*14.2.4. Indicators*

(a) Enabling policies and strategies

- Estimated impact of the proposed thematic networks in terms of improved performance, better delivery of services and, consequently, energy results at local/regional level.
- Planned job creation/increases in local and/or regional GDP.

(b) Market transformation

- Number of companies and other stakeholders involved in local action and expected impact of their involvement in energy terms.

(c) Changing behaviour

- Number of people attending energy days and weeks or road-shows and number of organisations involved.
- Impact of promotional activities in communication business terms.

### 14.3. Sustainable energy communities

#### 14.3.1. Objectives

- To foster development of regional/local public sustainable energy communities committed to increasing their energy performance and their share of renewable energy sources beyond European Union targets.
- To have decision-makers of these communities lead by example and convince their citizens, companies and peers to follow suit.

#### 14.3.2. Priorities for action

- Proposals with high visibility and strong replication potential, likely to generate interest at Europe-wide level.
- Proposals where a few front-running communities (e.g. CONCERTO cities<sup>49</sup>) transfer their knowledge and experience to the large number of communities where energy issues are not yet being given high priority, in particular in less-favoured regions.
- Proposals considering several energy end-use sectors and covering both demand- and supply-side measures, including energy-efficient public procurement (e.g. the measures listed in Annex VI to Directive 2006/32/EC on energy end-use efficiency and energy services).
- Proposals where local/regional governments play a clear leading role and where local stakeholders, including citizens, are closely associated.
- Proposals stimulating energy-efficient behaviour on the part of citizens/enterprises and promoting development of a local market for energy services.
- Proposals resulting in practical action plans with clear, realistic and measurable targets, achievement of which is monitored and widely communicated in a transparent way, e.g. using electronic metering.

#### 14.3.3. Key players and target groups

See table.

#### 14.3.4. Indicators

- Number of communities aware of, and interested in, the concept of sustainable energy communities.

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<sup>49</sup> The CONCERTO initiative is part of the EU Framework Programme for Research, Technological Development and Demonstration ( <http://cordis.europa.eu> ). It aims at helping communities integrate sustainable energy-efficiency strategies into high quality local development. Today it includes 28 communities in 9 different projects. Whereas the CONCERTO initiative supports research, demonstration and dissemination of new knowledge about innovative energy technologies, the Intelligent Energy Europe projects focus primarily on promoting energy products and systems which are ready for rapid market growth and on tackling non-technological market barriers.

- Expected results of the action planned in terms of energy savings and increased share of renewable energy sources.
- Impact of the flagship communities on the media.
- Number of sustainable energy plans generated in other communities as a result of the Programme.
- Number and value of new local markets for energy services developed.

#### **14.4. Bio-business initiative**

##### *14.4.1. Objectives*

- To promote substantial increases in integrated production of solid, liquid and gaseous bioenergy sources for energy applications within the EU and to address the challenges associated with introduction of such major new bio-businesses at regional level within a limited timeframe.
- To provide a European framework (IEE projects) within which public authorities and business interests can take the initiative to develop and transfer experience with pre-planning large-scale integrated bioenergy production at regional level, with the aim of achieving major increases in bioenergy supplies while maintaining biodiversity and suitably balanced production of bioresources (for electricity, heating/cooling, biofuels and other commercial applications).
- To stimulate establishment at regional level of long-term business agreements and commitments to invest in bioenergy supplies, including large-scale planting, managing the growth and harvesting of crops and forestry, fuel processing (including chemical manufacturing) and distribution and possibly also user groups (such as fleet and/or public transport operators).

##### *14.4.2. Priorities for action*

###### (a) Enabling policies and strategies

- Develop ambitious local and regional policies, plans and targets for integrated bioenergy supplies.

###### (b) Market transformation

- Promote establishment of strong market structures, involving local and regional organisations (especially SMEs) in large-scale production and processing of an integrated mix of bioenergy sources.
- Develop examples of best practice in long-term business agreements between biomass / biofuel producers and major energy suppliers in the electricity, heating/cooling and transport sectors.

(c) Changing behaviour

- Action to change attitudes and behaviour amongst public-sector decision-makers and rural planners, by involving them in creating new local jobs by developing bio-business opportunities in agricultural communities.
- Action to change the usual practices of farmers and foresters, by persuading them to switch to growing crops for large-scale production of bioenergy.
- Action to change the usual practices of conventional energy suppliers (electricity, heating/cooling and/or transport fuels), by persuading them to enter into large-scale long-term bio-business agreements with suppliers from agriculture and forestry.

(d) Access to capital

- Stimulate large-scale investment in integrated bio-businesses (integrated biomass / biofuel supply chains) at regional level, aiming to achieve major increases in supplies of solid, liquid and gaseous bioenergy sources for use in electricity, heating/cooling and transport fuel markets.
- Promote enhanced dialogue between biomass / biofuel producers (farmers, forestry owners and fuel processors) and potential investors (project developers, financial institutions and potential partners in cooperative project financing or other innovative financing schemes).

