



Property and Building Sector Energy Efficiency Agreement

1 Parties to the agreement

The parties to this Property and Building Sector Energy Efficiency Agreement are the Ministry of the Environment (hereinafter ME), the Ministry of Economic Affairs and Employment (hereinafter MEAE) and the Energy Authority on behalf of the government and RAKLI – The Finnish Association of Building Owners and Construction Clients (hereinafter RAKLI) on behalf of the property and building sector.

The Property and Building Sector Energy Efficiency Agreement includes the Rental Housing Property Action Plan and the Commercial Property Action Plan. The target groups of these Action Plans are described in section 5. Joining the Property and Building Sector Energy Efficiency Agreement means that a participant joins in one or both of the Action Plans mentioned above with a separate accession document.

2 Starting points, grounds and connections to legislation

2.1 Starting points and grounds

Energy conservation and energy efficiency has been promoted with agreements between the government and the property and building sector since 1990s. Agreement activity has been an essential and cost-effective tool in implementing our energy policy. This agreement continues the Energy Efficiency Agreement scheme without interruption after the agreement period ending at the end of 2016.

With the Energy Efficiency Agreement scheme, the ministries implement the government's energy policy, in which energy conservation and an improvement in energy efficiency play a key role. The parties to the agreement regard the voluntary agreement procedure as an effective and efficient means to implement the energy policy. The parties to the agreement aim to promote the implementation of the actions included in the Action Plans pertaining to the agreement, so that the agreement will be an energy conservation method comparable to standards with respect to its effectiveness, having a flexible method of implementation.

The Energy Efficiency Agreements play a leading role in achieving the binding national energy efficiency target set out in Article 7 of the Energy Efficiency Directive (2012/27/EU). In addition, they also play a key role in achieving the indicative national energy efficiency target set out in Article 3 of the Energy Efficiency Directive. In Finland, the binding cumulative energy savings target described in Article 7 of the Energy Efficiency Directive for the period 2014–2020 is 49 TWh_{cum}, and the indicative energy efficiency target described in Article 3 in 2020 is the absolute level of final energy consumption of 310 TWh, and the corresponding level of primary energy consumption is 417 TWh.

The Energy Efficiency Agreement scheme also supports the implementation of several other national obligations set out in the Energy Efficiency Directive.

2.2 Relationship to the implementation of the Energy Efficiency Act in a company

The Finnish Energy Efficiency Act (1429/2014) obligates the large companies¹ to carry out an energy audit in every four years. A company is deemed to meet the requirements for the mandatory energy audit, if the company has joined an Energy Efficiency Agreement and has introduced an Energy Efficiency System EES⁺.

¹ A large company is specified as (Commission Recommendation 2003/361/EC) a company or group that

- employs more than 250 persons or
- has an annual turnover of over EUR 50 million and an annual balance sheet total of over EUR 43 million.

When considering the limit values specified above, the ownership of an individual company must also be taken into account, even if the company would not exceed the limit values <https://www.energiavirasto.fi/suurten-yritysten-pakolliset-katselmukset>.



The EES⁺ does not need to be certified. In such a case, the Energy Authority supervises the implementation of the EES⁺.

3 Definitions

Energy conservation and energy efficiency

In this agreement, energy conservation means the reduction of the final energy consumption, subject to an energy efficiency improvement measure, from the current level achieved by active measures, and the reduction of the future final consumption², compared to the amount of energy that would be consumed without active measures. The amount of saved energy (kWh/a) is determined by measuring and/or by a calculation, in which case the consumption subject to the energy efficiency improvement measure is estimated before and after the implementation of the measure, whilst ensuring normalisation for external conditions that affect energy consumption. Correspondingly, the improvement in the efficiency of energy use means the implementation of measures to reduce the amount of energy needed for the production of a certain product or service. The energy efficiency improvement measures may be technical or related to the use of energy-using appliances, procedures, operating environment or behaviour. As a general rule, the implemented energy saving measures improve energy efficiency.

EES⁺ (Energy Efficiency System EES⁺)³

A national energy management system that sets out the minimum requirements with respect to the company's procedures and processes for the implementation of continuous improvement of energy efficiency. The system includes the obligations and requirements set out in standard ISO 50001 for the top management, energy auditing, monitoring, measurement and analysis.

