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# Energy Sector Organisation Act<sup>1</sup>

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RT I, 05.07.2016, 3

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Amended by the following acts

Passed	Published	Entry into force
14.06.2017	RT I, 01.07.2017, 1	01.09.2017
06.06.2018	RT I, 29.06.2018, 2	09.07.2018
21.11.2018	RT I, 12.12.2018, 3	01.01.2019
06.11.2019	RT I, 12.11.2019, 4	22.11.2019
17.06.2020	RT I, 30.06.2020, 9	01.07.2020
01.10.2020	RT I, 09.10.2020, 2	19.10.2020, in part 25.10.2020, 01.01.2021 and 01.01.2022; the phrase 'energy efficiency obligation' in this Act has been replaced with the phrase 'energy savings obligation'
04.05.2022	RT I, 18.05.2022, 1	28.05.2022
12.10.2022	RT I, 22.10.2022, 3	01.11.2022
15.02.2023	RT I, 07.03.2023, 21	17.03.2023
20.06.2023	RT I, 30.06.2023, 1	01.07.2023

## Chapter 1 GENERAL PROVISIONS

### § 1. Scope of application of this Act

[RT I, 18.05.2022, 1 - entry into force 28.05.2022]

(1) This Act provides:

- 1) the measures for achieving the national target of energy efficiency;
- 2) the principles for promoting renewable energy;
- 3) the requirements for improving energy efficiency and the parties on whom obligations are imposed in the public as well as in the private sector.

[RT I, 18.05.2022, 1 – entry into force 28.05.2022]

(2) [Repealed – RT I, 18.05.2022, 1 – entry into force 28.05.2022]

(3) The provisions of the Administrative Procedure Act apply to administrative proceedings provided by this Act without prejudice to the rules specific to this Act.

### § 2. Terms

The terms in this Act are defined as follows:

- 1) 'public sector body' means a contracting authority within the meaning of the Public Procurement Act;
- 2) 'implementing public authority' means a government agency or legal person in public law which is involved in the implementation of energy saving policies and which is responsible for the carrying out or monitoring of energy or carbon dioxide taxation, financial schemes and instruments, fiscal incentives, standards and norms, energy labelling schemes, training or education;

2<sup>1</sup>) ‘biomass fuel’ means gaseous or solid fuel produced from biomass as provided for by subsection 2 of § 57 of the Electricity Market Act;

[RT I, 18.05.2022, 1 – entry into force 28.05.2022]

3) ‘energy’ means energy products, including combustible fuel, heat, renewable energy, electricity and other energy products;

4) ‘energy audit’ means a systematic procedure which is carried out with the purpose of obtaining adequate knowledge of the existing energy consumption profile of a building or group of buildings, an industrial or commercial operation or installation or a private or public service, and which identifies and quantifies cost-effective energy savings opportunities, and whose findings are reflected in a report;

5) ‘retail energy undertaking’ means a natural or legal person who sells energy to final customers;

6) ‘energy management system’ means a set of interrelated or interacting elements of a plan which sets an energy efficiency target and provides a strategy to achieve that target;

7) ‘final energy consumption’ means all energy supplied to industry, transport, households, services and agriculture, excluding deliveries to the energy transformation sector and the energy industries themselves;

7<sup>1</sup>) ‘vulnerable energy consumers’ means persons living alone for the purposes of the Social Welfare Act or families whose monthly income per family member during the last six months does not exceed the minimum wage;

[RT I, 09.10.2020, 2 – entry into force 19.10.2020]

7<sup>2</sup>) ‘person suffering from energy poverty’ means a person living alone for the purposes of the Social Welfare Act, or a family who has, at least once during the last six months, received a subsistence benefit and whose income per family member in the last month does not exceed the minimum wage;

[RT I, 09.10.2020, 2 – entry into force 19.10.2020]

8) ‘energy savings’ means an amount of saved energy determined by measuring or estimating consumption before and after implementation of an energy efficiency improvement measure in a situation in which the equality of external conditions that may affect energy consumption is ensured;

9) ‘energy distributor’ means a natural or legal person, including a distribution network operator, responsible for transporting energy with a view to its delivery to final customers or to distribution stations that sell energy to final customers;

10) ‘energy service’ means the physical benefit, utility or good derived from a combination of energy with energy-efficient technology or with action, which may include the operations, maintenance and control necessary to deliver the service, which is delivered on the basis of a contract and in normal circumstances has proven to help to improve the verifiable and measurable or estimated energy efficiency or save primary energy.

11) ‘energy service provider’ means a natural or legal person who delivers energy services or implements other energy efficiency improvement measures in a final customer’s facility or premises;

12) ‘energy efficiency’ means the ratio of output of performance, service, goods or energy, to input of energy;

13) ‘energy performance contract’ means an agreement between the final customer and the energy service provider whose performance is verified and monitored during its entire term, and on the basis of which the investments made to provide the energy service are paid for by the final customer in relation to a contractually agreed level of energy efficiency improvement or other agreed energy performance criterion, such as financial savings;

14) ‘energy efficiency improvement’ means an augmentation of energy efficiency by means of technological, behavioural or economic changes;

15) ‘aggregator’ means a demand service provider that combines multiple short-duration consumer loads for sale or auction in organised energy markets which include power exchange or over-the-counter markets for trading energy, capacity, balancing and ancillary services in all timeframes, including forward, day-ahead and intra-day markets;

15<sup>1</sup>) ‘sourcing area’ means a geographically defined area from which the forest biomass feedstock is sourced, from which reliable and independent information is available and where conditions are sufficiently homogeneous to evaluate whether such biomass meets sustainability criteria;

[RT I, 18.05.2022, 1 – entry into force 28.05.2022]

16) ‘distribution network operator’ means distribution network operator within the meaning of the Electricity Market Act and the Natural Gas Act;

17) ‘total useful floor area’ means the building’s heated area that is calculated as a total sum of the net areas of all of the building’s rooms that use energy to control the quality of their indoor air, including to maintain, increase or reduce indoor temperature;

18) ‘district heating and cooling infrastructure’ means a fixed operational assembly of pipelines, equipment, auxiliary equipment and the construction works connected thereto, or the part of such an assembly which is necessary for the distribution of heat or cooling, except for consumer installations;

19) ‘central government’ means all state authorities and institutions administered by state authorities;

20) ‘cogeneration’ means the simultaneous generation in one process of thermal energy and electrical or mechanical energy;

20<sup>1</sup>) ‘final user’ means a natural or legal person who purchases heating, cooling or domestic hot water for their personal final consumption, or a natural or legal person who does not hold a contract with an energy distributor and who has their residence in, or uses, an apartment or a building that is supplied with heating, cooling or domestic hot water from a central source;

[RT I, 09.10.2020, 2 – entry into force 19.10.2020]

21) ‘final customer’ means a natural or legal person who purchases energy under a contract concluded with an energy distributor;

[RT I, 09.10.2020, 2 – entry into force 19.10.2020]

21<sup>1</sup>) ‘mixed-use building’ means a residential or non-residential building that is characterized by more than one purpose of use and that accommodates, or is used by, a final user in addition to the final customer;

[RT I, 09.10.2020, 2 – entry into force 19.10.2020]

21<sup>2)</sup> ‘renewable liquid and gaseous transport fuels of non-biological origin’ means liquid or gaseous fuels which are used in the transport sector other than biofuels or biogas, the energy content of which is derived from renewable sources other than biomass;

[RT I, 18.05.2022, 1 – entry into force 28.05.2022]

21<sup>3)</sup> ‘metering point’ means a location where the amount of fuel or energy that has been consumed is measured;

[RT I, 18.05.2022, 1 – entry into force 28.05.2022]

22) ‘smart meter’ means an electronic system that can measure energy consumption, providing more information than a locally readable meter, and can transmit and receive data using a form of electronic communication;

23) ‘demand management’ means measures aimed at influencing the amount and timing of electricity consumption in order to reduce primary energy consumption and short-term high loads (peak loads);

23<sup>1)</sup> ‘renewables self-consumer’ means a final consumer for whom energy production is not a primary commercial or professional activity and who consumes, stores or sells energy that they have produced on their immovable property from a renewable source;

[RT I, 18.05.2022, 1 – entry into force 28.05.2022]

24) ‘participating party’ means an undertaking or public sector body that has committed itself to reaching certain objectives under a voluntary agreement, or is covered by a national regulatory policy measure;

25) ‘policy measure’ means an incentive instrument that is formally established or implemented by the *Riigikogu*, the Government of the Republic or a minister in order to create a supportive framework, requirement or incentive for market actors to provide and purchase energy services and to undertake other energy efficiency improvement measures. A policy measure may be a regulatory incentive instrument, a financial or fiscal instrument, a voluntary activity or provision of information;

26) ‘primary energy’ means energy that is obtained from natural sources and is used without any conversion to other energy types, excluding non-energy uses;

26<sup>1)</sup> ‘sustainability certification provider’ means the system operator within the meaning of the Natural Gas Act and the transmission network operator within the meaning of the Electricity Market Act;

[RT I, 18.05.2022, 1 – entry into force 28.05.2022]

27) ‘efficient district heating and cooling’ means a district heating or cooling system that uses at least 50 per cent renewable energy, 50 per cent waste heat, 75 per cent cogenerated heat or 50 per cent of a combination of such renewable energy and waste heat or cogenerated heat;

28) ‘entrusted party’ means a legal entity to whom the Government of the Republic or a government agency has delegated the power to develop, manage or operate a financing scheme on behalf of the Government of the Republic or of the government agency;

29) ‘small and medium-sized undertakings’ means undertakings which employ fewer than 250 persons and whose yearly turnover does not exceed 50 million euros, or whose total yearly balance sheet assets do not exceed 43 million euros;

30) ‘individual action’ means action that helps to improve the verifiable and measurable or estimable augmentation of energy efficiency and that is undertaken as a result of a policy measure;

31) ‘general energy savings obligation’ means the obligation established in this Act to achieve energy savings or to improve energy efficiency in energy generation, transmission and distribution and at the final customer;

32) ‘transmission system operator’ means a transmission network operator within the meaning of the Electricity Market Act and a system operator within the meaning of the Natural Gas Act.

## **Chapter 2**

# **NATIONAL ENERGY EFFICIENCY TARGET AND STRATEGIES IN THE SECTOR**

### **§ 3. National energy efficiency target and action plan**

(1) The Ministry of Climate (hereinafter, the ‘energy savings coordinator’) sets the national energy efficiency target until the year 2020 and prepares the national energy efficiency action plan.

[RT I, 30.06.2023, 1 – entry into force 01.07.2023]

(2) The target mentioned in subsection 1 of this section is to be set based on final energy consumption, additionally having regard to the following:

1) the European Union’s target of its energy consumption in 2020 not exceeding 1,483 Mtoe in the case of primary energy or 1.086 Mtoe in the case of final energy;

2) the measures provided by this Act and in other legislation with a view to improving energy efficiency and achieving energy savings;

3) the national energy policy.

(3) The energy savings coordinator notifies the target referred to in subsection 1 of this section to the European Commission in the form of a report that conforms to Part 1 of Annex XIV of Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC (OJ L 315, 14.11.2012, pp. 1–56). The report must also express the target in terms of an absolute level of primary energy consumption in 2020 and must explain how, and based on what data, this has been calculated.

(4) The energy savings coordinator submits the national energy efficiency action plan referred to in subsection 1 of this section to the European Commission.

(5) The national energy efficiency action plan referred to in subsection 1 of this section is complemented with updated estimates of expected overall primary energy consumption in 2020. The estimates must conform to Part 1 of Annex XIV of Directive 2012/27/EU of the European Parliament and of the Council.