*14.4.3. Key players and target groups*

See table.

*14.4.4. Indicators*

- Number of enhanced regional plans for integrated production of solid, liquid and gaseous bioenergy sources.
- Number of new farmers and foresters entering solid, liquid and gaseous bioenergy supply chains.
- Area of land newly allocated to integrated production of bioenergy crops.
- Number of new bio-businesses created to supply solid, liquid and gaseous bioenergy sources.

**14.5. Energy services initiative**

*14.5.1. Objectives*

- To support effective implementation of Directive 2006/32/EC on energy end-use efficiency and energy services.
- To provide background information for setting appropriate energy-saving targets.
- To support monitoring and evaluation of policies, programmes and projects.

- To contribute to developing and testing widely accepted measurement and verification methods for energy savings.
- To forecast progress in energy efficiency under different scenarios.
- To develop and promote tailor-made financial mechanisms for energy efficiency projects.
- To boost the market for energy service companies (ESCO), i.e. companies delivering energy services whose payment is based either wholly or partly on the energy savings achieved.
- To pave the way for future energy efficiency policies and strategies.

#### 14.5.2. *Priorities for action*

##### (a) Enabling policies and strategies

- Action to achieve more appropriate harmonised and integrated approaches for measuring and verifying energy savings, setting national indicative energy-saving targets and drafting national energy efficiency action plans.
- Action to develop and promote top-down and/or bottom-up evaluation methods for energy-saving policies, programmes and/or projects.
- Action to facilitate evaluation and comparison of national energy efficiency action plans.
- Actions to improve the availability of energy efficiency indicators in the domestic sector
- Action to implement energy efficiency monitoring, forecasting progress on energy efficiency in the EU or sketching long-term strategies for future cross-sector energy efficiency policies.

##### (b) Market transformation

- Action to foster exchanges of best practice between public-sector bodies on energy-efficient public procurement.
- Actions to encourage the implementation of energy management schemes in the tertiary sector
- Actions to promote schemes and procedures for energy audits
- Action to develop appropriate qualification, accreditation and/or certification schemes for providers of energy services, energy audits and energy efficiency improvement measures.
- Action to introduce energy efficiency policies and practices into regulation of energy markets.

##### (c) Changing behaviour

- Action to change energy consumption patterns and increase demand for energy services.

- Action on metering and informative billing of energy consumption.

(d) Access to capital

- Action to identify and remove legal barriers in national legislation to use of shared and guaranteed savings, third-party financing, energy performance contracting and other tailor-made financial models.
- Action to investigate and promote market-based approaches to energy efficiency policies, for example by means of white certificates.
- Action to promote identification, analysis and exchanges of best practices on financial mechanisms for promoting energy efficiency, including fiscal measures.
- Action to foster development of energy services companies (ESCOs): awareness-raising, confidence-building, creation of ESCO directories, etc.

*14.5.3. Key players and target groups*

See table.

*14.5.4. Indicators*

(a) Enabling policies and strategies

- Greater consistency between national schemes implementing Directive 2006/32/EC.
- Acknowledgement by several implementing authorities, and practical examples, of the benefits for implementation of Directive 2006/32/EC.
- Quality-controlled monitoring of progress on energy efficiency.
- Recognised energy efficiency modelling.
- Useful inputs for new energy efficiency policies and measures and long-term strategies.

(b) Market transformation

- Guidelines for audit schemes and public procurement.

(c) Access to capital

- Greater confidence in energy performance contracts.
- Evidence of improved market conditions for the ESCO industry.
- Widely accepted measurement and verification protocol.

## **14.6. Intelligent energy education initiative**

### *14.6.1. Objectives*

- To contribute to development of energy education in primary, secondary and higher education by encouraging cooperation between MS.
- To make young generations adopt intelligent energy behaviour.

### *14.6.2. Priorities for action*

- Action to replicate, enlarge and widen successful experience, tools and methods of sustainable energy education, reaching more schools, more teachers and more pupils with specific best practice activities (focusing on secondary schools in 2007).
- Action to promote sustainable energy education in the European schools system mobilising a large forum of stakeholders at regional, national and EU level, including education and energy players.
- Exchanges of experience between countries which have integrated energy education into their curriculum and countries which have not.
- Action to make the best use of existing didactic tools, in particular those developed so far with IEE support.
- Competitions in eligible countries with a view to awarding a prize for the most energy-efficient school.

### *14.6.3. Key players and target groups*

See table.

### *14.6.4. Indicators*

- Number of education establishments/staff involved.
- Statistics on use of the educational tools developed so far.
- Number of administrations integrating energy education into education curricula.
- Number of students directly and indirectly reached.

## **14.7. Product standards initiative**

### *14.7.1. Objectives*

- To finance development by CEN/CENELEC of standards<sup>50</sup> required for implementing the Ecodesign Directive (2005/32/EC) and the Energy Labelling Directive (1992/75/EEC).
- To finance development by CEN/CENELEC of standards required for implementing renewable energy products and fuels in order to meet the objectives of the Renewable Electricity Directive (2001/77/EC), the Biomass Action Plan and related EC policies.