Party

In this agreement, party means the Ministry of the Environment, the Ministry of Economic Affairs and Employment, the Energy Authority and RAKLI.

4 Agreement period, targets and joining the agreement scheme

4.1 Targets of the agreement

The target of this agreement is to contribute to ensuring that the energy savings targets set nationally and in the Energy Efficiency Directive are met during the implementation period 2014–2020 of the directive. In addition, a target of the Energy Efficiency Agreement is to have a significant national effect on achieving the shared EU energy savings target set out for 2030.

The target is to include the highest possible share of the energy use⁴ of RAKLI's member companies and organisations (participants) within the scope of the Property and Building Sector Energy Efficiency Agreement.⁵

² For example, the procurement of equipment that is higher than ecodesign level or the construction of new buildings with stricter requirements than what are specified

³ [Energy Efficiency System EES+](#)

⁴ Electricity, heat and fuels

⁵ The energy use associated with the coverage target applies to the energy use subject to the action plans connected to the Property and Building Sector Energy Efficiency Agreement in RAKLI's member companies and organisations. When calculating the coverage, the energy use included in any other agreement of the participants which have joined the Property and Building Sector Energy Efficiency Agreement (for example, municipalities) will not be included in the calculation.



Another additional target is to implement measures that aim to increase the awareness and possibilities of improving the efficiency of energy use among the customers of each participant which has joined the Property and Building Sector Energy Efficiency Agreement (for example, tenants, residents).

The Action Plan-specific targets and the participant's setting of targets are presented in more detail in section 5.

4.2 Agreement period and agreement terms

The agreement period 2017–2025 of the Property and Building Sector Energy Efficiency Agreement is divided into two agreement terms: term 2017–2020 (4 years) and term 2021–2025 (5 years), the total agreement period being 9 years.

4.3 Joining the agreement

Joining the Property and Building Sector Energy Efficiency Agreement means that a participant joins in one or both Action Plans of the Property and Building Sector Energy Efficiency Agreement (appendices 1 and 2) with a separate accession document.

To join the Property and Building Sector Energy Efficiency Agreement, the participant must send an appropriately filled accession document and the accession details attached to the document to RAKLI. The participant joins the Property and Building Sector Energy Efficiency Agreement once RAKLI has established that the accession document signed by the participant and the accession details are in due form and the association has submitted a copy of the documents to Motiva Ltd to be entered into the participant register.

In general, the participant includes all of its energy use subject to the relevant Action Plan in the agreement. If necessary, the participant can join both Action Plans of the Property and Building Sector Energy Efficiency Agreement.

The procedures for a participant to terminate its membership or for dismissing a participant from the scheme and any potential consequences are described in section 8.

5 Action Plans

5.1 Housing properties

Target group

In general, the Property and Building Sector Energy Efficiency Agreement can be joined, through the Rental Housing Property Action Plan, by such RAKLI's member organisations that own rental, right-of-occupancy and/or part-ownership housing. A municipality joining the Municipalities' Energy Efficiency Agreement primarily includes its residential building stock in this Action Plan⁶.

The ministry responsible for the Rental Housing Property Action Plan is the Ministry of the Environment (ME).

Target of RAKLI

The target of RAKLI is to include at least 60% of the combined floor area of its member organisations' rental, right-of-occupancy and part-ownership dwellings within the scope of the Rental Housing Property Action Plan by 1 January 2017, and at least 80% by 31 December 2018.

⁶ The rental housing companies and right-of-occupancy housing companies owned partially or fully by municipalities shall primarily be included in the Rental Housing Property Action Plan of the Property and Building Sector Energy Efficiency Agreement. However, if this service is of a small-scale type (the number of dwellings is below 500), a municipality can include its energy use and operations in the Municipalities' Energy Efficiency Agreement.



The shared indicative energy savings target (GWh) of the Action Plan for 2017–2025 is 7.5% in 2025 and the intermediate target is 4% in 2020, calculated from the energy use of the member organisations included in the target group of the Action Plan.

Target of the participant

As a general rule, achieving the target of the Action Plan requires that each participant joining the Property and Building Sector Energy Efficiency Agreement sets an indicative energy savings target of at least 7.5% for 2017–2025 and an intermediate target of 4% for 2020 when they join the Energy Efficiency Agreement (2017–2025).

