Combined heat and power, CHP: Community strategy

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OBJECTIVE: The Commission's communication calls on the 15 to adopt a Community strategy to promote combined heat and power (CHP) for economic and environmental reasons. SUBSTANCE: In its document, the Commission indicates that CHP offers considerable economic and environmental advantages since it enables almost optimal use (90%) to be made of the energy content of fuels used to produce electricity (oil, gas, coal). The Commission indicates that, compared with a traditional system, it is possible to achieve an average reduction of 500 kg per MWh of energy produced in CO2 emissions. Penetration by CO2 in the EU energy market is currently 9%. The Commission hopes to double this figure by the year 2010. While observing that most of the efforts must come from the Member States in defining their own strategies and objectives in the development of CHP, the Commission takes the view that the Union has a supporting and coordinating role to play. It accordingly suggests the following lines of action: - greater participation in the various Community CHP funding programmes (Joule, Thermie, Save, Altener, Synergie, Phare, Tacis, Meda, etc.). Financing from the structural funds could also be envisaged. - negotiation of voluntary agreements concerning specific efficiency targets with those industrial sectors where there is a high potential of energy saving by using CHP. - measures to encourage the development of innovative and economic CHP schemes through technology procurement mechanisms to encourage the improvement of CHP technology. - information exchange and cooperation between Member States concerning experience obtained and improvement of existing practices. - monitoring of the impact of the liberalization of the European energy markets on CHP and district heating and proposal if necessary of appropriate measures to prevent negative effects. The Commission considers that energy taxes could enhance the competitiveness of CHP and advocate tax concessions for this purpose. It also advocates further support of CHP plants using biomass as input fuel.