### *14.7.2. Priorities for action*

- Preparation, by the relevant European standards bodies (under specific agreements), of standards on the environmental aspects and, in particular, energy consumption of various energy-using products for implementing the Ecodesign Directive (2005/32/EC) and the Energy Labelling Directive (1992/75/EEC).
- Preparation, by the relevant European standards bodies (under specific agreements), of standards on the energy and environmental performance and safety of renewable energy products and systems, including solar, wind, biomass and biogas systems, plus solid, liquid and gaseous biofuels and biodegradable wastes. Development, in particular, of measurement standards EN 14214 (fatty acid methyl ester) and EN 590 (diesel fuel).

### *14.7.3. Key players and target groups*

- CEN/CENELEC hold a monopoly.

### *14.7.4. Indicators*

N/A.

## **14.8. Combined heat and power initiative**

### *14.8.1. Objectives*

- To promote greater use of high-efficiency CHP.
- To develop greater understanding of the potential for high-efficiency CHP in different applications across the EU.
- To promote use of CHP powered by renewable fuels.
- To promote the use of CHP by energy services companies
- To share experience, best practices and success stories with transposition of the CHP Directive across the EU.

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<sup>50</sup> Action will be supported using specific agreements with CEN/CENELEC executed in accordance with the Framework Partnership Agreement between CEN/CENELEC and the European Commission.

- To investigate and overcome communication and other market barriers for CHP units related to the implementation of the CHP Directive.
- To facilitate financing of investment in CHP.
- To analyse and monitor the development and growth of CHP markets, including details of consumer types, costs and prices.
- To analyse the use, impact and effectiveness of national and local support schemes for CHP.
- To improve the consistency of CHP policies with other sectoral policies and objectives, notably on energy efficiency and renewable energy for heating and cooling.

#### 14.8.2. *Priorities for action*

##### (a) Enabling policies and strategies

- Producing strategic information, benchmarks and feedback for policy-makers, especially for realising the national potential for CHP in the Member States
- Action to identify demand for heating, which could potentially be efficiently supplied by CHP systems, but is not yet connected to them.
- Action to address the need to sustain and develop district heating.
- Action to improve the consistency of CHP, energy efficiency and RES policies at national, regional and local levels.
- Monitoring and facilitating the role of regulators as well as legislation, codes, permits and standards, including application procedures, construction and planning permits, grid connection codes, standards, agreements and procedures.
- Simplifying procedures for authorising construction of CHP generators, including sharing and transferring best practices and pilot trials of innovative approaches.
- Monitoring European CHP markets, including investment and operating costs and charges for generation; electricity grid connection, transmission and distribution costs and charges; heating grid connection, life-cycle and decommissioning costs; international trading across Europe; and role of regulators and governments.
- Monitoring the impact of CHP, including its contribution to economic growth, competitiveness, employment, security of supply and the environment and the human safety and environmental impact during installation and operation, end-of-life decommissioning, recycling according to WEEE requirements (especially for micro CHP) etc.

b) Market transformation

- Promoting standardised/package CHP systems, meeting agreed electricity and heating grid connection codes and standards for specific applications and markets, particularly for micro CHP.
- Addressing issues related to guarantees of origin for electricity and the harmonisation of such guarantees of origin in the EU.
- Promoting use of CHP by public authorities.
- Promoting use of high efficiency CHP with district heating systems.
- Promoting the use of CHP by energy services companies (ESCO).
- Promoting use of CHP powered by renewable fuels.
- Certification schemes for CHP operators.
- Standards for CHP systems.

(c) Changing behaviour

- Raising awareness of the potential of CHP in cities and local communities.
- Networking professionals, decision-makers and key players on CHP markets.
- Developing long-term industry agreements.

(d) Access to capital

- Encouraging investment, including coordinated action and networking for CHP project developers, bankers and venture capitalists plus cooperative project financing.

(e) Training

- CHP industry, including approval procedures for new electricity and heating connections, safety, security and environmental issues.
- Architects and planners, including environmental and plant location issues.
- Operation and maintenance of CHP plants.
- Installers, especially for micro CHP, by using the European and national trade organisations.
- CHP system sizing and optimisation of heating and cooling loads.

*14.8.3. Key players and target groups*

See table.

#### 14.8.4. Indicators

##### (a) Enabling policies and strategies

- Improved information on market deployment of CHP, new installations and potential heating and cooling loads.
- Provision of key quality-checked information instrumental for policy-makers at all levels.
- Greater consistency of CHP and other policies at EU, national, regional and local levels.
- Acknowledgement, by several authorities responsible for implementation of the CHP Directive, and practical examples of the benefits of the Programme in terms of implementation of the Directive.

##### (b) Market transformation

- Growth in the number of CHP operator certification schemes and number of certified operators of CHP plants.
- Number of communication campaigns in favour of CHP.

##### (c) Changing behaviour

- Number of stakeholders made aware of the benefits of CHP and knock-on effect.
- Number and influence of networks created in relation to CHP.
- Number and effectiveness of long-term industry agreements.