(6) The national energy efficiency action plan referred to in subsection 1 of this section must conform to Part 2 of Annex XIV of Directive 2012/27/EU of the European Parliament and of the Council.

(7) The national strategy for the renovation of buildings referred to in subsection 1 of § 4 of this Act forms a part of the national energy efficiency action plan referred to in subsection 1 of this section.

(8) The national energy efficiency action plan referred to in subsection 1 of this section is exempted from the requirements established for strategy documents in the State Budget Act and from the requirements established for planning documents in the Environmental Impact Assessment and Environmental Management System Act.

(9) The Government of the Republic sets the national energy efficiency target until the year 2030 and enacts an integrated national energy and climate plan which is drawn up by the energy efficiency coordinator in accordance with the requirements provided by Articles 3, 4 and 6–12 of Regulation (EU) 2018/1999 of the European Parliament and of the Council on the governance of the Energy Union and climate action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council.  
[RT I, 09.10.2020, 2 – entry into force 01.01.2021]

(10) The target mentioned in subsection 9 of this section may be set with regard to:

- 1) primary or final energy consumption;
  - 2) primary or final energy savings;
  - 3) primary or final energy intensity.
- [RT I, 09.10.2020, 2 – entry into force 01.01.2021]

(11) When setting the target mentioned in subsection 9 of this section, the target mentioned in paragraph 1 of Article 3 of Directive 2012/27/EU of the European Parliament and of the Council is taken into account.  
[RT I, 09.10.2020, 2 – entry into force 01.01.2021]

#### **§ 4. National strategy for the renovation of buildings to improve their energy performance**

(1) The energy savings coordinator draws up a nation-wide long-term renovation strategy (hereinafter, ‘long-term renovation strategy’) to support the renovation of residential and non-residential buildings, with the objective of making the nation’s building stock energy efficient and reducing its CO<sub>2</sub> emissions to a low level by the year 2050, and of facilitating cost-effective renovation of existing buildings such that they become nearly zero-energy buildings.  
[RT I, 30.06.2020, 9 – entry into force 01.07.2020]

(1<sup>1</sup>) The long-term renovation strategy must include:

- 1) an overview, based on a statistical sample, of buildings in the national territory that have indoor climate control and of the proportion of buildings renovated by 1 January 2020;
- 2) cost-effective renovation solutions that, based on the estimated duration of renovation work, have been determined to be appropriate to the type of building, to the climatic conditions at its location and, where required, to its life span;
- 3) an overview of targeted cost-effective renovation solutions for buildings and of policy measures that stimulate the cost-effective deep renovation of buildings, which may be staged where this is necessary, and of the support measures that have been elaborated;
- 4) an overview of the least energy efficient part of the building stock and of problem situations caused by diverging interests of participants of the relevant market, and of the policies to preclude market failure, adopted as a result of such situations, as well as of the support measures that have been elaborated;
- 5) an overview of the support measures that have been elaborated to alleviate energy poverty;
- 6) an overview of energy efficiency policies and support measures targeting the public sector;
- 7) an overview of national initiatives that promote knowledge-based solutions and smart solutions in the fields of building work and of energy efficiency, and that promote energy-efficient solutions that link individual buildings or an entire district;
- 8) an evidence-based estimate of the energy savings and of the wider economic benefits to result from these for the society.

[RT I, 30.06.2020, 9 – entry into force 01.07.2020]

(2) The strategy referred to in subsection 1 of this section is not a strategy document within the meaning of the State Budget Act and is not a planning document within the meaning of the Environmental Impact Assessment and Environmental Management System Act.

(3) To implement the long-term renovation strategy energy, the savings coordinator draws up an action plan with measures and with measurable performance indicators, having regard to the following long-term targets:

- 1) to reduce, in the European Union and by the year 2050, the emissions of greenhouse gases by 80–95 per cent compared to the year 1990;
- 2) to provide for a national building stock that is energy efficient and characterized by a low level of CO<sub>2</sub>emissions;
- 3) to facilitate cost-effective renovation of existing buildings into nearly zero-energy buildings.

[RT I, 30.06.2020, 9 – entry into force 01.07.2020]

(4) The action plan includes recommended interim targets for Estonia to be attained by 1 January 2030, 1 January 2040 and 1 January 2050, as well as explanations of how achieving such interim targets helps attain the energy efficiency targets established by the European Union according to Directive 2012/27/EU of the European Parliament and of the Council.

[RT I, 30.06.2020, 9 – entry into force 01.07.2020]

(5) The following principles are observed when elaborating measures to support the investments required in order to achieve the goals established in the long-term renovation strategy:

- 1) to make it possible for investors to access actions for improving the energy performance of buildings and to offer comprehensive solutions to potential clients by concentrating, for this purpose, building design documentation solutions, and by engaging investment groups and platforms, and consolidating small and medium-sized undertakings;
- 2) to reduce estimated risk of measures related to energy efficiency for investors and the private sector;
- 3) to leverage private sector investments or to eliminate market failures;
- 4) to direct investments into making the stock of public-use buildings more energy-efficient in accordance with the guidelines of the Statistical Office of the European Union (Eurostat);
- 5) to create accessible and public-use consulting tools.

[RT I, 30.06.2020, 9 – entry into force 01.07.2020]

(6) The long-term renovation strategy may deal with risks related to fire safety that have an impact on the energy efficiency of renovation solutions and on the life span of buildings.

[RT I, 30.06.2020, 9 – entry into force 01.07.2020]

(7) The following are published as an annex to the long-term renovation strategy:

- 1) an overview of the strategy's implementation plan, of envisaged policies and measures;
- 2) a summary of the results of public consultation.

[RT I, 30.06.2020, 9 – entry into force 01.07.2020]

#### **§ 4<sup>1</sup>. Public consultation on the long-term renovation strategy**

In the course of elaborating the long-term renovation strategy, the energy savings coordinator arranges a public consultation with stakeholders at least on two occasions. The public consultation is arranged and a summary of its results is drawn up based on the rules for cooperation and engagement provided by the Regulation enacted under subsection 6 of § 18 of the Government of the Republic Act.

[RT I, 30.06.2020, 9 – entry into force 01.07.2020]

## **Chapter 3 NATIONAL MEASURES TO ACHIEVE ENERGY SAVINGS**

#### **§ 5. Improving the energy performance of public bodies' buildings**

(1) Each year, the energy savings coordinator for immovable property owned by the central government arranges for the renovation of 3 per cent of the total useful floor area of buildings occupied by the central government, to meet at least the minimum energy performance requirements for buildings undergoing major renovation, as established in the regulation enacted on the basis of subsection 3 of § 65 of the Building Code. The functions of the energy savings coordinator for immovable property owned by the central government are performed by the Ministry of Finance.

(2) The 3 per cent limit rate referred to in subsection 1 of this section is calculated by reference, in buildings whose total useful floor area exceeds 250 m<sup>2</sup> and which are occupied by the central government on the basis of

an occupancy agreement or the right of ownership, to the useful floor area that, on 1 January of each year, does not meet the minimum energy performance requirements.

(3) When applying subsection 1 of this section, central government buildings with the poorest energy performance have priority provided their renovation is cost-effective and technically feasible.

(4) The renovation obligation described under subsection 1 of this section does not apply to buildings with indoor climate control which are listed under subsection 2 of § 62 of the Building Code and which are not required to meet the minimum energy performance requirements, and to buildings which serve national defence purposes and are owned by the armed forces, apart from the individual residential premises or office buildings for the personnel of the armed forces or national defence authorities.

(5) If, in a given year, more than 3 per cent of the total useful floor area of central government buildings is renovated, the excess may be counted towards the annual renovation rate of any of the three previous or following years.

(6) The annual renovation rate of central government buildings may be reduced by subtracting from the total such new buildings that comply with the energy performance requirements and that are occupied or acquired as replacements for specific central government buildings demolished during the previous two years or for buildings that have been sold, demolished or taken out of use during the previous two years due to the more intensive use of other buildings.

(7) For the purposes of applying subsection 1 of this section, the energy savings coordinator for immovable property owned by the central government draws up an inventory of heated and cooled central government buildings referred to in subsection 2 of this section. Buildings subject to exemption under subsection 4 of this section are excluded from the inventory. The inventory report must contain the following information in respect of each building:

- 1) total useful floor area in square metres or, if this information is unavailable, the enclosed net floor area within the meaning of the regulation enacted under subsection 5 of § 3 of the Building Code;
- 2) the class of the energy performance indicator or the class of weighted specific energy use and information on whether or not the building meets the minimum energy performance requirements for buildings undergoing major renovation.

(8) In the absence of information set out in subsection 7 of this section, the inventory deems the building not to meet the minimum energy performance requirements.

(9) The energy savings coordinator for immovable property owned by the central government makes the inventory report referred to in subsection 7 of this section publicly available.

(10) The task of the energy savings coordinator is, by way of sharing best practices, to encourage public bodies, including public regional and local bodies and bodies administering social housing:

- 1) to adopt an energy efficiency plan, which is either a freestanding plan or part of a broader climate or environmental plan and contains specific energy saving and efficiency objectives and actions, with a view to following the example of central government buildings provided by subsections 1–8 of this section;
- 2) to put in place an energy management system, including energy audits;
- 3) where appropriate, to use energy service companies, and energy performance contracts to maintain or improve energy efficiency.

## **§ 6. Energy efficient purchasing by public bodies**

(1) The central government may only purchase products, services and buildings that are highly energy efficient, insofar as this is cost-effective, economically feasible, generally sustainable, technically suitable and, given there is sufficient competition, in conformity with the requirements established under subsection 2 of this section. The buildings listed under subsection 2 of § 62 of the Building Code are exempted from the requirement of high energy efficiency.

(2) The Government of the Republic makes regulations to establish the energy efficiency requirements for the products, services and buildings purchased by the central government.

(3) The obligation established in subsection 1 of this section is applied to agreements entered into by the central government for the purchase of products, services and buildings whose cost equals or exceeds the international threshold for public procurements laid down in subsection 3 of § 14 of the Public Procurement Act.  
[RT I, 01.07.2017, 1 – entry into force 01.09.2017]

(4) The obligation referred to in subsection 1 of this section applies to the agreements of the armed forces only to the extent that is compatible the nature and primary aim of the activities of the armed forces. The obligation does not apply to contracts for the supply of military equipment as defined by Directive 2009/81/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of procedures for the award of certain works contracts, supply contracts and service contracts by contracting authorities or entities in the fields of defence and security, and amending Directives 2004/17/EC and 2004/18/EC (OJ L 216, 20.08.2009, pp. 76–136).

(5) Without prejudice to subsection 1 of this section, a public sector body, when purchasing a product package covered as a whole by a delegated act adopted under Regulation 2017/1639/EU of the European Parliament and of the Council of 4 July 2017 setting a framework for energy labelling and repealing Directive 2010/30/EU (OJ L 198, 28.07.2017, pp. 1–23), provides for the aggregate energy efficiency of the package to have priority over the energy efficiency of individual products within that package.  
[RT I, 18.08.2022, 1 – entry into force 28.05.2022]

(6) The task of the energy savings coordinator is, by way of sharing best practices, to encourage public bodies, including public regional and local bodies, to follow the example of the central government and to purchase only products, services and buildings that are highly energy efficient. The energy savings coordinator encourages public bodies, when tendering service contracts, to assess the possibility of concluding long-term energy performance agreements that would contribute to achieving long-term energy savings.

## **Chapter 4**

# **IMPROVING EFFICIENCY IN ENERGY GENERATION AND ENERGY SUPPLY**

### **§ 7. Energy efficiency measures in energy transformation, transmission and distribution**

(1) The transmission network operator and the distribution network operator (hereinafter, together the ‘network operators’) determine, in relation to their network, the cost-effective energy efficiency improvement measures and the necessary investments, draw up a timetable for the introduction of such measures and investments and submit an overview of these to the energy savings coordinator.

