Energy policy: renewable sources, biomass action plan

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Following the presentation by Commissioner Andris Piebalgs of the Action Plan for Energy Efficiency and in response to it, the Council adopted the following conclusions in a public debate:

The Council welcomes and supports the overall approach of the Commission's ambitious Action Plan for Energy Efficiency. Council agrees that energy efficiency and energy savings constitute a cornerstone of the Energy Policy for Europe. It confirms its commitment to work together with the European Commission and the European Parliament, and with the Community's industry and citizens, in a joint attempt to realise the Community's 20% energy saving potential by 2020, which the Commission estimates to be technically and economically feasible. The realisation of these savings could by 2020 lead to annual savings of EUR 100 billion and 390 Mtoe, whilst reducing the EU's CO2 emissions more

than twice as much as required by the Kyoto Protocol by 2012.

From a **general point of view**, the Council states that National Energy Efficiency Action Plans should be coordinated. The optimal implementation and enforcement of existing legislation relating to energy efficiency is essential and, with close cooperation between all players, will provide a substantial part of the energy savings which the Community is able to achieve in the short to medium term. Reporting

requirements under different legislative instruments and reporting to Eurostat should be rationalised

and streamlined. The successful implementation of the recommendations in the Commission's Action Plan also requires a continued and strengthened focus on R&D on energy efficiency in the context of the Seventh Research and Development Framework Programme (2007-2013), in the context of the energy component of the Competitiveness and Innovation Framework Programme (CIP) as well as in the context of the overall CIP. More attention and effort should be devoted to the translation of R&D results into energy-efficient products and services on the market and to the demonstration of these products and services.

Actions under the six pillars of the Action Plan on Energy Efficiency

Updating of dynamic energy performance requirements for energy-using products, buildings and energy services: dynamic and regular updating of appliance and equipment labelling, minimum performance requirements and reduced stand-by energy use are a priority area.

Improving energy transformation: during the next few decades, there will be a need to replace old electricity and heat production capacity with new. Therefore, Council underlines that it is important to ensure that the most energy-efficient technology available is used for the construction of new capacity, including the increased use of high-efficiency CHP, district heating and cooling and waste heat recovery, and whilst taking into account considerations relating to cost-effectiveness, security of supply and the environment.

Moving on transport: transport in general - including public, professional and private transport - holds a huge potential for increased energy efficiency, and a correspondingly large spectrum of possible measures exists to achieve this potential through an integrated approach. Therefore, Council encourages the Commission and Member States to ensure continuous improvement in the energy efficiency of vehicles,

in combination with policies on improved driver behaviour, infrastructural measures, urban transport and multimodal transport, also by using real-time traffic and travel systems in all modes of transport and, where appropriate and practical, measures to reduce the need for transport.

Financing energy efficiency, economic incentives and energy pricing: new, innovative approaches, including public-private partnerships, are needed in order to lower the barriers to energy-efficient investments. All energy-efficiency investments which are clearly cost-efficient in the short, medium or long term should be further encouraged and facilitated. Financial institutions, business, including SMEs, and the public sector need guidance and advice, in both the investment and implementation phases of energy-efficiency projects. Structural and Cohesion Funds are essential financing sources for energy efficiency investments.

Changing energy behaviour: tailored measures and actions should be undertaken at national or local level to motivate energy users to reduce their energy consumption, in particular by "activating" the energy consumer with feedback on use - for example by smart metering - and with information on how to reduce consumption. The public sector should fulfil an exemplary role, and local and regional energy agencies have a key contribution to make. The role which education, training, ESCO's, energy managers and energy audits can play should be facilitated and promoted.

International partnerships: at the global level, minimum energy efficiency performance requirements for energy using

products and products affecting energy use, product standards, agreements on measurement

methods, labelling schemes, procurement guidelines for energy-using equipment and energy audit

programmes should be developed and implemented.

Among the many good proposals listed in the Commission's Action Plan, Council would highlight the following **five actions** as being of key importance for the Commission and Member States during the six-year application period of the Action Plan:

1. Exploit the huge energy-efficiency potential in transport, using an integrated approach and a variety of measures including voluntary agreements and legislation if necessary, inter alia by making rapid and continuous cost-effective improvements in vehicle fuel efficiency in cooperation with the automobile and fuel industries.
2. Dynamically and regularly improve and expand the scope of minimum efficiency requirements for energy-using equipment, including standby-loss reduction. In this context, the Eco-Design Directive should be fully utilised and international co-operation on energy performance requirements should be strengthened.
3. Improve the energy-efficient and energy saving behaviour of all energy consumers, including by demonstrating the benefits of available energy efficient technology and behaviour and for example by revising, enlarging the scope of, and regularly upgrading the Framework Directive 92/75/EC on labelling and the resulting implementing Directives.
4. Use instruments at European, national and regional level, such as the Seventh Research and Development Framework Programme, in order to maximise the contribution which R&D, innovation and technology can make to energy efficiency.
5. Continue the implementation of the Buildings Directive, and on the basis of experience gained from its application, utilise and develop the framework provided by the Directive to realise the potential for further energy savings from buildings".

The Council held a public policy debate on the basis of a Presidency questionnaire which focused on two important aspects of EU energy policy - namely energy efficiency and the use of renewable energy sources.

At the end of the debate, the Presidency underlined the following ideas that emerged from the debate:

• There is a consensus that energy efficiency and renewable energies form a key component of energy policy - at both national and European level.

• Energy efficiency and cost-effective use of renewable energy sources enhance competitiveness and security of supply.

• There is a need to promote and facilitate investments in cost-effective energy efficiency measures. Governments and the financial sector should cooperate in developing innovative funding tools.

• There is wide agreement on the need to raise awareness, through education, training, demonstration, feedback on energy consumption, etc., and focusing on groups such as SMEs, public authorities, children, etc. This is mainly a task for national, regional and local authorities.

• As regards the use of renewable energy sources, delegations agreed that this should be increased, since the use of renewable energy sources reduces greenhouse gas emissions and the Community's dependence on external sources of energy.

• R&D programmes at all levels should contribute to the development of new and improved technology, with a view to making renewable energies competitive.

• The large-scale investment required in renewable energy needs a stable and predictable long-term regulatory framework. Policy makers should ensure this.

• On international cooperation on energy efficiency and renewable energy, a Community initiative for an international framework agreement was generally supported in principle, even though concerns and questions as to the precise content of such an initiative must be addressed.