##### (d) Access to capital

- Results of projects linked to new investment in CHP.

##### (e) Training

- Number and categories of people trained and knock-on effect.

#### **14.9. Concerted action to address specific issues resulting from implementation of the Buildings Directive (Directive 2002/91/EC)**

This special initiative is restricted to Member States and participating countries and their designated organisations. It builds on the concerted action supporting transposition and implementation of Directive 2002/91/EC of the European Parliament and of the Council (CA EPDB) for the period January 2005 – June 2007, as adopted by Commission Decision C/2004/4539.

This first concerted action (CA EPBD) has been providing essential support for the dialogue between Member States (MS) regarding implementation of Directive 2002/91/EC, the Directive on the Energy Performance of Buildings (EPBD). This first CA was designed to cover three different periods, centred on 4 January 2006, the deadline set by the EPBD for

transposition by MS. However, Member States are having considerable difficulties with transposition and implementation of the EPBD, which have resulted in serious delays. It is now clear that a significant majority of MS will make full use of the three-year extension allowed by the EPBD, largely on grounds of the lack of qualified experts to carry out certification and inspection activities. Under these circumstances, it is impossible to conclude the work plan on the first CA EPBD by June 2007.

Although significant progress has already been made with the work on this CA, particularly towards achieving a significant degree of convergence between Member States in their solutions to common problems, many issues that should have been settled by now, and on which MS should have made all their decisions, are still being discussed in a significant number of countries. This is confirmed by the action taken by the European Commission, which has issued a significant number of “reasoned opinions” to MS, signalling that the delays are really serious and that many issues still need to be resolved.

This CA will continue to aim at supplementing and accelerating the work of the committee set up by the Buildings Directive (Article 14) and the ongoing work on standardisation for the same Directive by the CEN Technical Committees, in order to meet the deadlines set for full implementation of the EPBD. In addition, the CA will enhance and structure sharing of information and experience from national implementation and promote good/best practice in other activities required of Member States by the Directive. It will therefore address many aspects, including national building codes, European standards, certification schemes, integration of RES installations into buildings and guidelines for inspections on heating and cooling installations. The CA will especially focus on how MS are planning to implement the Directive and on national standardisation work in order to bring the provisions adopted at European level closer to best practice in Member States, while also promoting better certification and inspection schemes and schemes for accreditation of energy audit and inspection experts in Member States. A clear division of tasks between this CA and the proposed Energy Performance of Buildings Directive Platform has also been established to avoid duplication and to ensure that the CA, the Platform and the Article 14 and CEN Committee complement each other.

For details of the tasks addressed by this CA, its duration and of the organisations designated by the Member States, see Annex A.

## **15. CALLS FOR TENDER**

The following action is planned in response to the needs of Commission departments and is therefore to be put out to tender.

### **15.1. Preparatory studies for ecodesign requirements for energy-using products (third round) - Directive 2005/32/EC**

Budget: €2 600 000.

Indicative timetable: 4<sup>th</sup> quarter 2007

#### *15.1.1. Objectives*

Technical and economic studies to identify the relevant environmental aspects – notably energy consumption – for preparation of implementing measures to be adopted by the Commission (comitology procedure) under the Ecodesign Framework Directive (Directive 2005/32/EC). Under Article 16 of the Directive, in July 2007 the Commission has to establish the list of products which will be considered as priorities for the adoption of implementing measures in the period 2007-2010. The preparatory studies covered by this work programme will examine the first group of products on that list.

#### *15.1.2. Description*

The call for tender will be divided into several batches, each examining specific product groups and analysing the impact and market of these products, their potential for improvement and the cost and technical feasibility of the improvements. Among other things, they will have to provide the elements necessary for the impact assessment that will accompany the potential draft proposal. They will last 24 months at most.

Two other batches will ensure participation by consumer and environmental NGOs in the preparatory study phases and in the Consultation Forum that will examine the draft implementing measures emerging from the studies (Article 18 of the Directive stipulates that “The Commission shall ensure that in the conduct of its activities it observes, in respect of each implementing measure, a balanced participation of Member States' representatives and all interested parties concerned with the product/product group in question, such as industry, including SMEs and craft industry, trade unions, traders, retailers, importers, environmental protection groups and consumer organisations.”)

### **15.2. Impact assessments of draft measures implementing the Ecodesign Framework Directive for EuPs (Directive 2005/32/EC)**

Budget: €1 050 000.

Indicative timetable: 4<sup>th</sup> quarter 2007

#### *15.2.1. Objectives*

Studies to assist the Commission in carrying out impact assessments to prepare draft measures implementing the Ecodesign Framework Directive. The preparatory studies determining

whether and which ecodesign requirements should be set for the first 14 product groups will be finished during 2007. Building on these studies, the Commission will draft implementing measures, which should be accompanied by impact assessments when submitted to the Consultation Forum, to the regulatory committee and to the Commission for approval, as provided for in the Framework Directive. The complexity and volume of the issues involved requires the assistance of one or more consultants in preparing the 14 IA reports.

