

Revision of the energy efficiency action plan

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The Committee on Industry, Research and Energy adopted an own-initiative report by Bendt BENDTSEN (EPP, DK) on Revision of the Energy Efficiency Action Plan.

Members consider that energy efficiency and savings are the most cost-effective and fastest way to reduce CO₂ and other emissions and increase security of supply. Academic evidence clearly supports the view that efforts need to be stepped up, including at the regional and the local level to reach the 20% energy efficiency target by 2020, as at current rates of progress only around half of this target would be met by 2020, even though practices and technologies to achieve this target already exist.

1) Compliance with and implementation of existing legislation: the committee calls on the Commission and the Member States to review the effectiveness of legislative measures to save energy and increase energy efficiency. It calls on Member States, local authorities, and especially on the Commission, to give energy efficiency the attention it deserves, and put in place resources (staffing and finance) which match their ambitions. It points out that energy efficiency should be **integrated into all relevant policy areas**, including finance, regional and urban development, transport, agriculture, industrial policy and education.

The Commission is invited to present in sufficient time before the 4th of February 2011 Energy Summit, within its revised Energy Efficiency Action Programme (EEAP), an **evaluation of the implementation of the existing legislation**. Members consider that the new Energy Action Plan 2011-2020 should be presented as soon as possible, and energy efficiency should have an important role in the future Roadmap towards a low-carbon energy system and economy by 2050. They invite the European Union to adopt a **binding target on energy efficiency by at least 20% by 2020**, and thereby advance the transition into a sustainable and green economy.

Members call on the Commission to design the new EEAP taking into account **the needs of vulnerable energy consumers** and to promote measures to raise the level of awareness for and the know-how of energy efficiency issues among all relevant stakeholders and all professional actors involved at all stages.

2) Energy infrastructure (production and transmission): Members consider that a stronger focus is needed on system innovations such as **smart grids** (for electricity but also for heating and cooling), smart metering, gas networks integrating biogas and energy storage. The report underlines that **an explicit and comprehensive strategy for heat generation and use** (industrial heat, domestic heating, cooling) is needed.

Members stress the fact that second to energy efficiency at the source (i.e. in primary energy production), tackling losses of (electrical) energy during transport through the grids should be considered a priority. They call for a revision of Directive 2004/8/EC (known as the CHP Directive) **to promote highly efficient combined heat and power (CHP)**, Micro-CHP, use of waste heat from industry, and district heating /cooling systems.

Member States are called upon, not only to support high efficiency industrial CHP generation, including by changing from fossil fuel to biomass, but also, for those which have of district heating infrastructure, to promote the use of CHP by supporting the establishment and refurbishment of district heating systems through appropriate financing and regulatory measures.

The Commission is asked to support and promote the setting up and development of a European high-voltage direct current (HVDC) grid able to optimise the harnessing of renewable energy sources, particularly wind and hydropower.

3) Urban development and buildings: noting that buildings are responsible for about 40% of energy consumption and about 36% of greenhouse gas emissions in the EU, Members call on the Commission to assess the potential for efficiency in existing buildings starting with public administration buildings including schools and **propose a cost-efficient target for the reduction of the primary energy consumption of buildings**. For their part, Member States are called upon to implement practicable programmes to support deep renovations by which the energy demand will initially be reduced by **more than 50%** over pre-renovation performance.

The report asks that Member States should be required to include **set annual refurbishment targets** in their national action plans on Energy Efficiency and calls on the Commission to propose policy options on how to achieve a nearly zero level building stock in the context of the 2050 energy roadmap. Members believe it is essential that the **homes of energy poor households** are improved to the highest possible energy efficiency standards and without raising the daily costs for the energy poor.

Members are convinced that it is key for achieving the energy savings target that **public authorities at national, regional and local level lead the way**. They call on public authorities to go well beyond the requirements set in the Energy Performance of Buildings Directive, in particular by renovating their existing stock as early as possible to a level comparable to **nearly zero energy standard**, where technically and economically feasible.

Acknowledging the potential of energy savings in buildings, both in cities and rural areas, Members call for **innovative solutions** to removing barriers to energy refurbishments, such as district refurbishment plans, financial incentives and technical assistance. They stress that EU schemes should provide **incentives** for retrofitting buildings to go beyond the minimum legal requirements and address only buildings with an energy efficiency potential.

The report calls on the Member States to accelerate the introduction of **Energy Performance Certificates** which are issued in an independent manner by qualified and/or accredited experts, as well as to create one-stop shops providing access to technical advice and support as well as financial incentives available at regional, national and European level.

It also asks the Commission to propose energy benchmarks or requirements with regard to the installation of **street lighting** by public authorities including the use of smarter controls and energy saving use patterns by 2012.