A participant that has participated in the previous agreement period and wants to use the savings reported to the monitoring system of the Energy Efficiency Agreement scheme concerning the actions implemented during the period of 2014–2016, must set an indicative energy savings target of at least 10.5% for 2014–2025 and an intermediate target of 7% for 2020.

An action can be accepted for monitoring the achievement of the target, if the action is implemented during the period for setting the savings target (2017–2025 or 2014–2025) selected by the participant, if it is reported to the monitoring system of the Energy Efficiency Agreement scheme, if the energy conservation impact of the action is still valid during the year in question, and if the action concerns the energy use included in the target calculation.

The participant includes all of its energy use in the Property and Building Sector Energy Efficiency Agreement, as referred to in section 4.3. On joining the Action Plan, the participant presents an indicative energy savings target in its accession document as the amount of energy (MWh) in 2020 and 2025. These targets are calculated from the amount of energy that represents the participant's normal operation during the latest calendar year available at the time of accession.

Obligations and actions of the participant

The participants report by the end of March each year⁷ on the previous year's energy use^{4, 8}, on the related efficiency measures, and on the realisation of any other activities related to the Action Plan into the monitoring system of the Energy Efficiency Agreement scheme to the extent required by the system.

Monitoring reports related to the Action Plan on the execution of the agreement and on the monitoring of the implementation of the targets, related to the Action Plan, are compiled from the data reported annually by the participants.

Other obligations and actions concerning the execution of the agreement are described in the Rental Housing Property Action Plan (appendix 1, section 3.5).

5.2 Commercial properties

Target group

In general, the Property and Building Sector Energy Efficiency Agreement can be joined, through the Commercial Property Action Plan, by such RAKLI's member organisations that own commercial property that do not fall within the scope of the branch-specific Action Plans of the Energy Efficiency Agreement for Industries⁹.

⁷ On joining the Property and Building Sector Energy Efficiency Agreement, the participant commits itself to reporting the corresponding data for 2025 in 2026. If the participant withdraws from the agreement on 31 December 2020, it commits itself to reporting the data for 2020 in 2021.

⁸ If the participant provides the operator of the monitoring system of the Energy Efficiency Agreement scheme (Motiva Ltd) with the necessary authorisation when joining the scheme, the reported energy use data can be transferred from the monitoring system to Statistics Finland as confidential data for the purpose of energy statistics.

⁹ At the time of signing this agreement, there are three branch-specific Action Plans for the service sector of the Energy Efficiency Agreement for Industries: the Action Plan for Motor Trades and Repairs, the Action Plan for the Commerce Sector, and the Action Plan for the Hotel and Restaurant Sector



The ministry responsible for the Commercial Property Action Plan is the Ministry of Economic Affairs and Employment (MEAE).

Target of RAKLI

The target of RAKLI is to include at least 60% of the combined floor area of its member organisations' property stock that is potentially within the scope of the Commercial Property Action Plan, within the scope of the Commercial Property Action Plan by 1 January 2017, and at least 80% by 31 December 2018.

The shared indicative energy savings target of the Action Plan for 2017–2025 is 7.5% in 2025 and the intermediate target is 4% in 2020, calculated from the energy use of the member organisations included in the target group of the Action Plan.

Target of the participant

As a general rule, achieving the target of the Action Plan requires that each participant joining the Property and Building Sector Energy Efficiency Agreement sets an indicative energy savings target of at least 7.5% for 2017–2025 and an intermediate target of 4% for 2020 when they join the Energy Efficiency Agreement (2017–2025).

A participant that has participated in the previous agreement period and wants to use the savings reported to the monitoring system of the Energy Efficiency Agreement scheme concerning the actions implemented during the period of 2014–2016, must set an indicative energy savings target of at least 10.5% for 2014–2025 and an intermediate target of 7% for 2020.

An action can be accepted for monitoring the achievement of the target, if the action is implemented during the period for setting the savings target (2017–2025 or 2014–2025) selected by the participant, if it is reported to the monitoring system of the Energy Efficiency Agreement scheme, if the energy conservation impact of the action is still valid during the year in question, and if the action concerns the energy use included in the target calculation.