#### *15.2.2. Description*

A separate impact assessment will accompany each of the 14 product-specific implementing measures covering: 1. boilers and combi-boilers (gas/oil/electric); 2. water heaters (gas/oil/electric); 3. personal computers (desktops and laptops) and computer monitors; 4. imaging equipment: copiers, faxes, printers, scanners and multifunctional devices; 5. televisions; 6. standby and off-mode losses of EuPs; 7. battery chargers and external power supplies; 8. office lighting; 9. (public) street lighting; 10. residential room conditioning appliances (air-conditioning and ventilation); 11. electric motors from 1 to 150 kW, water pumps (commercial buildings, drinking water, food and agriculture), circulators in buildings and ventilation fans (non-residential); 12. commercial refrigerators and freezers, including chillers, display cabinets and vending machines; 13. domestic refrigerators and freezers; and 14. domestic dishwashers and washing machines. The preparatory studies carried out for each product group will already provide substantial input for the impact assessment in terms of technical, economic, social and environmental analysis of policy options and will also lead to consultation of the stakeholders directly affected. In most cases the task of the contractors assisting with the impact assessment will therefore be limited to adding to the previous work and assessing the likely impact of the policy options chosen for the implementing measures, all in the appropriate format for the Commission to draft the IA report. A round of stakeholder consultations (beyond those already involved) will also be expected from the contractor. It is possible that for some product groups industry will come forward with voluntary agreements that will make the implementing measure unnecessary (see Articles 15 and 18 of the Directive). This alternative will be taken into account in the impact assessment.

### **15.3. Legal assistance for checking the compliance of transposition of the Ecodesign Framework Directive for EuPs (Directive 2005/32/EC) in the Member States**

Budget: €86 400.

Indicative timetable: 4<sup>th</sup> quarter 2007

#### *15.3.1. Objectives*

To assist the Commission in determining whether the legal instruments and administrative provisions of the Member States aiming at transposition of the Ecodesign Framework Directive (Directive 2005/32/EC) comply with the requirements of the Directive.

#### *15.3.2. Description*

The transposition of 2005/32/EC is due before August 2007; the contractor should assist in analysing the conformity of the relevant national legislation with the Ecodesign of EuPs framework directive (2005/32/EC) in each Member State. This includes the resources needed for translating national legislation where it is not available in English, French or none of the contractor's working languages. The administrative provisions destined to comply with the

directive in the given Member State should also be checked for conformity. With the assistance of the Commission services, the contractor should actively search for the relevant information from each Member State. The results of a previous legal assistance contract aimed at providing early advice to the Member States on the transposition of the directive through a workshop in December 2006 should also be used in the contractor's work.

**15.4. Exploratory study on the cost and benefits associated with using tax incentives to promote the manufacturing of more and better energy-efficient appliances and equipment and the consumer purchasing of these products.**

Budget: €150 000.

Indicative timetable: 4<sup>th</sup> quarter 2007

*15.4.1. Objectives*

To identify and provide an overview of effects and estimated costs and benefits associated with the use of tax incentives as a means to encourage the manufacturers to produce more and better energy-efficient appliances and equipment on the one hand and to promote the increased consumer up-take of these improved products on the other.

*15.4.2. Description*

The study should explore the effects and costs/benefits of fiscal incentives both to stimulate the supply-side as well as the end-user side. Special attention should be devoted to the fact that such incentives, and their effective application, should be compatible with Community law and that they have to be assessed in the context of the overall tax systems. For instance the level of overall corporate tax rates decisively influences the value of tax incentives. Moreover, the study should assess whether a lack of co-ordination among Member States results in sub-optimal solutions. The study will also compare hypothetical direct tax incentives to producers with other existing instruments (direct tax incentives to consumers, cash vouchers to consumers and energy taxation) taking into account the existing policy towards a Common Consolidated Tax Base in the EU and its features. Finally, the study will also take into account the consumer information provided through the current comparative energy labelling scheme and to the minimum energy performance requirements placed on a range of energy using products.

## **16. AVAILABLE BUDGET FOR THE 2007 CALLS**

The total operational budget of the IEE II programme for 2007 amounts to €65 000 000 in commitment appropriations for action under SAVE, ALTENER, STEER and Integrated initiatives, distributed as explained below.

From the operational budget line, an amount of €6 109 000 has been provisionally allocated to cover the operating expenses of the Executive Agency for 2007<sup>51</sup>.

The total commitment for grants and procurement under the 2007 annual Work Programme will add up to €58 891 000.

The indicative budget for grants launched in 2007 amounts to €55 004 600. For calls for tenders, a budget of €3 886 400 is planned.

The indicative distribution of the budget for grants under the three sectors SAVE, ALTENER and STEER and for the Integrated initiatives is set out below.

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<sup>51</sup> This figure has been obtained from a cost-benefit analysis undertaken to ascertain the expedience of continuing with externalisation of management of IEE to an Executive Agency. A decision on that issue is expected to be taken early in 2007.