(2) The energy savings coordinator prepares and makes public on its website an analysis assessing the energy efficiency improvement potential of the gas and electricity system, in particular regarding transmission, distribution, load management and interoperability, and regarding connection of energy generating installations.

(3) When making the decisions required under the Electricity Market Act and the Natural Gas Act concerning the operation of the gas and electricity network, the Competition Authority takes into account the energy efficiency measures of the network operators.

(4) When approving the network charges referred to in the Electricity Market Act and the Natural Gas Act, the Competition Authority takes into account the cost of the measures taken to improve the energy efficiency of the network, the cost of the measures permitting network users to participate in improving the efficiency of the system and the cost of the measures permitting the management of demand, including the cost of additional services related to smart meters. The network charge must not obstruct improvement of the general efficiency, including energy efficiency, of the gas or electricity system, the management of demand, the participation of market participants in the balancing market or the procurement of ancillary services.

### **§ 8. Promotion of efficiency in heating and cooling**

(1) The energy savings coordinator submits to the European Commission a report on the potential for the application of high-efficiency cogeneration and efficient district heating and cooling. The report must be prepared following the instructions provided by Annex VIII of Directive 2012/27/EU of the European Parliament and of the Council.

(2) The minister responsible for the area makes regulations to establish requirements for high-efficiency cogeneration, taking guidance from Annex I and II of Directive 2012/27/EU of the European Parliament and of the Council.

(3) In the course of preparing the report provided for by subsection 1 of this section, the energy savings coordinator analyses the economic justifiability of the measures intended to promote energy efficiency in heating and cooling across the national territory, basing such an analysis on point 3 of Article 1 of Directive (EU) 2018/2002 of the European Parliament and of the Council amending Directive 2012/27/EU on energy efficiency (OJ L 328, 21.12.2018, pp. 210–230). The analysis is to take into account the climatic conditions, economic feasibility and technical suitability of the measures. The outcome of the analysis must facilitate the identification of the most resource-saving and cost-efficient solutions to meeting heating and cooling needs.  
[RT I, 09.10.2020, 2 – entry into force 19.10.2020]

(3<sup>1</sup>) Heating and cooling are efficient if the new projected generation solution uses less primary energy than the original projected solution, and if it is possible to measure the quantity of primary energy. The assessment of the generation solution also takes into account the energy necessary for the mining, conversion, transport and distribution of the fuel used.  
[RT I, 29.06.2018, 2 – entry into force 07.09.2018]

(4) When developing district heating and cooling infrastructure, an undertaking takes guidance from the report referred to in subsection 1 of this section and from the results of the analysis referred to in subsection 3 of this section.

(5) The energy sector development plan, as defined in subsection 3 of § 19 of the State Budget Act, must be prepared in observance of the principle of promoting the deployment of efficient heating and cooling systems, especially systems that employ high-efficiency cogeneration, to improve local and regional heating provision.

#### **§ 9. Demand management**

(1) The Estonian Competition Authority disseminates through its website information regarding demand management opportunities in wholesale and retail energy markets.

(2) A network operator prepares and disseminates through its website technical instructions for accessing system services markets, including the balancing and reserve capacity markets, for final customers and aggregators.

(3) A network operator offers to users of its network service ancillary services which are necessary for the improvement of energy efficiency and demand management and which are related to smart meters, and disseminates the relevant information through its website.

(4) When fulfilling the requirements concerning balancing and other system services, the network operator observes the principle of equal treatment with regard to aggregators and to market participants within the meaning of the Electricity Market Act or Natural Gas Act, and takes into account their technical capabilities.

#### **§ 10. Cost-benefit analysis in relation to high-efficiency cogeneration installations**

(1) An undertaking prepares a cost-benefit analysis concerning the transformation of an installation, within the meaning of the Industrial Emissions Act, into a high-efficiency cogeneration installation, when it plans:

- 1) a new thermal electricity generation installation with a total rated thermal input exceeding 20 MW;
- 2) a major renovation of an existing thermal electricity generation installation with a total rated thermal input exceeding 20 MW;
- 3) the building of a new industrial installation whose total rated thermal input exceeds 20 MW and which generates waste heat at a useful temperature level, or a major renovation of an existing one;
- 4) a new district heating or cooling network;
- 5) a new thermal electricity generation installation with a total rated thermal input exceeding 20 MW within an existing district heating or cooling network;
- 6) a major renovation of an existing thermal electricity generation installation in a manner that permits to effectively utilise waste heat from a nearby industrial installation.

(2) The major renovation referred to in clauses 2, 3 and 6 of subsection 1 of this section means renovation whose cost exceeds 50 per cent of the investment cost for a new comparable unit.

(3) The analysis referred to in subsection 1 of this section must be endorsed by a person holding at least the professional qualification of a chartered electrical or thermal engineer at VIII or equivalent level.

(4) The minister responsible for the area makes regulations to establish the minimum requirements for the cost-benefit analysis in relation to transforming an installation into a high-efficiency cogeneration installation.

(5) The installation of equipment to capture carbon dioxide produced by a combustion installation with a view to its being geologically stored as provided for by Directive 2009/31/EC of the European Parliament and of the Council on the geological storage of carbon dioxide and amending Council Directive 85/337/EEC, European Parliament and Council Directives 2000/60/EC, 2001/80/EC, 2004/35/EC, 2006/12/EC, 2008/1/EC and Regulation (EC) No 1013/2006(OJ L 140, 05.06.2009, pp. 114–135) is not deemed to constitute the renovation referred to in clauses 2, 3 and 6 of subsection 1 of this section.

## **Chapter 5**

# **REQUIREMENTS FOR MEASURING ENERGY CONSUMPTION AND FOR PROVISION OF INFORMATION IN ORDER TO IMPROVE ENERGY EFFICIENCY**

[RT I, 09.10.2020, 2 - entry into force 19.10.2020]

#### **§ 11. Metering the consumption of heating, cooling and domestic hot water**

(1) The energy distributor ensures the measuring of thermal energy that accompanies the provision, to a final customer, of district heating, district cooling and domestic hot water services, and ensures the gathering and processing of the metering data.



(2) The energy distributor installs, at the final customer's heat exchanger or distribution point, a meter to measure the thermal energy expended in order to produce the district heating, district cooling or domestic hot water provided from the district heating or district cooling network or from a central source servicing several buildings.

(3) Where installation of individual heating cost allocators or meters to measure the consumption of district heating, district cooling or domestic hot water is cost efficient and technically feasible, such allocators or meters are installed in a final customer's apartment building or multi-use building. The allocators or meters must possess a remote-reading function, provided the installation of allocators or meters that possess such a function is cost efficient and technically feasible.

(4) The energy savings coordinator arranges assessment of the cost efficiency and technical feasibility of installing, in a final customer's apartment buildings or multi-use buildings, of heating cost allocators or meters, including of such allocators or meters possessing a remote-reading function.

(5) The minister responsible for the area may enact, by regulation, the conditions for installing, in a final customer's apartment building or multi-use building, of individual heating cost allocators and meters.

[RT I, 09.10.2020, 2 – entry into force 25.10.2020]

## **§ 12. Requirements for invoices presented to a final customer**

(1) The energy distributor transmits an electronic invoice to the final customer at least once a month, unless agreed otherwise. If the final customer is a consumer within the meaning of the Consumer Protection Act, the energy distributor presents the invoice by a method mentioned in subsections 6 and 7 of § 4 of the Consumer Protection Act. The invoices and electronic access to invoicing information and consumption data are provided free of charge. For repeat invoices, a fee may be charged.

(2) [Repealed – RT I, 09.10.2020, 2 – entry into force 19.10.2020]

(3) Together with or on the invoice to a final customer, the energy distributor provides the following information:

- 1) applicable prices and the actual consumption of energy;
- 2) the fuel mix used to produce heating, cooling or domestic hot water, by type of fuel and, if the total rated thermal input of the district heating network exceeds 20 MW, also the amount of greenhouse gas emissions resulting from the production;
- 3) any taxes, statutory fees and tariffs that have been applied;
- 4) a comparison of energy consumption during the period shown on the invoice to climate corrected consumption of the last 12 months;
- 5) a reference to URLs from which one can obtain information on applicable measures for improving energy efficiency, on comparative final customer profiles and on the technical parameters of energy-consuming equipment;
- 6) the rules for filing an appeal;
- 7) a comparison of the customer's energy consumption to that of a similar final customer or of an average final customer.

[RT I, 09.10.2020, 2 – entry into force 25.10.2020]

(4) Where a remote-reading meter is present, the energy distributor must provide the information mentioned in subsection 3 of this section to the final customer at least once a month. Otherwise, such information is provided at least twice a year.

[RT I, 09.10.2020, 2 – entry into force 01.01.2022]

## **§ 12<sup>1</sup>. Obligations for final customers when invoicing a final user**

(1) The final customer ensures that a final user receives, free of charge, all invoices, and all information shown on such invoices concerning their consumption of heating, cooling and domestic hot water. The invoices and information are presented to the final user, according to the consumer's choice, to the consumer's postal address or e-mail, or through an electronic customer service environment, an Internet banking service or other such environment, or on a data storage medium, if the consumer has consented to that in a form that allows for reproduction in writing.

(2) In the invoices to final users, the final customer distributes the costs of metering, distributing and accounting the individual consumption of heating, cooling or domestic hot water in a manner that does not envisage a profit.

(3) Reasonable costs which arise in relation to the final customer delegating the task mentioned in subsection 2 of this section to a third party, and which encompass the metering, distribution and accounting of actual individual consumption, may be passed on to final users.

[RT I, 09.10.2020, 2 – entry into force 19.10.2020]

### **§ 13. Information to be presented to the energy service provider**

(1) At the request of the final customer, the energy distributor presents the metering data, including additional information on historical consumption, to the energy service provider designated by the final customer. No fee is to be charged if measurement data and historical consumption information are accessed electronically by a method determined by the network operator or through a data platform.  
[RT I, 05.07.2016, 3 – entry into force on 01.01.2017]

(2) At the request of the final user, the final customer presents, to the energy service provider designated by the final user, the information mentioned in subsections 3 and 4 of § 13<sup>1</sup> of this Act concerning the data regarding individual consumption of heating, cooling or domestic hot water during the previous 12 months.  
[RT I, 09.10.2020, 2 – entry into force 19.10.2020]

### **§ 13<sup>1</sup>. Information provided on heating, cooling or domestic hot water invoices and the consumption data**

(1) The information provided to a final user on an invoice based on a meter or heating cost allocator that reflects the consumption of heating, cooling or domestic hot water must be based on actual consumption or on the reading of the allocator.  
[RT I, 09.10.2020, 2 – entry into force 25.10.2020]

(2) Where a meter or heating cost allocator reflecting the consumption of heating, cooling or domestic hot water is present, the invoice presented by the final customer to a final user must show the data of actual consumption as reflected by the consumer's meter, or show the reading of the allocator.  
[RT I, 09.10.2020, 2 – entry into force 25.10.2020]

(3) Where a meter or a heating cost allocator is present, the final customer must, together with or on the invoice to a final user, provide the following information:

- 1) applicable prices and the actual consumption of energy or the total cost of heating and cooling, and the readings of the allocator;
- 2) the fuel mix used to produce heating, cooling or domestic hot water, by type of fuel and, if the total rated thermal input of the district heating network exceeds 20 MW, also the amount of greenhouse gas emissions resulting from the production;
- 3) any taxes, statutory fees and tariffs that have been applied;
- 4) a comparison of energy consumption during the period shown on the invoice to climate corrected consumption of the last 12 months;
- 5) a reference to URLs from which one can obtain information on applicable measures for improving energy efficiency, on comparative final customer profiles and on the technical parameters of energy-consuming equipment;
- 6) the rules for filing an appeal;
- 7) a comparison of the consumer's energy consumption to that of a similar final user or of an average final user.