The participant includes all of its energy use in the Property and Building Sector Energy Efficiency Agreement, as referred to in section 4.3. On joining the Action Plan, the participant presents an indicative energy savings target in its accession document as the amount of end-use energy (MWh) in 2020 and 2025. These targets are calculated from the amount of energy that represents the participant's normal operation during the latest calendar year available at the time of accession.

Obligations and actions of the participant

The participants report by the end of March each year⁷ on the previous year's energy use^{4, 8}, on the related efficiency measures, and on the realisation of any other activities related to the Action Plan into the monitoring system of the Energy Efficiency Agreement scheme to the extent required by the system.

Annual monitoring reports related to the Action Plan on the execution of the agreement and on the monitoring of the implementation of the targets, related to the Action Plan, are compiled from the data reported annually by the participants.

Other obligations and actions concerning the execution of the agreement are described in the Commercial Property Action Plan (appendix 2, section 3.5).

6 Obligations of the parties to the agreement

6.1 RAKLI

The obligations of RAKLI are related to the implementation of the Rental Housing Property and Commercial Property Action Plans of the Property and Building Sector Energy Efficiency Agreement.

In order to achieve the targets of the Action Plans, RAKLI shall



- encourage and advise its member companies and/or organisations or similar bodies to join the Property and Building Sector Energy Efficiency Agreement, and take part in supporting the implementation of the agreement scheme
- receive the accession document signed by the participant, verify that it is in due form, and submit the document signed to Motiva Ltd to be entered into the participant register
- together with Motiva Ltd, monitor the implementation of the savings targets of the participants which have joined the Action Plans of the Property and Building Sector Energy Efficiency Agreement
- advise the participants which have joined the Action Plans in the implementation of participant-specific reporting, and participate in the drawing up of the annual monitoring reports¹⁰ related to the Action Plans
- participate in the implementation of the development and pilot projects related to the implementation of the Action Plan together with other parties to the agreement
- participate in the development of the property and building sector agreement scheme together with the ministries, the Energy Authority, and any other bodies participating in the implementation of the agreement scheme
- at its discretion, accept participants outside its membership to participate in the Rental Housing Property or Commercial Property Action Plans, and specify an appropriate annual fee for the said participants
- implement the steering groups' possible decisions on the dismissal of the participant.

6.2 Ministry of the Environment

In order to achieve the targets and taking into account the available appropriations, the Ministry of the Environment shall

- participate in the development of the Property and Building Sector Energy Efficiency Agreement scheme together with RAKLI, the Ministry of Economic Affairs and Employment, the Energy Authority, and any other bodies participating in the implementation of the agreement scheme
- prepare the provisions and procedures for financial support related to the energy audits of housing properties and energy efficiency investments, and develop these procedures, so that joining an Action Plan is taken into account as a factor that increases the support, where possible
- participate in the implementation of the development and pilot projects related to the implementation of the Rental Housing Property Action Plan, together with other parties to the agreement
- allocate resources for Motiva Ltd, so that Motiva can maintain the Rental Housing Property Action Plan participant register, produce information required for monitoring the implementation of the targets and realisation of the impacts of the agreement, monitor the implementation of the Rental Housing Property Action Plan, support the communication of the agreement scheme, participate in the development of the Property and Building Sector Energy Efficiency Agreement scheme, maintain and develop the monitoring system of the agreement scheme, compile the annual report of the Rental Housing Property Action Plan and participate in the production of the report's data¹⁰, support the execution of the participants' agreement by, for example, producing communication and training material on good practices, and participate in the co-ordination and implementation of any development and pilot projects related to the Rental Housing Property Action Plan.

¹⁰ The annual monitoring reports of the Action Plans are summarised from the data reported annually by the participants.



6.3 Ministry of Economic Affairs and Employment

In order to achieve the targets and taking into account the available appropriations, the Ministry of Economic Affairs and Employment shall

- support the energy audits and analyses on energy conservation by the participants which have joined the Commercial Property Action Plan, in accordance with the conditions for granting energy subsidy by the Ministry of Economic Affairs and Employment¹¹. When determining the amount of subsidy, take into account as a positive factor the participant's commitment to long-term energy conservation and improvement of energy efficiency
- support investments related to energy conservation established in the energy audits and analyses of the participants which have joined the Commercial Property Action Plan, or in similar studies, meeting the general terms and conditions of energy subsidy. Projects promoting the introduction of new technologies and procedures take priority. When determining the amount of subsidy, take into account as a positive factor the participant's commitment to long-term energy conservation and improvement of energy efficiency
- participate in the development of the Property and Building Sector Energy Efficiency Agreement scheme together with RAKLI, the Ministry of the Environment, the Energy Authority, and any other bodies participating in the implementation of the agreement scheme, in so far as the tasks are not assigned by the Ministry of Economic Affairs and Employment to the Energy Authority.

