Energy efficiency or doing more with less. Green Paper

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PURPOSE: The presentation of a Commission Green Paper to open a wide-ranging discussion on how to realise energy savings in the EU – "Doing More with Less".

CONTENT: There are a number of advantages associated with energy efficiency drives, the most obvious being cash savings. According to numerous studies the EU could save at least 20% of its present energy consumption in a cost effective manner – equivalent to EUR 60 billion per year, or the present combined energy consumption of Germany and Finland. On a micro level EU households could save between EUR 200 to EUR 1000 per year. This is not to forget the considerable advantages energy efficiency has on levels of employment across the EU. Compared to other developed nations, the EU is a world leader in offering both new energy equipment and energy services. For example, China presently uses more than five times as much energy as the EU to produce one unit of GDP, the USA approximately 50% more. Some studies indicate that the EU could generate directly and indirectly one million jobs in the energy efficiency sector. Thus, not only would improved energy efficiency drives save the EU economy a considerable amount of money, it could also make a major contribution to EU competitiveness and employment – key objectives of the Lisbon agenda. The other advantages gained by focusing on energy efficiency relate to the Kyoto Protocol and the EU's security of energy supplies. Concerning the first, the EU is committed to meeting its Kyoto targets and energy savings is without a doubt the quickest, most effective and most cost-effective manner for reducing greenhouse gas emissions. As far as the second is concerned, the Green Paper notes that by 2030, on the basis of present trends, the EU will be 90% dependant on imports for its requirements of oil and 80% dependant regarding gas. Energy efficiency is one of the key methods to deal with this challenge.

Clearly, the need to address energy efficiency is one of the priorities of the EU in the coming years. The Green Paper therefore seeks to identify the bottlenecks presently preventing cost-effective efficiency from being captured. The kind of bottlenecks identified includes the current lack of appropriate incentives, lack of information and a lack of available financing mechanisms. The Green Paper seeks to identify options on how these bottlenecks can be overcome, suggesting a number of key actions that might be taken. The kind of actions envisioned include, *inter alia*, the establishment of national "Annual Energy Efficiency Action Plans", targeted publicity campaigns on energy efficiency, improved taxation efforts, better targeting of state aid, the use of public procurement to "kick-start" new energy efficient technologies and the use of the CARS 21 initiative to speed up the development of a new generation of fuel efficient cars. These examples are accompanied by 25 questions, which the Commission addresses to interested stake-holders. The questions posed are wide-ranging and comprehensive but they are not exhaustive. Nor are they proposals – they are ideas for discussion. Following the publication of the Paper, the Commission will undertake an intensive public consultation to last until the end of 2005.

To conclude, the Commission states that the Green Paper is a starting point from which to launch a debate and to prompt new ideas, whether these come from industry, public authorities, consumer groups or indeed consumers. By December 2005, the Commission will prepare a first analysis of the results of the public debate, which will be presented to the Council of Ministers. The Report will be accompanied by an action plan containing proposals for practical action in the course of 2006.