

Herman Van Rompuy President of the European Council Rue de la Loi 175 B-1048 Brussels

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# Position Paper on Energy Efficiency Targets in the Context of Post-2020 EU Climate and Energy Policy: EU needs to set an ambitious, binding and coherent 2030 target for energy efficiency and savings

Dear President of the European Council, Mr Van Rompuy,

By providing significant contributions to all three pillars of Sustainable Development, energy efficiency and savings need to be core elements of EU policies that will drive competitive, sustainable growth.

Therefore, the EEIF, which represents leading industries committed to providing products and solutions that enable energy efficiency and savings, believes that the EU needs to set an ambitious, binding and coherent 2030 target for energy efficiency and savings.

An overall target, which must reflect specific objectives in the main relevant sectors of the economy, should be structured so as to enhance the competitiveness of EU industry, boost job creation and provide a clear milestone towards the achievement of the long-term climate goals of the EU.

## Target setting for Post-2020 Climate and Energy Policy:

• <u>2050 horizon</u>: In order to make sure that climate and energy objectives deliver their full contribution to the EU's sustainable growth agenda, they must be part of a clearly defined, coherent and consistent policy approach which provides both a vision and investment perspective that go beyond "the-next-10-years".

#### • Mutually Reinforcing Energy and Climate Targets:

While individual policies for energy efficiency and savings, greenhouse gas emission reductions and the share of renewables are deeply interlinked, each plays a role which cannot be achieved by the other two. The success of the EU Energy and Climate Agenda is a means to ensure the EU's competitiveness and sustainable growth. Cross-fertilising the three policies will help to deliver the most cost effective contribution to all three pillars of Sustainable Development. Therefore, the post 2020 Agenda must be built on these mutually reinforcing policies but combine them coherently into clear, short and long term measures and targets. Targets must also be assessed on the basis of the specific and societal cost effectiveness.

### Principles for Setting Targets for Energy Efficiency and Savings in the EU Policy Framework:

<u>Energy Efficiency and Savings Targets</u>: Increased energy efficiency in the EU will result from a combination of actions in the main sectors of society. Each sector will provide different results due to the useful life time of investments and the cost effectiveness of each relevant policy area – e.g. buildings; energy using products; energy supply: emission markets; behavioural change.

The combination of sector specific contributions and the effects of mutual reinforcement need to be coherent with the results obtained through a macro policy approach.

In order to make 2050 objectives sustainable and achievable, the target setting process should require, for each policy area:

- Identification of its energy efficiency and savings potential
- Setting of its high level 2050 objectives;
- Setting of corresponding intermediate targets (e.g. for 2030) based on back-casting.

• <u>Burden Sharing</u>: Knowing the individual potential of the main relevant sectors and defining an "internal burden sharing" between them will guide policy-making and minimise the risk of policy overlaps.

• <u>Competitiveness</u>: The targets themselves, plus the measures to be taken to achieve them, must be identified so as to maintain and enhance the competitiveness of the EU economy trading in a global market. They must encourage innovation and sustainable growth. Their application should be non-discriminatory and high standards of transparency, proportionality and consistency should be used by Member States to avoid unintended economic disadvantage, either to an individual Member State, or to the EU as a whole. Energy saved by industry relocating to non-EU geographies must not be viewed as success.

• <u>Society</u>: Energy bills form a significant and increasing cost for many consumers (both residential and business). Implementing economically sound energy efficiency and savings policies should allow European industry to flourish and minimise the risk of EU citizens being exposed to fuel poverty.

The EEIF supports an overall binding EU energy efficiency and savings target for 2030 that is based on the cost-effective saving potentials of relevant sub-sectors and that takes into account the principles stated in this paper.

It believes that targets for emission reductions and renewable energy alone will not be sufficient to grasp all the untapped, cost-effective, energy-efficiency potential of Europe's economy. The European Commission must take a leading role in shaping future EU climate and energy policy. Ambitious and coherent proposals, that take into account the complex interactions between different targets, and that ensure future target setting policies avoid overlap, will provide confidence to investors, whether they be citizens or industry.

