**Title of the measure:**


**General description**

**Obligated parties:**
All suppliers of electricity and natural gas serving residential, service sector and industrial customers located in Luxembourg are declared obligated parties by law. The obligation applies to all suppliers operating within Luxembourg regardless of the size of their client base. Based on the latest official lists of businesses possessing a supply authorisation in Luxembourg, as maintained by the regulatory agency (‘Institut Luxembourgeois de Régulation’), 27 suppliers of electricity and 15 suppliers of natural gas are potentially affected by the obligation (as of January 2017). In fact, only 10 electricity suppliers and 8 gas suppliers received an annual energy savings target for the year 2017.

Obligated parties are assigned the public service task (‘mission de service public’) of achieving the energy savings target imposed on Luxembourg under article 7 of the Directive. To that end, the obligation scheme is defined in Luxembourg law as a service of general economic interest (‘service d’intérêt économique général’), which the obligated parties are required to provide.

**Target application:**
The obligation applies only to electricity and gas suppliers. The obligated parties are, however, free to record energy savings achieved in other sectors, e.g. fuel oil. Energy savings in the residential, service and industrial sectors can also be taken into account, as well as savings in the transport sector, insofar as these are provided for at the regulatory level.

**Operation:**
Based on Eurostat data, the energy savings target to be achieved by 31 December 2020 in accordance with article 7 of the Directive was calculated at 5 993 GWh (final energy).

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

A catalogue of standard measures has been prepared, specifying the energy savings that can be assigned to specific measures. The catalogue contains a limited number of measures. In principle, it will be adapted or extended regularly to take account of the most recent data on measures. The catalogue focuses mainly on technical measures of which the effects can be easily measured and documented. Without prohibiting them, measures aimed at changing behaviour are taken into account only to a limited extent, as they are difficult to measure and may have a time-limited effect.

The obligated parties, however, remain free to implement other energy-saving measures not listed in the catalogue of standard measures, taking account of the specified calculation methodology. This will give free rein to the obligated parties' creativity in the development of measures.

The obligated parties have considerable flexibility in terms of the nature of their actions with respect to their final customers. For instance, they may grant financial assistance for savings measures, offer information, advice and audits, or a combination thereof.

Obligated parties may also arrange for the savings to be achieved by third parties (installers, electricians, energy advisors etc.). In this case, they must ensure that the actions of the third party contribute to achieving the energy savings. The contact between the third party and the obligated party must have taken place before the savings measure was implemented. The obligated parties are free to choose the implementing third party either through a tender process or through negotiations and bilateral contracts.
In view of the limited market for energy savings in Luxembourg, Luxembourg has not introduced a trading system. Exchanges or bilateral transfers of energy savings certificates are, however, not prohibited.

**Monitoring and verification:**
On March 1st of each year, the obligated parties report on the energy savings achieved during the preceding year. This annual report is compiled by each individual obligated party, and contains information on the sector, the type of energy, the energy-saving measure, the type of action, the actions performed by third parties, as well as details of programme costs and the effect of the action(s). Standard notification forms were sent to the obligated parties by the Ministry of the Economy. Supporting documentation regarding the savings declared must be retained by the obligated parties and produced in the event of an inspection.

A random inspection of a statistically significant and representative sample of the energy-saving measures is annually carried out by the Ministry of the Economy.

**Validity period:**
01/01/2015 - 31/12/2020
This does not preclude the measure to be extended beyond 2020.

**Impact evaluation**

**Means and outputs**
Means : No public budget involved. The obligated parties provide themselves incentives (financial or non-monetary) for end-customers.
Outputs : Potentially: 228,495 dwellings and 32,006 enterprises (source: Statec, 2015)

**Data about energy savings**
The energy savings goals are set in application of article 7 of directive 2012/27/EC. The cross-effects due to interactions with the other listed measures is deducted from the initial energy savings objective (energy savings: was 1.599 GWh in NEEAP 3; is 1.394 GWh in NEEAP 4).

<table>
<thead>
<tr>
<th>Targeted end-use</th>
<th>Type of impact evaluation</th>
<th>Impact detail</th>
<th>Impact</th>
<th>Starting impact year</th>
<th>Evaluation method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total final consumption</td>
<td>Ex-ante</td>
<td>Year</td>
<td>2020</td>
<td>2015</td>
<td>Integrated BU/TD methods</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Compare</td>
<td>Fixed year</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Energy savings</td>
<td>1.394 GWh (annual)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>CO2 savings</td>
<td>5.018 PJ</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>310 kt (annual)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Sources of uncertainties about energy savings**
The catalogue of standardised measures provides deemed savings or standardized calculation processes, which may not be accurate for each case. Therefore, the applicability of certain standardized measures is restricted as stated on the measures’ description sheets.

**Evaluation of the energy savings**
Typology of calculation method: combination of bottom-up and top-down methods
Baseline: actual before
Typology of adjustments, correction and other factors: The impact calculation takes into account the interference with other measures.

**Other indicators monitored and/or evaluated**
Influence parameters:
• The transport sector is excluded in conformity with Directive 2012/27/EC, article 7(1);
The flexibility mechanism allows a 25% reduction of the energy saving objective, in conformity with Directive 2012/27/EC, articles 7(2) and 7(3);
Exclusion of the installations described in the directive 2003/87/EC, annex I; in conformity with Directive 2012/27/EC, article 7(2.b);
The energy efficiency obligation scheme will be progressively introduced, in conformity with Directive 2012/27/EC, articles 7(2.a).

**Interaction of measures**

- HOU-LUX25 Grant scheme for renovation of residential buildings (2013-2020)
- HOU-LUX26 Grant scheme for efficient new residential buildings (2013-2016)
- HOU-LUX27 Grant scheme for decentralised renewable energy in residential buildings (2013-2020)
- IND-LUX10 Voluntary Agreements (2011-2016)
- TRA-LUX8 Increase of fuel taxes
- TRA-LUX9 CO2-related vehicle tax
- GEN-LUX13 Climate Bank

**Historical data**

- NEEAP 2017 reference: HOR_1

**References**

- Loi du 19 juin 2015 modifiant la loi modifiée du 1er août 2007 relative à l'organisation du marché de l'électricité
- Loi du 19 juin 2015 modifiant la loi modifiée du 1er août 2007 relative à l'organisation du marché du gaz naturel.
  [http://legilux.public.lu/eli/etat/leg/loi/2015/06/19/n6/jo](http://legilux.public.lu/eli/etat/leg/loi/2015/06/19/n6/jo)
- Règlement grand-ducal du 7 août 2015 relatif au fonctionnement du mécanisme d'obligations en matière d'efficacité énergétique