Action plan for energy efficiency: realising the potential

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The Committee on Industry, Research and Energy adopted a report drawn up by Fiona **HALL** (ALDE, UK) and welcomed the Commission Communication entitled 'Action Plan for Energy Efficiency: Realising the Potential'. It considered that a target of improving energy efficiency by over 20% by 2020, in addition to any improvements due to autonomous structural or price effects, was entirely feasible technically and economically.

However, Members noted with grave concern that implementation by Member States of existing legislation on energy efficiency was incomplete and behind schedule. Directive 2002/91/EC on the energy performance of buildings had been properly transposed by only five Member States. Implementation by Member States of Directive 2004/8/EC was late and far from perfect on the international market. Members censured the failure to put in place the number of Commission officials needed in order to ensure that both the Action Plan and the energy efficiency legislation on which it builds were implemented fully and promptly. They went on to deplore the fact that, of 21 Commission actions scheduled in the Action Plan for completion in 2007, only three had been fully implemented by 1 September 2007. They also deplored the severe slippage in the timetable for the adoption of minimum energy performance standards for priority product groups.

The Committee censured the failure of many Member State governments to prioritise prompt transposition of energy efficiency legislation, despite rhetoric about tackling climate change and reducing EU energy imports. It called for a frank assessment of the capacity shortfalls and other barriers which had led to inadequate implementation of energy efficiency legislation. There was also a widespread lack of simple information on energy efficiency at the point of need, which might arise suddenly (e.g. when a domestic appliance or other equipment breaks down) or be connected with particular events (e.g. moving house). A lack of attention to the practical needs of citizens was undermining many energy efficiency schemes. ICTs should be promoted as a key element in driving forward energy saving in various sectors such as transport, construction, energy and manufacturing.

Equipment and appliances: the Committee welcomed the strategy of adopting minimum energy performance standards and called on the Commission to establish them by 2008 for air conditioning and all types of television set top boxes. Members particularly asked the Commission for the following:

-to explore ways of advancing research into LED lamps and of increasing their use;

-to establish timetables for the withdrawal from the market of all the least energy-efficient items of equipment, appliances and other energy-using products, such as patio heaters;

-to come forward with a 'one watt' stand-by performance requirement and an analysis of the potential energy savings to be made from both minimising and eliminating non-essential stand-by mode consumption, particularly passive stand-by;

Building performance requirements: the Committee urged the Commission to expedite infringement procedures against those Member States which had not properly transposed or implemented Directive 2001 /91/EC. It called on the Commission to revise Directive 2002/91/EC so as to include from 2009 all buildings requiring heating or cooling, regardless of their size, and also to do the following:

-to have regard to the fact that cogeneration (micro combined heat and power) boilers are by far the most efficient, and to set minimum performance requirements for boilers accordingly;

-to propose a binding requirement that all new buildings needing to be heated and/or cooled be constructed to passive house or equivalent non-residential standards from 2011, and a requirement to use passive heating and cooling solutions from 2008;

-to consider the gradual introduction of district heating and cooling grids for all buildings to reduce fossil fuel use in heating and cooling by utilising the losses occurring in the transformation of energy;

-to consider architectural solutions for passive heating and cooling, such as construction structures with thermal properties, when considering taxation and other measures for promoting energy efficiency;

-to promote district cooling from renewable sources of energy as an efficient alternative to meeting the growing demand for comfort cooling;

-to create a transparent database of measures promoting energy efficiency in buildings, in particular financing measures, in the interests of exchanging best practice and of public information.

Power generation and distribution: NEEAPs must include an increase in high-efficiency cogeneration. Member States were asked to move to the holistic planning and fostering of electricity, heating and cooling supply, and more generally to promote measures to encourage the use of small-scale and micro cogeneration. The Commission must look unfavourably on NEEAPs which fail to do this. The Committee asked the Commission to pay greater attention to the heat market, as heat represented the largest share of energy consumption, and to instruments (urban planning, heat mapping, investment incentives) that would allow the recovery of surplus heat from renewable sources through the development of district heating and cooling infrastructures. It also asked the Commission to extend the scope of existing financial incentives to developments which enable energy produced from renewable sources to be fed into existing networks set up for fossil fuel energy.

Transport: the Committee called on the Commission to set minimum energy performance requirements for all transport modes, including public transport. The Commission was asked to launch an initiative specifically concerning urban transport and the issue of integrating climate protection, energy saving and public health in a sustainable mobility policy for towns and cities. EU cities were urged to consider measures to reduce the CO2 emissions, for example by congestion charges. Furthermore, the Committee called for Directive 1999/94/EC to be amended in such a way as to provide for car labelling on the clear A to G format used in appliance labelling. A minimum of 20% of any space devoted to the advertising and marketing of new cars should provide information on fuel efficiency and emissions. The Commission was asked to devise a framework strategy to facilitate substantive improvements to the efficiency of urban and suburban public transport.

Financial arrangements and regional policy: the report called on the Commission to raise from 3% to a minimum of 5% the proportion of structural and cohesion funding which should be spent on improving the energy efficiency of existing homes. It regretted the complexity of much EU financing for energy efficiency, noting that the lack of simple and accessible funding constituted a huge barrier for SMEs. The Committee urged all relevant parties to take advantage of the funding available under the Seventh Framework Programme, the Structural Funds and the Competitiveness and Innovation Framework Programme/Intelligent Energy Europe, and urged the Commission to respond generously to calls for funding for research into energy efficiency. The Commission was also asked to support state aid rules that were more favourable to energy efficiency measures (such as eco-innovation and productivity improvements).

Taxation: the Council was asked to encourage the Member States to apply a reduced rate of value added tax on labour, materials and components which improve energy efficiency in buildings. It was also asked to ensure that the overall tax system reflected the aim of improving energy efficiency in buildings. The report noted that taxation fell within the competence of Member States, and that taxation measures chosen by Member States might be an element of all NEEAPs. It advocated internalisation of environmental costs. Member States were asked to introduce incentives to encourage households, micro-businesses and private landlords to pursue energy-efficiency measures and buy energy-efficient products. Tax incentives could, in certain circumstances, be available for the demolition of energy-inefficient buildings, when combined with the construction of new energy-efficient new buildings.

Changing behaviour: the Committee called on the Commission to increase research into behavioural economics and human decision-making so as to help tailor future energy-efficiency information campaigns (such as the Sustainable Energy Europe Campaign). Since energy efficiency started at home, the committee called on the Commission, the Council and Parliament to take the lead by requiring exemplary energy performance standards to be set for all EU institution buildings, as part of a wider audit of energy use by the institutions which should embrace working and travel arrangements, incentives and locations, as well as equipment and procurement. It also called on the Commission and the Member States to organise, on an annual basis, a European Action Day on Energy Efficiency.

The global dimension: Member States and the Commission must enhance international cooperation in the energy-efficiency field so as to ensure that new regulations did not fragment the global market. It acknowledged the ongoing work at technical level on shared energy-efficiency standards, particularly with China, but was concerned that this work was undermined by the lack of coordination between Member States. Lastly, it noted the widespread concern that Russia would not be able to meet its domestic and contractual gas demand, and urged the Commission to commit greater resources to the EU-Russia Energy Efficiency Dialogue, with particular attention being paid to the upgrading of Russian district heating networks and to the utilisation of gas currently flared on oil fields.