6.4 Energy Authority

In order to achieve the targets and taking into account the annual available appropriations, the Energy Authority, under the guidance of the MEAE, shall

- participate in the implementation of the Energy Efficiency Agreement scheme with adequate resources
- participate in the development of the Property and Building Sector Energy Efficiency Agreement scheme together with RAKLI, the ministries, and any other bodies participating in the implementation of the agreement scheme, in so far as the tasks are assigned by the Ministry of Economic Affairs and Employment to the Energy Authority
- monitor the implementation of the targets of the Property and Building Sector Energy Efficiency Agreement
- participate in the implementation of the development and pilot projects related to the implementation of the Commercial Property Action Plan, together with other parties to the agreement
- allocate resources for Motiva Ltd, so that Motiva can maintain the Commercial Property Action Plan participant register, produce information required for monitoring the implementation of the targets and realisation of the impacts of the agreement, monitor the implementation of the Commercial Property Action Plan, support the communication of the agreement scheme and maintain the website, participate in the development of the Property and Building Sector Energy Efficiency Agreement scheme, maintain and develop the monitoring system of the agreement scheme, compile the annual report of the Commercial Property Action Plan and participate in the production of the report's data¹⁰, support the execution of the participants' agreement by, for example, producing communication and training material on good practices, and participate in the co-ordination and implementation of any development and pilot projects
- monitor the fulfilment of the agreement obligations of the participants, send the participant a notification on the failure to meet the agreement obligations and, if necessary, present the issue con-

¹¹ The mandatory energy audits for large companies, as referred to in section 6 of the Energy Efficiency Act (1429/2014), will not be subsidised.



cerning the failure to meet the agreement obligations to the steering group of the Action Plan the participant has joined in.

6.5 Parties to the agreement jointly

The parties to the agreement prepare, negotiate and decide jointly on any significant changes concerning the Property and Building Sector Energy Efficiency Agreement.

7 Steering groups

The activities in accordance with this agreement are guided and monitored by steering groups that will be set up for the Rental Housing Property Action Plan and the Commercial Property Action Plan, and for which each party to the agreement shall appoint its representatives. RAKLI appoints the chairmen of the steering groups. The vice-chairman of the Rental Housing Property Action Plan steering group and the Commercial Property Action Plan steering group are appointed by the Ministry of the Environment and the Energy Authority respectively. The steering groups decide on the group's secretary and other members and experts to be invited to the groups.

The tasks of the Action Plan steering groups include:

- Providing general instructions and interpretations related to the implementation of the Action Plan, when necessary.
- Monitoring the implementation of the targets of the Action Plan.
- Preparing the proposals for necessary changes, if it seems unlikely that the indicative energy savings targets of the Action Plan set for 2020 and 2025 can be achieved, based on the monitoring of the Action Plan. At the same time, it will be agreed on how to implement the changes, together with the participants which have joined the agreement.
- Participating in the conception and preparation of the development and pilot projects related to the execution of the agreement, together with the participants and any other bodies participating in the implementation of the agreement scheme.
- Deciding, by the end of 2019, on the targets to be set for the participants which will join in the second agreement term 2021–2025 only.
- Deciding on the dismissal of the participant in accordance with section 8.3.
- Deciding on the completion of unfinished projects, if a signatory party/parties withdraw from the agreement or the Property and Building Sector Energy Efficiency Agreement is terminated in accordance with section 8.2.

8 Duration and termination of the agreement, dismissal from the agreement, potential consequences and withdrawal from the agreement

8.1 Duration of the Property and Building Sector Energy Efficiency Agreement

This Property and Building Sector Energy Efficiency Agreement will enter into force once it has been signed. The execution of the agreement will start in 1 January 2017, and the agreement will be valid until 31 December 2025.