[RT I, 09.10.2020, 2 – entry into force 25.10.2020]

(4) Where an invoice presented to a final user by a final customer is not based on the consumer's actual consumption as reflected by a meter, or on the readings of a heating cost allocator, such an invoice must contain information on how the amount stated on the invoice was calculated, as well as the information provided for by clauses 5 and 6 of subsection 3 of this section.  
[RT I, 09.10.2020, 2 – entry into force 25.10.2020]

(5) Where a remote-reading meter or a heating cost allocator is present, the final customer must provide the information mentioned in subsection 3 of this section to the final user at least once a month. Otherwise, such information is provided at least twice a year.  
[RT I, 09.10.2020, 2 – entry into force 01.01.2022]

## **Chapter 6 ENERGY SAVINGS OBLIGATION**

### **Subchapter 1 General Energy Savings Obligation**

#### **§ 14. Overall amount of the general energy savings obligation**

(1) The Government of the Republic establishes the overall amount of the general energy savings obligation by the instrument provided for by subsection 2 of § 16 of this Act.

(2) The initial overall amount of the general energy savings obligation for the period from 1 January 2014 through 31 December 2020 is set at 1.5 per cent of the average annual amount of energy sold to final customers

in each calendar year. The average annual amount of energy sold to final customers is calculated based on the years 2010–2012.

(2<sup>1</sup>) The amount of the general energy savings obligation for the period from 1 January 2021 through 31 December 2030 is 0.8 per cent of the average annual amount of energy sold to final customers in each calendar year. The average annual amount of energy sold to final customers is calculated based on the years 2016–2018. [RT I, 09.10.2020, 2 – entry into force 19.10.2020]

(2<sup>2</sup>) The amount of the general energy savings obligation for each ten-year period following 31 December 2030 is an average 0.8 per cent of the average annual amount of energy sold to final customers in each calendar year. [RT I, 09.10.2020, 2 – entry into force 19.10.2020]

(3) The energy sold to final customers for use in transport is excluded from the calculation of the average annual amount of energy sold to final customers.

(4) The calculation of the general energy savings obligation provided for by subsection 21 of this section is set out in accordance with the requirements provided by Annex III of Regulation (EU) 2018/1999 of the European Parliament and of the Council in the integrated national energy and climate plan to be drawn up under that Regulation.

[RT I, 09.10.2020, 2 – entry into force 19.10.2020]

### **§ 15. Reducing the overall amount of the general energy savings obligation**

(1) The initial overall amount of the general energy savings obligation provided for by subsection 2 of § 14 of this Act may be reduced if:

[RT I, 09.10.2020, 2 – entry into force 19.10.2020]

1) a reduced general energy savings obligation is applied, in which case the overall amount equals, per calendar year, 1 per cent of the average annual amount of energy sold to final customers for 2014 and 2015, 1.25 per cent for 2016 and 2017, and 1.5 per cent for 2018, 2019 and 2020.

2) energy savings are achieved in the energy transformation, distribution and transmission sectors, including the efficient district heating and cooling infrastructure;

3) energy savings are achieved in the country as a result of an individual action implemented since 31 December 2008 that continues to have an impact in 2020 and that can be measured and verified.

(2) The gross final consumption of energy of the industrial installations that are part of the European Union emissions trading system may be subtracted from the initial overall amount of the general energy savings obligation provided for by subsection 2 of § 14 of this Act.

[RT I, 09.10.2020, 2 – entry into force 19.10.2020]

(3) As a result of the application of subsections 1 and 2 of this section, the initial overall amount of the general energy savings obligation may be reduced by up to 25 per cent; the application of these subsections is to be notified by the energy savings coordinator to the European Commission. The energy savings coordinator must also inform the European Commission of the effect of the application of subsections 1 and 2 of this section on the general energy savings obligation.

### **§ 16. Implementers of general energy savings obligation**

(1) The general energy savings obligation is implemented by:

1) implementing public authorities;

2) entrusted parties;

3) legal persons in private law in which the State holds the majority of decision-making rights;

4) distribution network operators.

[RT I, 29.06.2018, 2 – entry into force 09.07.2018]

(2) The Government of the Republic enacts the apportionment of the general energy savings obligation between its implementers (hereinafter, the ‘energy savings obligation apportionment plan’) by regulation, having regard to the provisions of § 14, § 15, subsection 2 of § 16<sup>1</sup> and § 21 of this Act.

[RT I, 09.10.2020, 2 – entry into force 19.10.2020]

(3) The proposal of the energy savings obligation apportionment plan is drawn up by the energy savings coordinator.

### **§ 16<sup>1</sup>. Implementing the general energy savings obligation**

(1) Policy measures that are intended to lead to energy savings and that are applied on 31 December 2020 or after that date may be counted towards discharging the general energy savings obligation, provided such measures result in new individual actions applied after 31 December 2020.

(2) The general energy savings obligation apportionment plan enacted under subsection 2 of § 16 of this Act lays down policy measures for discharging the general energy savings obligation which, in order to alleviate energy poverty, are to be applied subject to special rules concerning persons suffering from energy poverty and vulnerable energy consumers or concerning providers of services intended for such persons or consumers.

(3) In accordance with Regulation (EU) 2018/1999 of the European Parliament and of the Council, in the integrated energy and climate progress reports the energy savings coordinator presents an overview of the performance of the energy poverty alleviation measures.  
[RT I, 09.10.2020, 2 – entry into force 19.10.2020]

### **§ 17. Types of policy measures**

The policy measures facilitating the implementation of the general energy savings obligation may, *inter alia*, include the following types:

- 1) pollution charges imposed on emissions of pollutants into ambient air and excise taxes that have the effect of reducing end-use energy consumption;
- 2) financing schemes within the meaning of the State Budget Act and other measures that help to implement energy-efficient technology or techniques and have the effect of reducing end-use energy consumption;
- 3) legislation that helps to achieve the implementation of energy-efficient technology or techniques and has the effect of reducing end-use energy consumption;
- 4) voluntary agreements, including agreements concluded under the Administrative Co-operation Act, that help to implement energy-efficient technology or techniques and have the effect of reducing end-use energy consumption;
- 5) standards and norms that aim at improving the energy efficiency of products and services, including buildings and vehicles, except where these are applicable under European Union law;
- 6) energy labelling schemes, with the exception of those that are applicable under European Union law;
- 7) training and education, including energy advisory programmes, that help to apply energy-efficient technology or techniques and have the effect of reducing end-use energy consumption.

### **§ 18. Accounting the impact of energy saving measures**

(1) The minister responsible for the area makes regulations to establish the rules for calculating the energy savings (hereinafter, the ‘energy savings rules’) achieved by means of policy measures, individual actions and activities carried out as part of these measures and actions.

(2) The energy savings rules set out:

- 1) the principles for calculating energy savings, including conversion factors for calculating end-use energy savings from primary energy savings;
- 2) requirements for calculating energy savings, including the methodology of calculating energy savings;
- 3) requirements for presenting the results of a calculation of energy savings;
- 4) requirements for notification of methods used for the calculation of energy savings;
- 5) requirements for source data used in the calculations;
- 6) principles for arranging the monitoring of the impact of implementation of policy measures;
- 6<sup>1</sup>) the methods of calculating the amount of the general energy saving obligation and the reporting obligations concerning fulfilment of the general energy saving obligation in accordance with Annex V of Directive (EU) 2018/2002 of the European Parliament and of the Council;  
[RT I, 09.10.2020, 2 – entry into force 01.01.2021]
- 7) other requirements prescribed by law.

## **Subchapter 2**

### **Obligation of major energy utilities to provide information**

### **§ 19. Major energy utility**

For the purposes of this Act, a major energy utility means the following energy distributors or retail energy undertakings:

- 1) a distribution network operator within the meaning of the Electricity Market Act, whose annual amount of energy distributed to final customers equals or exceeds 100 GWh;
- 2) a network operator within the meaning of the Natural Gas Act, whose annual amount of energy distributed to final customers exceeds 100 GWh;
- 3) a network operator within the meaning of the District Heating Act, whose annual amount of energy distributed to final customers equals or exceeds 100 GWh;
- 4) a retail undertaking selling solid fuel, whose annual amount of solid fuel sold to final customers equals or exceeds 100 GWh;
- 5) a retail undertaking selling liquid fuels, excluding motor fuels, whose annual amount of liquid fuels sold to final customers equals or exceeds 100 GWh;
- 6) a retail undertaking selling gas, excluding gas distributed via pipelines, whose annual amount of fuel gas sold to final customers equals or exceeds 100 GWh.

## **§ 20. Obligation of major energy utilities to provide information**

- (1) At the demand of the energy savings coordinator, a major energy utility provides the following information:
- 1) the quantities of energy distributed to final customers;
  - 2) statistical information on final customers purchasing or receiving the utility's energy distribution service, generalised by groups of final customers; such statistical information must, among other things, describe any significant changes in comparison to previously submitted information;
  - 3) up-to-date information regarding the energy consumption of final customers, the energy savings coordinator may also demand information on the dependency of consumption on time, on groups of final customers and on the geographic location of final customers.
- (2) When submitting the information, the inviolability and confidentiality of private information and sensitive business information must be ensured.
- (3) Information may be demanded for three immediately preceding calendar years.
- (4) Information regarding the preceding calendar year must be provided if the time-limit for responding to the information demand of the energy savings coordinator expires after 1 March of the current calendar year.
- (5) The time-limit for responding to the information demand of the energy savings coordinator is 30 calendar days from the presentation of the demand.
- (6) Information demands under subsection 1 of this section are not presented more frequently than once a year.

## **Subchapter 3 Energy savings obligation apportionment plan**

### **§ 21. Energy savings obligation apportionment plan**

- (1) The energy savings obligation apportionment plan provided for by subsection 2 of § 16 of this Act determines:
- 1) the absolute amount of the general energy savings obligation from 1 January 2021 to 31 December 2030; [RT I, 09.10.2020, 2 – entry into force 01.01.2021]
  - 2) [Repealed – RT I, 09.10.2020, 2 – entry into force 01.01.2021];
  - 3) policy measures to be implemented by the implementing public authorities and their envisaged energy savings;
  - 4) policy measures to be implemented by legal persons in private law in whom the state holds the majority interest and their envisaged energy savings;
  - 5) policy measures to be implemented by a state-owned company that provides real estate services to the state and their envisaged energy savings;
  - 6) other policy measures and their envisaged energy savings;
  - 7) the total envisaged energy savings to be achieved by all policy measures;
  - 8) policy measures whose application is to be subject to special rules regarding persons suffering from energy poverty, regarding vulnerable energy consumers or regarding providers of services intended for such persons or consumers; [RT I, 09.10.2020, 2 – entry into force 01.01.2021]
- (2) The energy savings required to fulfil the energy savings obligation are determined as end-use energy savings.
- (3) [Repealed – RT I, 09.10.2020, 2 – entry into force 01.01.2021].
- (4) [Repealed – RT I, 09.10.2020, 2 – entry into force 01.01.2021].
- (5) In the energy savings obligation apportionment plan, provision may be made for:
- 1) the method by which, in relation to implementing a policy measure, persons suffering from energy poverty and vulnerable energy consumers, or providers of services intended for such persons or consumers, are identified;
  - 2) to extent to which persons suffering from energy poverty and vulnerable energy consumers, or providers of services intended for such persons or consumers, are to be supported under a policy measure. [RT I, 09.10.2020, 2 – entry into force 19.10.2020]

### **§ 22. Gathering information for the preparation of the energy savings obligation apportionment plan**

- (1) The general energy savings obligation is calculated using primarily the European Union and national statistics.

