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# Energy Sector Organization 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'

## Chapter 1 GENERAL PROVISIONS

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

- (1) This Act provides the measures for achieving the national target of energy efficiency.
- (2) This Act sets out the requirements for improving energy efficiency and designates the obligated parties in the public as well as private sector.
- (3) The provisions of the Administrative Procedure Act apply to administrative proceedings provided in this Act without prejudice to the rules specific to this Act.

### § 2. Terms

The terms in this Act are defined as follows:

- 1) 'public 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;
- 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 organized 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;

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]

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);

24) 'participating party' means an undertaking or public 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;

- 27) ‘efficient district heating and cooling’ means a district heating or cooling system that uses at least 50% renewable energy, 50% waste heat, 75% cogenerated heat or 50% 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 enterprises’ means enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, or an annual balance sheet total not exceeding EUR 43 million;
- 30) ‘individual action’ means an 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 Economic Affairs and Communications (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, 09.10.2020, 2 – entry into force 19.10.2020]
- (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 in 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 in 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 percent 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 enterprises;
- 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% 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% 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% 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 specified 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 in 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 § 62(2) 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 body, when purchasing a product package covered as a whole by a delegated act adopted under Directive 2010/30/EU of the European Parliament and of the Council of 19 May 2010 on the indication by labelling and standard product information of the consumption of energy and other resources by energy-related products (OJ L 153, 18.06.2010, pp. 1–12), provides for the aggregate energy efficiency of the package to have priority over the energy efficiency of individual products within that package.

(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 balancing markets 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 in 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 in subsection 1 of this section, the energy savings coordinator analyzes 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 § 19(3) 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 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% 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 in 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 in the manner specified in §§ 4(6) and 4(7) 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 rated heat generation capacity 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 each quarter, provided the customer has demanded this or has opted for electronic invoicing. Otherwise, such information is provided at least twice a year.

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

### **§ 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 in a manner 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.

(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.

(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 rated heat generation capacity 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.

(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 in clauses 5 and 6 of subsection 3 of this section.

(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 each quarter, provided the consumer has demanded this or has opted for electronic invoicing. Otherwise, such information is provided at least twice a year.

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

## **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 in 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% 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.

(<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% 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]

(<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% 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 in subsection 2<sup>1</sup> of this section is set out in accordance with the requirements provided in 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 in 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% of the average annual amount of energy sold to final customers for 2014 and 2015, 1.25% for 2016 and 2017, and 1.5% 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 in 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%; 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 the 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 specified 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 in 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 manner in 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 a 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 in 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 in an independent manner 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 Standardisation Organization, 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 enterprises to undertake 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. The obligation of large undertakings to undertake regular energy audits**

(1) An undertaking which is not a small or medium-sized enterprise 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 analyzes 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 specified in 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 enterprises:

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 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 and the Consumer Protection and Technical Regulatory Authority in accordance with the rules established in this Act and other legislation.

(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.

## **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.

**§ 39.– § 40.**The provisions amending other Acts are 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.

<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]