

Brussels, the 16th November 2011

Dear Minister,

Save energy and invest in efficiency

A joint response to the economic and climate crisis

In its recently published World Energy Outlook 2011¹, the International Energy Agency concludes that without stringent new action by 2017, particularly on energy efficiency, the world's energy system will be out of line with agreed climate goals. At the same time, energy savings are also the most immediate and reliable solution to our energy security imperatives.

More than ever it is essential that ministers and the Members States show consistency and provide leadership to ensure that the European Union honours its commitment to get on track to saving 20% energy by 2020.

In practice this requires a tripling of current investments in energy efficiency. This initial outlay pays back many times over by reducing energy bills and import costs: a true kick-start for a sustainable economic recovery, creating non-exportable EU jobs and a win-win way for Europe to lead by example. Unlocking this joint political and financial effort requires an ambitious and robust Energy Efficiency Directive.

In view of the Presidency progress report and your discussion on the Directive at the Energy Council on 24th November, the Coalition for Energy Savings urges you to consider:

1. <u>Securing Europe's 20% energy saving target</u>

The EU energy saving target of 368 Mtoe by 2020 resulting in a primary energy consumption level of 1474 Mtoe must guide EU and national actions. Whether this is called a savings target or an efficiency target must not alter these values. Decisions on how to share this target among the 27 EU Member States should not be further delayed, as proposed by the Presidency. Overall national primary energy consumption targets are the most appropriate instruments to measure and secure commitment to the EU target, while ensuring flexibility as they allow each country to choose the most appropriate energy efficiency measures tailored to the national situation. Consumption targets encourage extra efficiency efforts in periods of growth and allow breathing space in times of recession.

¹ World Energy Outlook 2011. International Energy Agency. Nov 2011

2. Ensuring short and long-term ambitions for buildings

Ambitious action in the building sector, comprising the building shell, equipment and systems, would provide huge energy efficiency gains, together with other essential social benefits, stimulating the EU economy and creating up to 1.1 million jobs². Therefore, it is essential to maintain ambitious and measurable targets for the renovation of public buildings, as part of a long-term objective of an 80% improvement of the energy performance of the whole EU building stock by 2050. Any "alternative approach" to annual renovation targets in order to take account of the diversity of the building stock, must deliver the same level of energy savings and thus provide solid measurement of the annual improvement of the energy performance of the targets without means are unworkable. But we feel that the financial means to make this possible are there: it is about making a smart use of the public money in order to leverage private funds, and choosing the political priorities that will lead to the highest benefit for the EU economy and its citizens.

3. <u>Guaranteeing stable financing for consumer savings without opt outs or sunsets</u>

Energy saving obligations can be one of the most effective instruments available to guarantee a stable and long-term financing stream for efficiency measures for consumers that, moreover, does not depend on government funding. This will enable a new market in energy services to open up, and ensure the achievement of a growing volume of energy savings to achieve national and EU objectives. But an opt-out clause in this obligation or the Presidency's proposal for a sunset clause would weaken the financing guarantee or even render it meaningless for no good reason. Instead we propose an energy efficiency funding mechanism, whereby contributions to a financing facility can be used to fulfil part or all of the obligation. Early actions should not be countable. Even countries with already higher than average efficiency levels are found to have large and untapped saving potentials, which they have to realise, if they want to stay competitive, develop a flourishing energy services market and achieve their targets.

Please find attached our Position Paper regarding the Commission proposal for an Energy Efficiency Directive.

Yours sincerely,

Stefan Scheuer Secretary General

This letter will be made publicly available

² European Buildings under the Microscope: A country-by-country review of the energy performance of European buildings, BPIE, October 2011

Members of the Coalition for Energy Savings:

The Architects' Council of Europe (ACE) ClientEarth Climate Action Network – Europe (CAN-Europe) The Climate Group COGEN Europe The European Alliance of Companies for Energy Efficiency in Buildings (EuroACE) European Alliance to Save Energy (EU-ASE) European Association of Polyurethane Insulation Manufacturers (PU Europe) The European Climate Foundation The European Committee of Domestic Equipment Manufacturers (CECED) European Copper Institute The European Council for an Energy Efficient Economy (eceee) European Environmental Bureau (EEB) The European Federation for Intelligent Energy Efficiency Services (EFIEES) The European Insulation Manufacturers Association (Eurima) European Lamp Companies Federation (ELCF) The European Liaison Committee For Social Housing (CECODHAS) Friends of the Earth Europe Glass for Europe The Regulatory Assistance Project (RAP) The Royal Institution of Chartered Surveyors (RICS) WWF

The Coalition for Energy Savings brings together business, professional and civil society associations. The Coalition's purpose is to make the case for a European energy policy that places a much greater, more meaningful emphasis on energy efficiency and savings. In particular it is arguing for the current 20% energy efficiency target to be binding.