4) ICT and products: Members call for the rapid and proper implementation of the Directives on Ecodesign and Energy Labelling and regrets current long delays. They suggest clearer and stricter deadlines for adoption, by proposing implementing or respectively delegated acts covering new energy-related products.

Members believe that the **Ecodesign Directive should cover more products** including, if appropriate, new household appliances, ICT, energy-related products for use in buildings (such as industrial electrical motors, machinery, air conditioning, heat exchangers, heating and lighting equipment and pumps), industrial and agricultural equipment, building materials, and products for the efficient use of water.

The report calls on the Commission to **combine existing European legislation** such as the Eco-Design Directive and the Energy Labelling Directive, in order to implement EU legislation most efficiently and make use of synergies, especially for the consumer.

Members also consider that legislation should address products, systems and their energy use. They regard it as necessary to increase the awareness of EU citizens including relevant sales professionals, regarding the energy and resource efficiency of consumer and energy-related products.

The report insists that more emphasis should be given to an analysis of the consequences of energy efficiency standards. Members find, in this context, that **uniform technical standards** are the appropriate means of achieving higher market penetration for energy efficient products.

The committee emphasises that Europe should be at the cutting edge in the development of energy related Internet and ICT low-carbon technologies and applications. It acknowledges the need to support **partnerships** between the ICT sector and major emitting sectors to improve the energy efficiency and emissions of these sectors.

For **smart metering** to be a success, members consider it is crucial to inform society of its benefits. They call on the Commission to put forward a number of recommendations before the end of 2011 to ensure, among other things, that:

- smart metering is implemented in accordance with the timetable of the 3rd Energy Market Package so that the objective of having **80% of buildings** fitted with smart meters by 2020 will be met;
- Member States agree by the end of 2011 on minimum common functionalities for smart meters;
- there should be smart meter benefits for consumers, such as energy reductions;
- Member States develop and publish a strategy to deliver the potential benefit of smart metering to all consumers, including vulnerable and low income people.

5) Transport: the Commission to publish an ambitious white paper on transport in order to develop a **sustainable European transport policy** that promotes the introduction of energy-efficient new technologies and reduces dependency on fossil fuels.

Members consider that **all tools**, including vehicle and fuel taxation, labelling, minimum efficiency standards and measures to improve and favour public transportation, are urgently needed in order to address transport emissions. They reiterate the need to promote **inter-modal transport solutions**, as well as the **development of intelligent transport systems** in order to achieve energy savings in the transport sector.

The Commission is called upon to:

- present by the end of 2011 a strategy for lowering the fuel consumption and CO₂ emissions of **heavy duty vehicles**;
- consider adopting a **single mandatory pan-European system of labelling** for passenger vehicles and to examine the possibility of extending this proposed single labelling system to include electric and hybrid vehicles;
- ensure comparable framework conditions for the **development of electric vehicles** and for the development of vehicles using **fuel cells** or other more sustainable energy sources.

The report asks Member States to abolish tax regimes which incentivise purchases of fuel-inefficient cars and replace them with tax regimes which incentivise purchases of fuel-efficient cars.

6) Incentives and financing: Members consider that the Commission should put forward proposals on how to establish an EU **framework of revolving financial instruments** to support or guarantee complementary energy efficiency measures, existing national schemes and distribution channels (e.g. by means of risk sharing) and to encourage the setting-up and improvement of energy efficiency schemes in Member States.

The Commission is called upon to propose, within the EEAP, policy options on how to ensure that energy efficiency **funds are in place at national, regional or local level**. Members consider that these funds could, through financial intermediaries, play an important role in the development of such instruments, which would deliver financing possibilities to private property owners, SMEs and energy service companies (ESCOs).

Members welcome the support given in the Europe 2020 Strategy to shifting the tax burden to energy and environmental taxes which can create incentives to consumers and the industry for energy efficiency and job creation. They invite the Member States to consider the possibility to **reduce VAT rates** for energy efficiency refurbishment works.

Members call on the Commission to submit an annual report on whether and how **appropriate (fiscal and subsidy-linked) incentives at national level** might be created, such as, in the private sphere and in SMEs, depreciations of small-scale industrial equipment up to EUR 10 000 or, in the industrial sphere, progressive depreciations of 50% in the first year or the creation of appropriate investment incentives and of research subsidies, in order to push forward energy efficiency measures.

The report also stresses the need to **improve the use of existing EU funds** such as the ERDF and EAFRD for energy efficiency measures. It calls on the Commission to use the mid term review in order to allocate more funds for energy efficiency programmes and to promote the possibility to use up to 15% of the ERDF for energy efficiency.

Lastly, the Commission is called upon to make energy efficiency one of the **key priorities of the 8th Framework Research Programme** and to allocate a significant part to energy efficiency sub-programmes similar to the current Intelligent Energy Programme.