# Energy Efficiency Industrial Forum Membership and contacts

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**CECED** represents the household appliance manufacturing industry in Europe. Its member companies employ over 200,000 people, are mainly based in Europe, and have a turnover of about EUR 40 billion. If upstream and downstream business is taken together, the sector employs over 500,000 people. Direct Members are Arçelik, BSH Bosch und Siemens Hausgeräte GmbH, Candy Group, De'Longhi, Electrolux AB, Fagor Group, Gorenje, Liebherr, Indesit Company, Merloni Termosanitari, Miele, Philips, SEB and Whirlpool Europe. CECED's member associations cover the following countries: Austria, Belgium, Czech Republic, Denmark, Estonia, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Spain, Sweden, Switzerland, Turkey and the United Kingdom.

**COGEN Europe** is Europe's umbrella organisation representing the interests of the cogeneration industry, users of the technology and promoting its benefits in the EU and the wider Europe. The association is backed by the key players in the industry including gas and electricity companies, ESCOs, equipment suppliers, consultancies, national promotion organisations, financial and other service companies.

**EFIEES** represents Energy Efficiency Service Companies. These companies ensure an overall management of energy demand to end-users. They provide operational maintenance and management of equipments of their industrial, tertiary and residential customers (collective or individual), public or private: this covers, in particular, sportive installations schools and hospitals. They commit, by long-term contract, on a technical, financial, economic and environmental performance. Their remuneration is based on the performance commitment, defined on compliance with operating quality standards and/or delivery on supply of improvements in energy efficiency. EFIEES' members represent 25 million tons of  $CO_2$  in 13 EU Member States, emitted by district heating networks and by "outsourced" combustion industrial installations they run. They employ 130.000 people across EU with a turn-over of 30 billion of Euros.

**The European Copper Institute** is a joint venture between the world's mining companies (represented by the International Copper Association, Ltd) and the European copper industry. Its mission is to promote copper's value to modern society, including its essentiality for health, technology and the quality of life. As one example, higher copper usage will be required to meet the recently approved EU Mandatory Energy Performance Standards for electric motors. Full implementation will deliver electricity savings of 135 TWh/year (more than the annual electricity consumption of Finland and Greece) and avoid 63 million tonnes of CO<sub>2</sub> emissions.

**ELC Federation** - Created in 1985, the European Lamp Companies Federation (ELC) is both the forum and the voice of the lamp industry in Europe. It represents the leading European lamp manufacturers, which collectively directly employ 50,000 people, and account for 95 percent of total European production, with an annual turnover in Europe of 5 billion euros. From the outset, ELC objectives have been to promote efficient lighting practice for a sustainable environment and the advancement of human comfort, health and safety. To this end, ELC monitors, advises and co-operates with legislative bodies in developing European Directives and Regulations relevant to the European lamp industry.

The European Alliance of Companies for Energy Efficiency in Buildings (EuroACE) represents Europe's leading companies involved with the manufacture, distribution and installation of energy savings goods and services for buildings. With a total turnover of 140 billion euros and employing 328,000 people, the EuroACE mission is to help Europe move towards a more sustainable pattern of energy use in buildings.

**Eurima** is the European Insulation Manufacturers Association and represents the interests of all major mineral wool insulation producers throughout Europe. Eurima members employ directly over 20,000 people across Europe, with the installation of insulation products accounting for an estimated additional 300,000 man-years annually.

**Glass for Europe** is the trade association for Europe's manufacturers of building, automotive and transport glass, all derived from flat glass. Glass products not only provide light, comfort, style, security and safety, they are also essential to energy-efficient buildings, houses and transport. Windows containing high-performance glass such as low-e insulating glass, which helps keep warmth in, and solar-control glass, which reflects unwanted heat away, help reduce energy consumption, while high-transmission glass used in solar panels helps to provide a renewable source of energy. Glass for Europe has four members accounting for nearly 90% of the EU's flat glass production: AGC Glass Europe, NSG-Pilkington, Saint-Gobain Glass and Sisecam-Trakya Cam and works in association with Guardian.

**PU-Europe** is the European association representing the rigid polyurethane insulation industry. Its products help to save energy in a wide variety of applications in buildings, district heating, cooling and refrigeration, and industrial systems. PU-Europe members have a total turnover of Euro 4 billion and provide 18,000 jobs.