(2) The energy savings achieved as a result of the implementation of policy measures are calculated by the energy savings coordinator, taking into account the information provided by the implementer of the policy measure.

## **Subchapter 4**

### **Fulfilling the energy savings obligation by policy measures**

#### **§ 23. Requirements for policy measures**

(1) A policy measure to be implemented in order to fulfil the general energy savings obligation must meet the following requirements:

1) the policy measure must contribute to the fulfilment of the general energy savings obligation and ensure that energy savings are achieved among final customers;

[RT I, 09.10.2020, 2 – entry into force 01.01.2021]

2) the obligations of each entrusted party, participating party or implementing public authority are determined in the legislation or other documents that form the basis for the policy measure;

3) the envisaged energy savings are calculated in a transparent manner;

4) the envisaged energy savings of the policy measure are expressed as end-use energy savings or primary energy savings, using the conversion factors provided by the energy savings rules;

5) the envisaged energy savings of the policy measure are calculated applying the principles and methods set out in the energy savings rules;

6) participating parties submit each year a report on the energy savings achieved as a result of implementation of the policy measure, except where this is not feasible;

7) provision must be made for monitoring the impact of implementation of the policy measure and relevant options must be provided for modifying the policy measure in the event that its implementation fails to yield the initially envisaged energy savings.

(2) The provision in clause 6 of subsection 1 of this section only applies to policy measures listed under clause 4 of § 17 of this Act.

[RT I, 09.10.2020, 2 – entry into force 19.10.2020]

#### **§ 24. Monitoring the impact of implementation of policy measures**

(1) The monitoring of the impact of implementation of policy measures identified in the energy savings obligation apportionment plan is arranged by the energy savings coordinator.

(2) Entrusted parties, participating parties and implementing public authorities cooperate with the energy savings coordinator in monitoring the impact of the implementation of policy measures.

(3) To arrange monitoring the impact of implementation of policy measures, the energy savings coordinator establishes a control system that ensures assessment of the impact of a statistically significant sample of individual actions to improve energy efficiency. The principles of arranging the monitoring of the impact of implementation of policy measures are laid down in the energy saving rules.

[RT I, 09.10.2020, 2 – entry into force 19.10.2020]

(3<sup>1</sup>) Assessment of the impact of an individual policy measure consists of measuring, verifying and proving the relevant impact, all of which is undertaken independently of the entrusted or participating parties concerned.

[RT I, 09.10.2020, 2 – entry into force 19.10.2020]

(3<sup>2</sup>) The energy savings achieved as a result of a policy measure or of an individual action to improve energy efficiency are calculated in accordance with the energy saving rules.

[RT I, 09.10.2020, 2 – entry into force 19.10.2020]

(4) Each year, the energy savings coordinator disseminates information on the energy savings that have been achieved and the energy savings that are estimated as a result of the relevant policy measures, excluding policy measures implemented by participating parties.

(5) Subsection 3 of this section does not apply to policy measures mentioned in clause 1 of § 17 of this Act.

(6) When the impact of policy measures and individual actions overlaps, the energy savings coordinator must ensure that multiple counting of energy savings does not take place.

#### **§ 25. Reporting by parties participating in the implementation of policy measures**

(1) A participating party or a representative of all parties participating in the implementation of the policy measure disseminates through its website, once for each calendar year, a report on the implementation of the policy measure. The report is made public not later than three months after the end of the calendar year and is notified to the energy savings coordinator.

(2) The policy measure implementation report includes at least the following information:

- 1) the name and registration number of the implementer of the measure;
- 2) the title of the measure;
- 3) the names of the institutions and the names and registration numbers of the persons involved in the implementation of the measure;
- 4) the participation of energy service providers in the implementation of the measure;
- 5) the generalised list of activities carried out for the purpose of implementing the measure;
- 6) the envisaged, achieved and estimated energy savings resulting from the activities;
- 7) information on making the measure more specific, or on modifying or terminating the measure.

(3) The envisaged, achieved and estimated energy savings referred to under clause 6 of subsection 2 of this section must be calculated according to the energy savings rules.

(4) The minister responsible for the area of energy savings may make regulations to establish more specific requirements concerning the reports of participating parties.

## **§ 26. Funding of policy measures**

The policy measures receive funding from the state budget in accordance with the national energy policy and the national fiscal strategy.

# **Chapter 7 ENERGY AUDITS AND ENERGY MANAGEMENT SYSTEMS**

## **§ 27. Requirements for energy audits and energy management systems**

(1) The energy savings coordinator must promote the availability to all final customers of high-quality energy audits and energy management systems which are cost-effective and carried out independently by qualified experts or accredited persons.

(2) The expert referred to in subsection 1 of this section must hold at least the professional qualification of an energy auditor, in the area of energy performance of construction works, level VI or higher, depending on the structure to be audited, or an independent accreditation that corresponds to a relevant European or international standard and that proves the competence to certify energy management systems or environmental management systems.

(3) The energy audits referred to in subsection 1 of this section may be carried out by an in-house expert or energy auditor, provided they are competent under subsection 2 of this section.

(4) The European or international standard referred to in subsection 2 of this section means a standard that is adopted by the European Committee for Standardisation, the European Committee for Electrotechnical Standardisation, the European Telecommunications Standards Institute or the International Organization for Standardisation, and that is made available for public use.

(5) In order to ensure the quality of the energy audits referred to in subsection 1 of this section, the minister responsible for the area makes regulations to establish the minimum requirements for energy audits, including for energy audits carried out as part of an energy management system. If, according to the relevant regulation enacted under subsection 7 of § 50 of the Building Code, the purpose of use of the building that is subject to an energy audit is 'residential building', the energy audit must be carried out in compliance with the relevant regulation enacted under subsection 5 of § 64 of that Code.

(6) If assistance is provided for carrying out energy audits from the funds of the European Union or of foreign aid, from the national budget or from other financing sources, the implementing unit of the relevant support measure or the institution conducting the proceedings concerning the assistance must scrutinise the conformity of the energy audit to the requirements established on the basis of subsection 5 of this section.

(7) The reports of the energy audits referred to in subsection 1 of this section may not include clauses preventing the findings of the audit from being transmitted to any qualified or accredited energy service provider, except where the final customer objects to the transmission.

(8) The energy savings coordinator develops programmes to encourage small and medium-sized undertakings to carry out energy audits and implement the recommendations from these audits, and to raise awareness of the economic benefits of energy management systems. The energy savings coordinator develops programmes to raise awareness among households of the benefits of the energy audits referred to in subsection 1 of this section.

## **§ 28. Obligation of large undertakings to undertake regular energy audits**

(1) An undertaking which is not a small or medium-sized undertaking or a distribution network operator or transmission network operator, must undertake an energy audit referred to in subsection 1 of § 27 of this Act every four years.

(2) An undertaking which is described in subsection 1 of this section and which implements an energy or environmental management system certified by an independent body in accordance with a relevant European or international standard is exempted from the requirement established under subsection 1 of this section, provided the undertaking proves that the management system concerned includes an energy audit whose report meets the minimum requirements established on the basis of subsection 5 of § 27 of this Act.

(3) The energy savings coordinator prepares a list of undertakings which must undertake the energy audit referred to in subsection 1 of § 27 of this Act and disseminates it through its website.

## **Chapter 8 GOVERNMENT ACTIONS IN PROMOTING ENERGY EFFICIENCY AND DEVELOPING ENERGY SERVICES**

### **§ 29. Development of qualification schemes in areas of activity linked to energy efficiency**

(1) The energy savings coordinator analyses the level of competence, objectivity and reliability of such natural and legal persons who:

- 1) provide energy services;
- 2) carry out energy audits;
- 3) are energy managers;
- 4) install construction products that have an impact on the energy performance of buildings.

(2) If it is ascertained that the level referred to in subsection 1 of this section is insufficient in the listed areas of activity the energy savings coordinator makes a proposal to the professional council convened under subsection 6 of § 8 of the Professions Act to draw up a professional standard. When making the proposal, the energy savings coordinator ensures that the qualification scheme to be created by the professional standard is publicly available, transparent and credible for final customers and contributes to reaching the national energy efficiency targets.

(3) The energy savings coordinator ensures cooperation with other member states of the European Union and the European Commission concerning comparisons between and recognition of the qualification schemes referred to in subsection 2 of this section.

(4) In the course of the analysis provided for by subsection 1 of this section, the energy savings coordinator assesses whether the number of qualified experts available for carrying out the required energy audits is sufficient and, if necessary, makes a proposal to the competent authority to hold a training course.

### **§ 30. Dissemination of information concerning energy efficiency**

(1) The energy savings coordinator makes public, through its website, transparent information on available energy efficiency mechanisms, financial frameworks and relevant legislation and disseminates this information through appropriate information channels to relevant market actors, such as final users, builders, architects, engineers, performers of environmental and energy audits and installers of construction products that have an impact on the energy performance of buildings.

[RT I, 09.10.2020, 2 – entry into force 19.10.2020]

(2) The energy savings coordinator prepares and publishes guidelines on how market participants might inform credit and financial institutions of the opportunities for participation in the financing of energy efficiency improvement measures, for example, through the creation of public/private partnerships.

(3) The energy savings coordinator creates an information platform for market participants to provide adequate and targeted information on energy efficiency to final users of energy.

[RT I, 09.10.2020, 2 – entry into force 19.10.2020]

(4) The energy savings coordinator, with the participation of stakeholders, including local and regional authorities, promotes suitable information, awareness-raising and training initiatives to inform citizens of the benefits and practicalities of taking energy efficiency improvement measures.

(5) The energy savings coordinator creates an information platform for the promotion, through changes in energy consumption habits, of efficient energy use among households and those small-scale final users of energy.

[RT I, 09.10.2020, 2 – entry into force 19.10.2020]



### **§ 31. Development of the energy services market**

Where necessary, the energy savings coordinator takes the following measures to promote the energy services market and access to this market for small and medium-sized undertakings:

- 1) the dissemination of information on energy service contracts and clauses that should be included in such contracts to guarantee energy savings and the rights of final customers and final users;  
[RT I, 09.10.2020, 2 – entry into force 19.10.2020]
- 2) the dissemination of information on financial instruments, incentives, grants and loans to support energy service projects;
- 3) encouraging the development of quality labels, inter alia, by associations of undertakings;
- 4) making publicly available and regularly updating a list of available energy service providers who are qualified according to § 29 of this Act;
- 5) supporting the public sector in the procurement of energy services by drawing up model contracts for energy performance contracting which include at least the items listed in Annex XIII to Directive 2012/27/EU of the European Parliament and of the Council;
- 6) [Repealed – RT I, 09.10.2020, 2 – entry into force 01.01.2021];
- 7) supporting the proper functioning of the energy services market by upholding the principle that market participants' access to the energy services market must be based on transparent and non-discriminatory criteria.

### **§ 32. Other measures to promote energy efficiency**

The energy savings coordinator evaluates regulatory and non-regulatory barriers to energy efficiency and, if necessary, takes appropriate measures to remove such barriers.

## **Chapter 8<sup>1</sup>** **PROMOTION OF RENEWABLE ENERGY**

[RT I, 18.05.2022, 1 - entry into force 28.05.2022]

### **Subchapter 1** **RENEWABLE ENERGY TARGET**

[RT I, 18.05.2022, 1 - entry into force 28.05.2022]

#### **§ 32<sup>1</sup>. National renewable energy target**

(1) By the year 2030, renewable energy accounts for at least 65 per cent of gross domestic final consumption of energy. Renewable energy accounts for at least 100 per cent of gross final consumption of electricity and for at least 63 per cent of gross final consumption of thermal energy. Renewable energy used in road and rail transport accounts for at least 14 per cent of total energy consumed in the transport sector.