**Indicative distribution of the available 2007 budget by field and by means of implementation**

Field	Action	Calls for proposals (k€)	Calls for tenders (k€)	TOTAL (k€)
<b>SAVE</b>	Energy-efficient buildings	4 700		
	Industrial excellence	2 500		
	Energy-efficient products	1 709.6	3 886.4	
	TOTAL	8 909.6	3 886.4	12 796
<b>ALTENER</b>	RES-e	5 270		
	RES heating and cooling	5 270		
	Domestic and small-scale RE applications	5 270		
	Biofuels	1 885		
	TOTAL	17 695		17 695
<b>STEER</b>	Energy-efficient transport	7 200		
	Clean vehicles and alternative motor fuels	3 300		
	TOTAL	10 500		10 500
<b>Integrated initiatives</b>	Creation of local and regional energy agencies	3 000		3 000
	EU networking for local action	800		800
	Sustainable energy communities	2 300		2 300
	Bio-business	3 500		3 500
	Energy services	2 500		2 500
	Intelligent energy education	1 200		1 200
	Product standards	800		800

	Combined heat and power	700		700
	Concerted action - EPBD	3 100		3 100
		17 900		17 900
<b>GRAND TOTAL</b>		55 004.6	3 886.4	<b>58 891</b>

All the figures above are estimates and are subject to change, depending on the results of the call.

The budget set aside for procurement procedures amounts to €3 836 400. All calls for tenders of strategic relevance to Community policy are to be managed directly by the Commission services. This budget may be raised at the expense of the budget for grants to cover activities related to implementation of any newly approved directives and to other policy initiatives relating directly to the overall objectives of the IEE programme.

Additional contributions to the budget are expected from EFTA countries and from candidate countries and potential candidate countries upon conclusion of the relevant association agreements and Memoranda of Understanding. The contributions expected from those countries are allocated on a pro-rata basis to the individual Key Actions. These additional contributions, plus any remaining amount not spent on public procurement, will be taken into account when establishing the ranking of selected projects and of the reserve list following the evaluation of proposals.

## 17. PLANNING OF THE 2007 CALLS

The plan is to launch a call for proposals as soon as possible after adoption of the 2007 annual Work Programme.

The Commission will publish the call in the Official Journal of the European Union (OJ) and on the website of DG TREN.

The minimum duration of the call for proposals will be four months.

Calls for tenders will also be published during the year, with the durations laid down in the procurement procedures.

Contracting of the concerted action on Directive 2002/91/EC will start as soon as possible after adoption of this Work Programme.

### **Annex A: Outline of the Concerted Action supporting transposition and implementation of Directive 2002/91/EC of the European Parliament and of the Council (CA EPBD II)**

#### **A.1 Objectives**

This concerted action - CA EPBD II - aims to:

- enhance and structure sharing of information and experience from national implementation and promote good practice in activities required of Member States for implementation of the Energy Performance of Buildings Directive (EPBD);
- create favourable conditions for faster convergence of national procedures on EPBD-related matters;
- supplement the work of the Energy Demand Committee (Article 14 of the EPBD) and its ad-hoc group on CEN standards and certification exercises.

CA EPBD II is the continuation of the concerted action CA EPBD, which runs from January 2005 to June 2007<sup>52</sup>. This continuation became necessary due to the delay in the implementation of Directive 2002/91/EC.

The above objectives will be achieved by organising a series of 6-7 structured meetings, of 2-3 days each, to discuss and exchange on various topics.

In more detail, CA EPBD II covers five central themes:

- (1) Certification procedures – questions related to Article 7 of Directive 2002/91/EC on the actual functional certification scheme and all its procedures;

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<sup>52</sup> awarded by Decision C(2004)4539 of 3.12.2004

- (2) Inspection of boilers and air-conditioning systems – questions relating to Articles 8 and 9 of the Directive;
- (3) Specifications and training requirements for experts and inspectors – questions relating to Article 10 of the Directive;
- (4) Methods and procedural aspects for energy performance characterisation – questions relating to Articles 3, 4 and 5 of the Directive;
- (5) Information campaigns – questions relating to Article 12 of the Directive.

For each of these topics, issues are addressed on which the Directive does not require harmonised national implementation but where harmonised, coordinated implementation would increase the impact of the Directive and reduce the implementing costs.

CA EPBD II will not deal with any action to raise awareness on the part of market players or any other tasks which market players could carry out on their own initiative and which could be subject to a call for proposals. Nor will CA EPBD II deal with any issues which are in the sole interest of the Commission and, as such, subject to a call for tenders.

### **Justification for application of Article 168(1)(c)**

The objectives of CA EPBD II, as outlined above, are very closely linked to transposition of Directive 2002/91/EC. Therefore, CA EPBD II will require the collaboration of the organisations in charge of national transposition and implementation of Directive 2002/91/EC. Generally these are the Ministries responsible and/or expert bodies working closely with those Ministries and appointed to assist them in this matter. Only those organisations have the expertise and experience required for this concerted action.