8.2 Termination of the Property and Building Sector Energy Efficiency Agreement

Ministries, Energy Authority and RAKLI

The ministries, Energy Authority and RAKLI may terminate this Property and Building Sector Energy Efficiency Agreement, either jointly or separately, if the operating environment or conditions have fundamentally changed, compared with the situation at the time of signing the agreement, or if the agreement does not seem to result in the set targets. If the agreement is terminated by mutual consent, all Action Plans connected to the Property and Building Sector Energy Efficiency Agreement will also be terminated. If necessary, the steering groups will agree on how the unfinished projects related to the execution of the agreement will be completed.

RAKLI may terminate an individual Action Plan, if the operating environment or conditions have changed from the time of signing the agreement to such an extent that RAKLI will not be able to continue to implement the Action Plan. If necessary, the steering groups will agree on how the unfinished projects related to the implementation of the Action Plan will be completed.

Termination by a participant's withdrawal and potential consequences

A participant may withdraw from the Property and Building Sector Energy Efficiency Agreement by notifying the Energy Authority¹² and RAKLI thereof in writing. In its notice of withdrawal, the participant commits itself to reporting any energy subsidies received during the agreement period on the basis of the Energy Efficiency Agreement.

The energy subsidies granted on the basis of this agreement and received by the participant withdrawing from the Energy Efficiency Agreement may be collected, according to the conditions on the recovery recorded in the subsidy decision in question. The authority that has granted the subsidy will decide on the collection separately for each case.

8.3 Dismissing a participant from the Property and Building Sector Energy Efficiency Agreement and potential consequences

A participant may be dismissed from the Property and Building Sector Energy Efficiency Agreement, if the participant does not fulfil the obligations it has undertaken on joining the agreement. A ground for dismissal may be repeated failures to implement the participant's obligations in accordance with the agreement or to report the required information into the monitoring system of the Energy Efficiency Agreement scheme.

Upon detecting a failure to fulfil an agreement obligation, the Energy Authority will send the participant a notification. If the participant does not correct its operations appropriately within the prescribed time limit, the Energy Authority will present the issue to the steering group of the Action Plan the participant has joined in. The steering group will discuss the issue and decide on further actions concerning the participant's failure. The decision on the possible dismissal of the participant will be made in the steering group.

The energy subsidies granted on the basis of this agreement and received by the participant dismissed from the Property and Building Sector Energy Efficiency Agreement may be collected, according to the conditions on the recovery recorded in the subsidy decision in question. The authority that has granted the subsidy will decide on the collection separately for each case.

8.4 Withdrawal of a participant from the Property and Building Sector Energy Efficiency Agreement on 31 December 2020

If a participant submits an appropriately filled accession document for the Property and Building Sector Energy Efficiency Agreement by 31 December 2018, the participant may withdraw from the agreement at the end of the first agreement term on 31 December 2020 without being subjected to the consequences related to the energy subsidies, described in sections 8.2 and 8.3⁷. The participant must notify the Energy Authority¹² and RAKLI in writing of the withdrawal by the end of 2020.

¹²kirjaamo@energiavirasto.fi



The withdrawal procedure described here does not apply to the participants whose accession document is submitted to RAKLI on 1 January 2019 or later.

9 Other terms

The judicial nature of the Property and Building Sector Energy Efficiency Agreement is comparable to a target plan, and in addition to the fact that the participant will be dismissed from the Property and Building Sector Energy Efficiency Agreement, the failure to meet the obligations of the Action Plan will not result in any legal consequences, other than that which is referred to in section 8 above on state subsidies.

The parties to this Property and Building Sector Energy Efficiency Agreement and the participants which have joined the Property and Building Sector Energy Efficiency Agreement scheme shall aim to act in such a manner that the measures and targets, in accordance with the Property and Building Sector Energy Efficiency Agreement, will be fulfilled.

Four identical copies of this agreement have been drawn up, one for each party.

Helsinki, on the 14 day of October 2016

Ministry of the Environment

Ministry of Economic Affairs and Employment

RAKLI – The Finnish Association of Building Owners and Construction Clients

Energy Authority

APPENDICES

- Appendix 1 Housing properties – Rental Housing Property Action Plan
- Appendix 2 Commercial properties – Commercial Property Action Plan