[RT I, 22.10.2022, 3 – entry into force 01.11.2022]

(2) When calculating the achievement of the targets mentioned in subsection 1 of this section, the following are not taken into account: biofuels, bioliquids or biomass fuels which do not respect the principles described in subsections 1–6 of § 32<sup>3</sup> of this Act and the criteria for greenhouse gas emission reduction mentioned in the regulation enacted under subsection 1 of § 120 of the Atmospheric Air Protection Act and whose use is not compatible with the waste hierarchy within the meaning of the Waste Act – or the energy produced from such fuels or liquids.

(3) The share of renewable energy in gross final domestic consumption may not be less than the baseline share mentioned in the third column of the table shown in Part A of Annex I to Directive (EU) 2018/2001 of the European Parliament and of the Council on the promotion of the use of energy from renewable sources (OJ L 328, 21.12.2018, pp. 82–209).

[RT I, 18.05.2022, 1 – entry into force 28.05.2022]

#### **§ 32<sup>2</sup>. General principles for calculating the share of renewable energy**

(1) The share of renewable energy is calculated as the gross final consumption of renewable energy divided by the gross final consumption of energy produced from all sources and is expressed as a percentage.

(2) The following elements are added up to calculate the share of renewable energy in the gross final consumption of energy:

- 1) gross final consumption of electricity generated from renewable sources (hereinafter, also 'renewable electricity');

- 2) gross final consumption of renewable energy in the heating and cooling sector;
- 3) gross final consumption of renewable energy in the transport sector.

(3) When calculating the gross final consumption values provided for by subsection 2 of this section, any gas, electricity or hydrogen produced from renewable sources is accounted only once.

(4) The gross final consumption of renewable electricity is calculated as the sum of quantities of electricity generated from renewable sources, including the quantity of electricity generated by renewables self-consumers and renewable energy communities, excluding electricity generated in pumped storage units from water that has previously been pumped uphill.

(5) For a multi-fuel power plant, only the part of electricity that has been generated from renewable sources is taken into account when calculating the gross final consumption of renewable electricity, and the energy content of each fuel is accounted separately.

(6) When calculating the gross final consumption of renewable electricity, electricity generated by hydropower and wind power is accounted in accordance with the normalisation rules set out in Annex II of Directive (EU) 2018/2001 of the European Parliament and of the Council.

(7) The gross final consumption of energy from renewable sources in the heating and cooling sector is calculated as the quantity of district heating and cooling produced from renewable sources, plus the consumption of other energy from renewable sources in industry, households, services, agriculture, forestry and fisheries, for heating, cooling and production purposes.

(8) For a multi-fuel power plant, only the part of heating and cooling produced from renewable sources is taken into account when calculating the gross final consumption of renewable electricity, and the energy content of each fuel is accounted separately.

(9) Ambient energy – within the meaning of the District Heating Act – that is used for heating and cooling by means of heat pumps and district cooling systems, as well as geothermal energy, is taken into account when applying clause 2 of subsection 2 of this section provided that the final energy output significantly exceeds the primary energy input required to drive the heat pumps of the district cooling system. Calculations are performed in accordance with the methodology set out in Annex VII of Directive (EU) 2018/2001 of the European Parliament and of the Council, accounting for energy use in all end-use sectors.

(10) Thermal energy generated by passive energy systems, under which lower energy consumption is achieved passively through building design or owing to heat generated by energy from non-renewable sources is not taken into account when applying clause 2 of subsection 2 of this section.

(11) In calculating the gross final consumption of energy, the amount of energy consumed in aviation – as a percentage of such consumption – does not amount to more than 6.18 per cent.

(12) The methodology and definitions to be used in the calculation of the share of energy from renewable sources are those provided for by Regulation (EC) No 1099/2008 of the European Parliament and of the Council on energy statistics (OJ L 304, 14.11.2008, pp. 1–62).

(13) Electricity generated from biomass fuels by a production installation that started operation after 15 June 2022 is taken into account when applying subsection 2 of this section only if it meets at least one of the following requirements:

- 1) electricity has been generated by a production installation whose total rated thermal input is below 50 MW;
- 2) electricity has been generated by a generating installation whose total rated thermal input is from 50 to 100 MW and high-efficiency cogeneration technology has been used in generating it – or, for electricity-only installations, an energy efficiency level associated with the best available techniques (BAT) as defined in Commission Implementing Decision (EU) 2017/1442 establishing best available techniques (BAT) conclusions, under Directive 2010/75/EU of the European Parliament and of the Council, for large combustion plants (OJ L 212, 17.08.2017, pp. 1–82) has been achieved;
- 3) electricity has been generated by a production installation whose total rated thermal input is above 100 MW and high-efficiency cogeneration technology has been used in generating it – or, for electricity-only installations a net electrical efficiency of at least 36 per cent has been achieved;
- 4) electricity has been generated applying biomass CO<sub>2</sub> capture and storage.

[RT I, 18.05.2022, 1 – entry into force 28.05.2022]

### **§ 32<sup>3</sup>. Principles for calculating the share of renewable energy produced from biofuels, bioliquids and biomass fuels, and their requirements and criteria for proving the sustainability of these fuels**

[RT I, 07.03.2023, 21 – entry into force 17.03.2023]

(1) Energy from biofuels, bioliquids and biomass fuels is taken into account when calculating the share mentioned in subsection 2 of § 32<sup>2</sup> of this Act in the following situations:

- 1) agricultural biofuels, bioliquids and biomass fuels have not been produced from raw material that has been obtained from land that, by January 2008 or subsequently, was under protection by virtue of the Nature

Protection Act, unless evidence is provided to show that the harvesting of such material was not contrary to purposes of the protected site or feature;

2) agricultural biofuels, bioliquids and biomass fuels have not been produced from raw material that has been obtained from land that was peatland in January 2008, unless evidence is provided that the cultivation and harvesting of such material does not lead to drainage of previously undrained soil;

3) a monitoring or management plan is in place concerning the production of biofuels, bioliquids or biomass fuels from waste or agricultural residues in order to address the impact of the production on soil quality and carbon content.

(2) The energy produced from biofuels, bioliquids and biomass fuels that have been produced from forest biomass is taken into account when calculating the share provided for by subsection 2 of § 32<sup>2</sup> of this Act provided that such energy meets:

- 1) the forest management requirements provided by the Forest Act;
- 2) requirements that are provided by the Nature Protection Act with respect to protected areas, limited-conservation areas and species' protection sites, with respect to sites or features protected by the municipality from whose territory biomass is sourced and, with respect to key biotopes, by the Forest Act;
- 3) the criteria for reduction of greenhouse gas emissions provided by the Regulation enacted under subsection 1 of § 120 of the Atmospheric Air Protection Act.

(3) In addition to the situations mentioned in subsection 2 of this section, any biofuels, bioliquids or biomass fuels that are produced from forest biomass must meet the following land use, land use change and forestry criteria:

- 1) the country or economic integration organisation from which such biomass originates is a member of the Paris Agreement;
- 2) the country or economic integration organisation from which such biomass originates has notified, to the Conference of the Parties to the United Nations Climate Convention, its nationally determined contribution which includes emissions in agriculture, forestry and land use and their removal in sinks and by which it guarantees that the change in carbon stock that relates to the harvesting of biomass are taken into account in the national obligation to reduce or limit greenhouse gas emissions by a nationally determined contribution, or have enacted, in accordance with Article 5 of the Paris Agreement, national or regional legislation that is applied in the harvesting area in order to protect and enhance carbon stock and sinks, and has proved that emissions from certain land use, land use change and forestry do not exceed those removed by sinks.

(4) Energy produced from forest biomass originating from another Member State of the European Union or from a third country is taken into account when calculating the share provided for by subsection 2 of § 32<sup>2</sup> of this Act if the legislation of the country in question contains provisions by virtue of which:

- 1) harvesting operations are legal and the forest in harvested areas will be regenerated;
- 2) nature areas designated by international or national law or by the relevant competent authority as protected areas, including wetlands and peatlands, are protected;
- 3) harvesting is carried out considering maintenance of soil quality and biodiversity, with the aim of minimising negative impacts, and maintains or improves the long-term production capacity of the forest.

(5) Where the circumstances mentioned in subsection 4 of this section cannot be proved, energy is taken into account when calculating the share mentioned in subsection 2 of § 32<sup>2</sup> of this Act if the producer applies management systems at forest sourcing area level which ensure that:

- 1) harvesting operations are legal and the forest in harvested areas will be regenerated;
- 2) nature areas designated by international or national law or by the relevant competent authority as protected areas, including wetlands and peatlands, are protected – unless evidence is provided that the harvesting of the particular raw material was not contrary to the relevant aims of nature protection;
- 3) harvesting is carried out considering maintenance of soil quality and biodiversity, with the aim of minimising negative impacts, and maintains or improves the long-term production capacity of the forest.

(6) For the purposes of this Act, 'high carbon stock area' means an area that in January 2008 had one of the following statuses, but no longer has that status:

- 1) wetlands, i. e. an area that is covered with water or saturated by water permanently or for a significant part of the year;
- 2) continuously forested areas, i. e. areas spanning more than one hectare with trees higher than five metres and a canopy cover of more than 30 per cent, or trees able to reach those thresholds;
- 3) areas spanning more than one hectare with trees higher than five metres and a canopy cover of between 10 and 30 per cent, or trees able to reach those thresholds, unless evidence is provided that the carbon stock of the area before and after conversion is such that, when the methodology laid down in Part C of Annex V of Directive (EU) 2018/2001 of the European Parliament and of the Council on the promotion of the use of energy from renewable sources (OJ L 328, 21.12.2018, pp. 82–209) is applied, the area complies with the criteria provided by the Regulation enacted under subsection 1 of § 120 of the Atmospheric Air Protection Act.

(7) Energy produced from biofuels, bioliquids and biomass fuels that have been produced from waste and residues other than agricultural, aquaculture, fisheries and forestry residues are taken into account when

calculating the share mentioned in subsection 2 of § 32<sup>2</sup> of this Act if such energy complies with the greenhouse gas emissions reduction criteria provided by the Regulation enacted under subsection 1 of § 120 of the Atmospheric Air Protection Act.

(8) Electricity, thermal energy or cooling energy which has been produced from municipal solid waste and which is taken into account when calculating the share mentioned in subsection 2 of § 32<sup>2</sup> of this Act is not subject to the greenhouse gas emissions reduction criteria provided by the Regulation enacted under subsection 1 of § 120 of the Atmospheric Air Protection Act.

(9) Where biomass fuels are used in an installation that produces electricity, thermal or cooling energy or fuel and the total rated thermal input of the installation at least equals 20 MW in the case of solid biomass fuels and 2 MW in the case of gaseous biomass fuels, the energy produced from such biomass fuels is taken into account when calculating the share mentioned in subsection 2 of § 32<sup>2</sup> of this Act if such energy, regardless of its geographical origin, complies with the principles described in subsections 1–6 of § 32<sup>3</sup> of this Act and with the greenhouse gas emissions reduction criteria provided by the Regulation enacted under subsection 1 of § 120 of the Atmospheric Air Protection Act.