The nature of the task of trying to achieve more harmonised transposition and implementation of Directive 2002/91/EC calls for the involvement of the relevant government authorities and their designated expert bodies.

As national transposition is already under way, the national players involved in transposition and implementation of the Directive are known and the national work has been defined. Consequently, *de facto* there is one expert body (or team of organisations) in each country suitable for CA EPBD II.

## **A.2 Work packages**

### ***Certification procedures***

Member States (MS) must implement mandatory certification of new and existing buildings, along with periodic certification of public buildings. A few MS already have considerable experience in these types of activity, a number now have early experience and most other MS have no experience whatsoever. Those with experience can describe their approaches, and MS can discuss the advantages and disadvantages of various possible alternatives, solutions to overcome difficulties, etc. In doing so, many MS may decide to converge on similar solutions, whenever possible, thus allowing more harmonious implementation across the EU.

Since January 2006 certification is gradually being introduced in the MS for different types of building, and specific experience can now be exchanged so that MS can see successes or problems in other MS and take corrective measures that will lead to further convergence on implementing methods.

A further topic of discussion should be identifying the best ways to use certificate data to monitor the energy performance of the building stock and estimate improvements, aiming at harmonising monitoring and evaluation methods.

### ***Inspection of boilers and air-conditioning systems***

In accordance with the EPBD, MS must implement mandatory inspections of boilers and air-conditioning systems above certain threshold power levels, depending on the type of equipment or fuel, and also of heating systems more than 15 years old and must make recommendations for upgrades or substitution in certain cases. With millions of such units all over Europe, this task might prove even more challenging than implementing certification of new and public buildings, simply by virtue of the very large numbers involved.

To comply with different obligations and Kyoto protocol commitments, MS have already launched programmes supporting replacement and conversion and, as a result, already have some experience of mandatory inspections for large systems. But few MS have any experience of widespread inspections of smaller units, as required by the EPBD. The EPBD also offers the alternative of conducting information campaigns, in which case MS must prove that they will produce comparable results.

Inspection of boilers and air-conditioning systems are the topics which are furthest behind schedule and will be implemented last. Within CA EPBD II, taking as their starting point the discussions on the methods and logistics involved in these inspections, Member States will focus on organisational and financial solutions, the relative merits of inspections or information campaigns and how to assess their relative success, along with the costs that consumers will have to pay for this service.

### ***Specifications and training requirements for experts and inspectors***

Under the EPBD, certification of buildings and inspections of boilers and air-conditioners must be carried out by accredited experts acting in an independent manner and recognised by the MS. How to accredit and recognise experts is left to MS to decide. Training and education of professionals is an issue of interest of all the MS. This will no doubt be highly variable between MS, due to the specifics of the local labour markets.

During the first CA EPBD problems and possible common solutions were identified but not yet finalised and implemented due to the focus on the methods and procedural aspects for energy performance characterisation.

Within CA EPBD II, MS will be able to present the procedures that they intend to adopt and exchange views to help them come to some degree of convergence of methods and qualifications. This would be highly desirable to allow individual inspectors to work beyond national borders with little specific training (e.g. to know local regulations better) and ease local difficulties with shortages of trained experts or improve the economic aspects of this type of activity.

### ***Methods and procedural aspects for energy performance characterisation***

Methods and procedural aspects for energy performance characterisation were the main focus of the first CA EPBD. It focused on adding appropriate methods (calculations) to the national legislation during the period 2003-2006. The basic outcomes have been significant harmonisation of the European approach and contributions to tackling existing buildings.

So far CEN has prepared a set of standards, now in the final stages of adoption, in close dialogue with the EDMC and its ad-hoc working group. These standards have established the main specifications, but still leave many options open to MS as well as a need to define the national implementing conditions (e.g. climate and building culture). Moreover, due to their complexity, some topics have not yet been addressed at all by CEN.

CA EPBD II will therefore provide a convenient forum for discussing practical implementation of the new standards in regulations and certification procedures in MS, particularly for identification of common approaches to simplification and alternatives which pose common difficulties that are best solved together by the MS in frank discussions. Although it will be difficult to find a common solution that will fit all MS, the range of solutions can be narrowed down to a few selected possibilities, allowing a first level of convergence within the EU.

### ***Information campaigns***

Under Article 12 the MS will be under an obligation to conduct national information campaigns, to raise public awareness and ensure acceptance of the Directive. Discussion of the most appropriate approaches and comparison of the experience of individual MS would contribute significantly to speeding up take-off and increasing the degree of convergence. The activity does not include direct information, but only a forum for discussion of this significant topic between MS.

### **A.3 Duration of CA EPBD II**

CA EPBD II is expected to run for 36 months, starting in summer 2007, thus running until the extended deadline for full transposition of the EPBD (4 January 2009). This will also make it possible to take into account information on practical implementation of the EPBD in all MS, to discuss field experience and to identify and recommend any changes that may prove desirable to the practices adopted. The experience reported from Denmark, Germany and the Netherlands, together with national field trials, clearly indicate that several adjustments will be needed during the initial phases of practical implementation of any certification exercise.