[RT I, 18.05.2022, 1 – entry into force 28.05.2022]

(10) When proving that it meets the requirements and criteria provided by this section, and when its meeting of the requirements and criteria is checked, the undertaking ensures:

1) implementation of the mass balance system required to check the sustainability of biofuels, bioliquids and biomass fuels, which ensures that the energy produced from each consignment of fuel is only taken into account once for the calculation of total renewable energy, and the system includes information on whether support has been received to produce the renewable energy and, where this is the case, information on the type of support scheme;

2) that an audit is carried out based on the relevant standards by an independent auditor once a year at the latest by 25 February of the following year;

3) the presence of the relevant evidence.

[RT I, 07.03.2023, 21 – entry into force 17.03.2023]

(11) To prove that it meets the requirements and criteria provided by this section, the undertaking may use the national scheme mentioned in Article 30 of Directive (EU) 2018/2001 of the European Parliament and of the Council on the promotion of the use of energy from renewable sources (OJ L 328, 21.12.2018, pp. 82–219) or a voluntary scheme recognised by the European Commission.

[RT I, 07.03.2023, 21 – entry into force 17.03.2023]

(12) The undertaking publishes on its website information on the geographical origin and feedstock of the biofuels, bioliquids and biomass fuels and updates it annually.

[RT I, 07.03.2023, 21 – entry into force 17.03.2023]

(13) The Minister in charge of the policy sector enacts, by means of a regulation, detailed requirements for proving that the principles for calculating the share of renewable energy produced from biofuels, bioliquids and biomass, and biomass itself, meet the sustainability requirements and criteria, as well as for publishing the information mentioned in subsection 12 of this section.

[RT I, 07.03.2023, 21 – entry into force 01.07.2023]

#### **§ 32<sup>4</sup>. Principles for calculating the share of energy in the transport sector**

(1) Gross final consumption of renewable energy in the transport sector is calculated as the sum of all biofuels, biomass fuels and renewable liquid or gaseous transport fuels of non-biological origin consumed in the sector.

(2) Petrol, diesel, natural gas, biofuels, biogas, renewable liquid and gaseous transport fuels of non-biological origin, recycled carbon fuels and electricity supplied to the road and rail transport sectors are taken into account when calculating the energy content of road and rail transport fuels supplied for consumption.

(3) ‘Recycled carbon fuels’ means liquid and gaseous fuels that are produced from liquid or solid waste streams of non-renewable origin which are not suitable for material recovery in accordance with Article 4 of Directive 2008/98/EC (OJ L 312, 22.11.2008, pp. 3–30) on waste and repealing certain Directives, or from waste processing gas and exhaust gas of non-renewable origin which are produced as an unavoidable and unintentional consequence of the production process in industrial installations.

(4) When calculating the share of renewable energy in the transport sector, the energy content of all types of renewable energy supplied to all transport sectors, including renewable electricity supplied to the road and rail transport sectors, is taken into account.

(5) For the calculation of the share of renewable energy in the transport sector, the energy content is taken into account as follows:

1) the energy content of biofuels and of biogas used in transport, that has been produced from feedstock listed in Annex IX of Directive (EU) 2018/2001 of the European Parliament and of the Council, is multiplied by two;

2) the energy content of renewable electricity supplied to road vehicles is multiplied by four;

3) the energy content of renewable electricity supplied to rail vehicles is multiplied by one and five tenths;

4) the energy content of renewable electricity supplied to the aviation and maritime sectors, with the exception of fuels produced from food and feed crops, is multiplied by one and two tenths.

(6) 'Food and feed crops' means starch-rich crops, sugar crops or oil crops produced on agricultural land as a main crop excluding residues, waste or ligno-cellulosic material and intermediate crops, such as catch crops and cover crops, provided that the use of such intermediate crops does not trigger demand for additional land.

(7) For the calculation of the energy content of transport fuels, the calorific values to be used are those set out in Annex III Directive (EU) 2018/2001 of the European Parliament and of the Council. For the determination of the energy content of transport fuels not mentioned in Annex III, relevant standards of the European Standards Organisation for determining the calorific values of fuels are used. Where the European Standards Organisation has not adopted a relevant standard, the corresponding International Organization for Standardisation standards are used.

(8) For the calculation of the share of renewable electricity supplied to road and rail vehicles, the quantities of electricity supplied, in megawatt-hours, are multiplied by the national average share of renewable electricity in megawatt-hours for the year preceding that of supply by two years and expressed as a percentage.

(9) Where electricity has been supplied to a road or rail vehicle directly from an installation generating renewable electricity, such electricity is deemed to be renewable electricity.

(10) Where electricity has been used for the production of renewable liquid and gaseous transport fuels of non-biological origin, either directly or for the production of intermediate products, the average share of electricity from renewable sources, as measured two years before the year in question, is used to determine the share of renewable energy.

(11) Electricity supplied from direct connection to an installation generating renewable electricity within the meaning of the Electricity Market Act may be counted as renewable electricity where it is used for the production of renewable liquid and gaseous transport fuels of non-biological origin, provided that the installation:

- 1) comes into operation after, or at the same time as, the installation producing the renewable liquid and gaseous transport fuels of non-biological origin;
- 2) is not connected to the grid or is connected to the grid but evidence can be provided that the electricity concerned has not been taken from the grid.

(12) Electricity that has been taken from the grid for the production of transport fuels mentioned in subsection 10 of this section may be counted as fully renewable provided that it is produced exclusively from renewable sources and the renewable properties and other appropriate criteria have been demonstrated, ensuring that the renewable properties of that electricity are claimed only once and only in one end-use sector.  
[RT I, 18.05.2022, 1 – entry into force 28.05.2022]

## **Subchapter 2**

### **RENEWABLES SELF-CONSUMPTION**

[RT I, 18.05.2022, 1 - entry into force 28.05.2022]

#### **§ 32<sup>5</sup>. Support framework for renewables self-consumption**

(1) Together with relevant authorities of other Member States of the European Union, the Ministry of Climate participates in setting up a common support framework for renewables self-consumption.  
[RT I, 30.06.2023, 1 – entry into force 01.07.2023]

(2) The support framework mentioned in subsection 1 of this section addresses:

- 1) access of final consumers and end users, including those experiencing energy poverty as well as those that are part of a group that is at risk of energy poverty, to renewables self-consumption;
- 2) unjustified barriers to the financing of projects in the market and measures to facilitate access to finance;
- 3) other unjustified regulatory barriers to renewables self-consumption, including for tenants;
- 4) incentives to owners of buildings to create opportunities for renewables self-consumption, including for tenants;
- 5) the granting, to renewables self-consumers, with respect to self-generated renewable electricity that they feed into the grid, of access to relevant non-discriminatory support schemes as well as to all electricity market segments;
- 6) the obligation of renewables self-consumers, when feeding electricity into the grid, to contribute in an adequate and balanced way to covering the overall costs of the system.

[RT I, 18.05.2022, 1 – entry into force 28.05.2022]

## **§ 32<sup>6</sup>. Renewable energy community**

(1) No unjustified or discriminatory conditions may be set for consumer participation in a renewable energy community.

(2) ‘Renewable energy community’ means a legal person controlled by shareholders or members who are a natural person, small or medium-sized undertaking or municipality, whose residence or seat is in the vicinity of the renewable energy projects that are owned or developed by such a legal person and whose primary purpose, instead of financial profits, is to provide environmental, economic or social community benefits for its shareholders or members or for the local areas where it operates.

(3) For an undertaking participating in a renewable energy community, such participation must not be its primary commercial or professional activity.

(4) A renewable energy community has a right to:

- 1) produce, consume, store or sell renewable energy;
- 2) share, within the renewable energy community, renewable energy that is produced by production units owned by that community, maintaining the rights and obligations of the community’s members as customers;
- 3) access all suitable energy markets either directly or through aggregation.

(5) Energy metering points of a renewable energy community use a dedicated remote-reading device to measure the energy used.

[RT I, 18.05.2022, 1 – entry into force 28.05.2022]

## **Chapter 8<sup>2</sup> GUARANTEES OF ORIGIN**

[RT I, 18.05.2022, 1 - entry into force 28.05.2022]

## **§ 32<sup>7</sup>. Guarantees of origin of fuel and energy**

(1) A guarantee of origin for the purposes of this Act is an electronic document that is issued by a certification provider on an application of a producer of biomethane, hydrogen, liquefied biomethane or of electricity or thermal or cooling energy and that certifies that the biomethane, hydrogen, liquefied biomethane or electricity or thermal or cooling energy has been produced from a renewable source or that it is carbon neutral.

(2) Production of biomethane, hydrogen, liquefied biomethane or electricity or thermal or cooling energy is deemed to be carbon neutral if no carbon dioxide is emitted in the production process or if the carbon dioxide has been captured or reused.

(3) For each megawatt-hour of biomethane, hydrogen, liquefied biomethane or of electricity or thermal or cooling energy that has been produced, one guarantee of origin is issued.

(4) A guarantee of origin remains valid for 18 months following production of the fuel or energy.

(5) A guarantee of origin is used to prove, at the metering point, that a unit of energy that has been supplied and consumed was produced from a renewable source. A guarantee that has been used for this purpose is recorded as cancelled as proof of consumption, after which it can no longer be used.

(6) A guarantee of origin may be used or transferred – separately from the fuel or energy that has been supplied – during 12 months following production of that unit.

(7) Only guarantees of origin issued in a Contracting State of the European Economic Area may be used to prove the origin of a unit of energy supplied and consumed.

(8) The consumer has a right to access, in the electronic database of guarantees of origin, the guarantees used in their metering point. Based on such guarantees, the consumer can prove that the energy they have consumed has been produced from a renewable source.

[RT I, 18.05.2022, 1 – entry into force 28.05.2022]

## **§ 32<sup>8</sup>. Conditions for issuing, transferring and cancelling a guarantee of origin**

(1) The issuing, transferring or cancelling of a guarantee of origin domestically or between Contracting States of the European Economic Area, takes place through the electronic database of guarantees of origin mentioned in subsection 10 of § 32<sup>2</sup> of this Act.

(2) The issuing of a guarantee of origin may be applied for on the following conditions:

- 1) the certification provider (hereinafter, ‘provider’) has created an account for the producer in the database;
- 2) the production installation is located in the territory of the Republic of Estonia;

3) the production installation has been registered in the database;  
4) the producer has filed the information listed in the Regulation enacted under subsection 11 of this section which is required for stating, in the guarantee of origin, the particulars mentioned in § 32<sup>9</sup> of this Act.

(3) The quantity of energy regarding which a guarantee of origin is issued – or cancelled – is determined by means of a remote-reading device.

(4) A guarantee of origin regarding biomethane is issued if the biomethane meets the requirements for gas quality enacted under subsection 2 of § 17<sup>3</sup> of the Natural Gas Act, if the quantity of biomethane as well as its compliance with the requirements has been measured according to the requirements set out in subsection 1 of § 5 of the Metrology Act and if measurement data for the biomethane have been transmitted to the data exchange platform mentioned in subsection 1 of § 10<sup>2</sup> of the Natural Gas Act. This subsection also applies to biomethane that has been produced in a production plant that is not connected to the transmission network.

(5) The provider has a right to receive information from the applicant that is required to verify the truth of the particulars filed under subsection 2 of this section.

(6) The provider decides not to issue a guarantee of origin or revokes a guarantee that has been issued, if:  
1) the fuel or energy does not meet the requirements concerning the issue of such guarantees that have been provided by subsections 1 and 2 of § 32<sup>7</sup> of this Act, by subsection 4 of this section or by subsection 2 of § 58 of the Electricity Market Act;  
2) the producer has filed untruthful particulars, or has refused to disclose the particulars that they have been required to disclose under subsection 5 of this section.

(7) A guarantee of origin can be removed from the electronic database of guarantees of origin to prove the origin of energy that has been consumed in Estonia.

(8) When renewable energy is sold to a consumer, the supplier must cancel a corresponding number of guarantees of origin in the register in favour of the person to whom the energy was sold and regarding whose consumption the origin of the energy is certified.

(9) Consumption of electricity during a calendar year can be proved by cancelling a guarantee of origin until 31 March of the year following the year of consumption.

(10) Consumption of biomethane during a calendar year can be proved by cancelling a guarantee of origin until 15 January of the year following the year of consumption.

(11) The rules for issuing, transferring and cancelling a guarantee of origin and the list of particulars to be filed when applying for such a guarantee are enacted by a regulation of the Minister in charge of the policy sector.  
[RT I, 18.05.2022, 1 – entry into force 28.05.2022]

### **§ 32<sup>9</sup>. Particulars stated in a guarantee of origin**

(1) A guarantee of origin states at least the following particulars:  
1) the location, type and installed capacity of the installation that produced the renewable energy, and the name of the energy source used to produce the unit of energy, as well as the code of the installation;  
2) the date on which the installation commenced operation;  
3) information on whether the installation has received investment support or any other support through a public support scheme, and the type of such a scheme;  
4) the name of the unit of energy produced and the start and end dates of its production;  
5) a list of the fuels or raw materials used to produce the fuel or energy;  
6) the date and country of issue of the guarantee, and the guarantee's unique identifier.

(2) A guarantee of origin issued with regard to the production of biomethane or liquefied gas states:  
1) information on whether the fuel meets the criteria enacted under subsection 1 of § 120 of the Atmospheric Air Protection Act for the sustainability of biofuels and of bioliquids;  
2) the method of production of the fuel;  
3) land use category and emissions;  
4) the volume of greenhouse gas emissions;  
5) the lower and higher calorific value of the fuel;  
6) a note on whether the fuel is an advanced biofuel within the meaning of the Liquid Fuel Act.

(3) For each megawatt-hour of renewable electricity generated by high-efficiency cogeneration, one guarantee of origin is issued, which states the parameters of electricity and of thermal energy, and adds to the particulars mentioned in subsection 1 of this section also the following particulars:

1) the thermal input of the production installation;  
2) the lower calorific value of the fuel used;

- 3) the amount and method of use of the thermal energy produced by means of cogeneration;
- 4) the nominal electrical and heat generation efficiency of the production installation;
- 5) the primary energy saving calculated in accordance with the Regulation enacted under subsection 2 of § 8 of this Act.

[RT I, 18.05.2022, 1 – entry into force 28.05.2022]

### **§ 32<sup>10</sup>. Administration of guarantees of origin**

(1) The provider creates an electronic database to administer the guarantees of origin that it issues, and publishes, once a month, information on its website concerning guarantees that have been issued, used, exported or imported, or that have expired.

(2) The cost of administration of the system of guarantees of origin is covered from the renewable energy charge and may not amount to more than two per cent of the total amount of support paid. The provider has a right to charge a justified fee for operations performed in relation to a guarantee. The provider elaborates and publishes on its website a price list of services to cover the cost related to administration of guarantees of origin.

(3) The provider recognises guarantees of origin issued by other Member States of the European Union under Directive (EU) 2018/2001 of the European Parliament and of the Council as the sole proof of circumstances provided for by § 32<sup>8</sup> of this Act.

(4) The provider may refuse to recognise a guarantee of origin only if it has well-founded doubts concerning its truth or reliability.

(5) The provider notifies the European Commission of having refused to recognise a guarantee of origin and states the reasons of the decision. Where the Commission finds that the refusal was unfounded, it may require the provider to recognise the guarantee.

(6) The provider does not recognise guarantees of origin issued by third countries, with the exception of situations where the European Union has concluded an agreement with a third country concerning mutual recognition of guarantees that have been issued under the European Union system of guarantees of origin, and under an equivalent system of such guarantees established in the third country, and only when the energy to which the guarantee relates is directly imported or exported.

(7) A guarantee of origin is not used to prove attainment of the targets provided by § 32<sup>1</sup> of this Act. Transferring a guarantee, along with or separately from physical transmission of the energy concerned has no impact on the decisions of the State regarding the use of statistical transfers, joint projects or common support schemes for attaining the target provided by § 32<sup>1</sup> of this Act – or calculation of gross final consumption of renewable energy in accordance with § 32<sup>2</sup> and § 32<sup>4</sup>.

(8) Guarantees of origin that have expired are taken into account for the calculation of national residual energy mix.

(9) 'Residual mix' means the share of energy which has been consumed in Estonia in a calendar year and whose origin has not been proved by a guarantee of origin. The residual mix and its share of energy sources are calculated following the methodology established by the provider. The provider publishes the residual mix by 30 June of the following calendar year.

(10) Where public investment support has been paid to a production installation or a decision is made regarding commencement of the support period for such an installation, any guarantees of origin that have been issued for the installation's production are issued to the account of the provider, with the exception of situations in which, on payment of such support, revenue from the guarantees of origin is deducted from the support following State aid rules, or where the support is set off against the revenue or where the person to receive the support has been determined by means of a reverse auction.

(11) The rules for setting off investment support that has been granted to a production installation against revenue from guarantees of origin are enacted by a regulation of the Minister in charge of the policy sector.

(12) The provider elaborates and publishes on its website the rules and requirements for using the electronic database of guarantees of origin.

[RT I, 18.05.2022, 1 – entry into force 28.05.2022]

## **Chapter 9**



# REGULATORY ENFORCEMENT

## § 33. Agencies performing regulatory enforcement

(1) Regulatory enforcement of compliance with the requirements of this Act and the legislation enacted under it is performed by the Competition Authority, the Consumer Protection and Technical Regulatory Authority and the Environment Board in accordance with the rules established in this Act and other legislative instruments.

[RT I, 07.03.2023, 21 – entry into force 17.03.2023]

(2) The Competition Authority performs regulatory enforcement of compliance with the requirements established under § 12 of this Act for invoices presented to final customers.

(3) The Consumer Protection and Technical Regulatory Authority performs regulatory enforcement of compliance with the following requirements established in this Act:

- 1) the requirements established in § 11 of this Act for measuring amounts of energy;
- 2) the requirement established in subsection 1 of § 28 of this Act to undertake energy audits.

(4) The Environment Board is competent to exercise regulatory enforcement of compliance with the requirements provided by § 32<sup>3</sup> of this Act.

[RT I, 07.03.2023, 21 – entry into force 17.03.2023]

## Chapter 10 IMPLEMENTING PROVISIONS

### § 34. Reporting on the progress made towards reaching the national energy efficiency target

[Repealed – RT I, 09.10.2020, 2 – entry into force 01.01.2021].

### § 35. Presentation of the national energy efficiency action plan and of the national strategy for the renovation of buildings

[Repealed – RT I, 30.06.2020, 9 – entry into force 01.07.2020]

### § 35<sup>1</sup>. Presentation of the long-term renovation strategy

(1) The energy savings coordinator draws up and presents to the European Commission a long-term renovation strategy according to § 4 of this Act for the first time by 1 July 2020 and, afterwards, by 1 January 2029 as part of the national energy and climate plan, and after that once every ten years.

(2) When the national energy and climate action plan is updated under Article 14 of Regulation (EU) 2018/1999 of the European Parliament and of the Council on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, pp. 1–77), the energy savings coordinator may update the long-term renovation strategy.

[RT I, 30.06.2020, 9 – entry into force 01.07.2020]

### § 36. Beginning of accounting of the obligation to renovate central government buildings

The obligation established under subsection 1 of § 5 of this Act is accounted starting 1 January 2014.

### § 37. Time-limit for presentation of a report on the potential for the application of high-efficiency cogeneration and efficient district heating and cooling

The energy savings coordinator submits to the European Commission the report referred to in subsection 1 of § 8 of this Act not later than three days after the entry into force of this Act and updates the report at the demand of the European Commission every five years.

### § 37<sup>1</sup>. Installation of meters that possess a remote-reading function

(1) When installed on or after 25 February 2021, the meters referred to in subsection 2 of § 11 of this Act must possess a remote-reading function.

(2) Starting from 1 January 2027, all meters referred to in subsection 2 of § 11 of this Act must possess a remote-reading function.

[RT I, 09.10.2020, 2 – entry into force 25.10.2020]

### **§ 38. Time limit for undertaking energy audits**

Undertakings must undertake an energy audit conforming to subsection 1 of § 28 of this Act not later than six months after the entry into force of this Act and once again by 5 December 2019, to be followed by repeat energy audits at least every four years counting from the date of the last energy audit.

### **§ 38<sup>1</sup>. Implementation of § 32<sup>10</sup>**

The database mentioned in subsection 1 of § 32<sup>10</sup> of this Act is to be created by 31 December 2022.

[RT I, 18.05.2022, 1 – entry into force 28.05.2022]

### **§ 38<sup>2</sup>. Retrospective assessment of meeting the national renewable energy target**

At the latest by 1 June 2030, the Ministry of Climate completes an analysis of meeting the national renewable energy target provided by this Act.

[RT I, 30.06.2023, 1 – entry into force 01.07.2023]

**§ 39. –§ 40.** Provisions amending other Acts have been omitted from this translation.

### **§ 41. Entry into force of this Act**

(1) §§ 18, 27 and 28 of this Act enter into force on 1 October 2016.

(2) § 6, subsection 1 of § 7, subsection 2 of § 8, §§ 10–13, subsection 2 of § 16 and subsections 1–3 of § 40 enter into force on 1 January 2017.

(3) Subsection 13 of § 32<sup>3</sup> of this Act enters into force on 1 July 2023.

[RT I, 07.03.2023, 21 – entry into force 17.03.2023]

<sup>1</sup>Directive 2010/31/EU of the European Parliament and of the Council on the energy performance of buildings (OJ L 285, 31.10.2009, pp. 13–35), amended by Directive (EU) 2018/844 (OJ L 156, 19.06.2018, pp. 75–91) and Regulation (EU) 2018/1999 (OJ L 328, 21.12.2018, pp. 1–77); Directive 2012/27/EU of the European Parliament and of the Council on energy efficiency amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC (OJ L 315, 14.11.2012, pp. 1–56), amended by Directives 2013/12/EU (OJ L 141, 28.05.2013, pp. 28–29), (EU) 2018/844 (OJ L 156, 19.06.2018, pp. 75–91), (EU) 2018/2002 (OJ L 328, 21.12.2018, pp. 210–230) and (EU) 2019/944 (OJ L 158, 14.06.2018, pp. 125–199) and Regulations (EU) 2018/1999 (OJ L 328, 21.12.2018, pp. 1–77) and (EU) 2019/826 (OJ L 137, 23.05.2019, pp. 3–9). [RT I, 09.10.2020, 2 – entry into force 19.10.2020]; Directive 2012/27/EU of the European Parliament and of the Council on energy efficiency amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC (OJ L 315, 14.11.2012, pp. 1–56), amended by Directives 2013/12/EU (OJ L 141, 28.05.2013, pp. 28–29), (EU) 2018/844 (OJ L 156, 19.06.2018, pp. 75–91), (EU) 2018/2002 (OJ L 328, 21.12.2018, pp. 210–230) and (EU) 2019/944 (OJ L 158, 14.06.2018, pp. 125–199) and Regulations (EU) 2018/1999 (OJ L 328, 21.12.2018, pp. 1–77) and (EU) 2019/826 (OJ L 137, 23.05.2019, pp. 3–9). [RT I, 09.10.2020, 2 – entry into force 19.10.2020]; Directive (EU) 2018/2001 of the European Parliament and of the Council on the promotion of the use of energy from renewable sources (OJ L 328, 21.12.2018, pp. 82–209). [RT I, 18.05.2022, 1 – entry into force 28.05.2022]