#### A.4 Participants designated by the Member States and participating countries for CA EPBD II

1	Austria	Österreichisches Institut für Bautechnik (OIB) Schenkenstraße 4 AT-1010 Wien	Platform of the Austrian provinces for matters relating to construction; organised as a private association with the nine provinces as members.
2	Belgium	Belgian Building Research Institute (BBRI) Boulevard Poincaré 79 BE-1060 BRUXELLES	Research institute founded in 1960 at the initiative of the trade association in application of the 1947 "De Groote" Order.
3	Bulgaria	Energy Efficiency Agency (EEA), the Bulgarian national energy agency	Governmental.
4	Cyprus	Ministry of Commerce, Industry & Tourism Energy Service	Governmental.
5	Czech Republic	Ministry of Industry and Trade Na Františku 32 CZ-110 15 Praha 1	Governmental.
6	Croatia <sup>53</sup>	Ministry of Environmental Protection, Physical Planning and Construction Republike Austrije 20 10000 Zagreb	Governmental
7	Denmark	Danish Energy Authority Amaliegade 44 DK-Copenhagen	Governmental.
8	Estonia	Ministry of Economic Affairs and Communications Energy Efficiency and Renewables Division Energy Department Harju 11, EE-15072 Tallinn	Governmental.
9	Finland	Ministry of the Environment Housing and Building Department Government Office: Kasarmikatu 25, PO Box 35, FI-00023 Helsinki	Governmental.
10	France	Ministère de l'Economie, des Finances et de l'Industrie Télédoc 161 - Bd V. Auriol 61 FR-75703 PARIS Cedex 13	Governmental.
11	Germany	Deutsche Energie Agentur (dena) GmbH, German national energy agency Chausseestr. 128a, DE-10115 Berlin	Public utility in which the Ministry for Economy and the Kreditanstalt für Wiederaufbau each hold 50% of the shares.
12	Greece	Centre for Renewable Energy Sources (CRES), Greek national energy agency, 19th km Marathonos Av. Pikermi GR 19009 Athens	Public entity under the auspices of the Ministry of Development, established under private law.
13	Hungary	Budapest University of Technology and Economics Faculty of Architectural Engineering Department of Energetics and Building Service Engineering 3. Bldg. K. II.45 Műegyetem rkp HU-1111 Budapest	Governmental.
14	Ireland	SEI, The Irish national energy authority Glasnevin, IE-Dublin 9	Governmental.

<sup>53</sup> Participation of Croatia is subject to Article 4 (b) of the Decision No 1639/2006/EC on participation of third countries

15	Italy	Rete Nazionale delle Agenzie Energetiche Locali (RENAEL) c/o Rete di Punti Energia Via Stresa 24 IT-20125 Milano	Association of local energy agencies, all owned by the municipality or the province.
16	Latvia	Building Department, Ministry of Economics,	Governmental.
17	Luxembourg		
18	Lithuania	Ministry of the Environment of Lithuania A. Jaksto St 4/9, LT-01105 Vilnius	Governmental.
19	Malta	Ministry for Resources and Infrastructure 1st Floor, Project House, MT-CMR 02 Floriana	Governmental.
20	Netherlands	SenterNovem, the Dutch national energy agency Catharijnensingel 59 PB 8242 NL-3503 RE Utrecht	Governmental.
21	Norway	Norwegian Water Resources and Energy Directorate (NVE)	Governmental.
22	Poland	Instytut Techniki Budowlanej (Building Research Institute) ul. Filtrowa 1 , PL-00-611 Warszawa	Governmental.
23	Portugal	ADENE, the Portuguese national energy agency Estrada de Alfragide, Praceta 1, n° 47Alfragide, PT-2720 -537 Amadora	Private non-profit, stakeholder organisation with the Ministry for Economy holding 70% of the shares.
24	Romania		
25	Slovakia	Výskumný a vývojový ústav pozemných stavieb NOVA (VVÚPS - NOVA sro, Research and Development Institute for Building Construction) Studená 3 SK-820 02 Bratislava 22	Private commercial institute, which already has a contract with the Ministry to prepare the method for the Buildings Directive and to work out the data at national level.
26	Slovenia	Ministry of Environment, Spatial Planning and Energy, Agency for Energy Efficiency and Renewable Energy Dimičeva 12, SI-1000 Ljubljana,	Governmental.
27	Spain	IDAE, the Spanish national energy agency C/Madera, 8 ES-28004 MADRID	Governmental.
28	Sweden	STEM, Swedish Energy Agency Head of International Secretariat Box 310 SE-631 04 - Eskilstuna	Governmental.
29	UK	FaberMaunsell Marlborough House Upper Marlborough Road St Albans UK-Herts, AL1 3UT	Private commercial body appointed by the government.

## A.5 Total costs and EU contribution to CA EPBD II

The total costs and EU contribution to the concerted action will be about €3.1 million.