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**Climate Network Europe, Greenpeace, and WWF
Position Paper on:
The Action Plan to Improve Energy Efficiency in the
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Introduction

Climate Network Europe (CNE), Greenpeace, and the World Wide Fund for Nature (WWF) support the goal of promoting the efficient use of energy that is set in the European Commission's Action Plan. Greatly improved energy efficiency is essential if the European Union is to meet its commitments under the Kyoto Protocol to reduce emissions of greenhouse gases (GHGs) by 8 percent by 2008-2012.

Making energy efficiency happen

There are a number of key areas identified in the Action Plan that should be translated into immediate implementation. Along with the proposed Directive on Renewable Energy, these measures would be more than enough to reduce GHG emissions by 8 percent by 2008-2012¹.

In addition, the Action Plan lacks measures to control and reduce energy demand. Although most EU energy policies refer to energy efficiency, it tends to get ignored in practice. Demand-side management, including management of transport, must be included in European policy analyses so that its advantages can be measured against other policy proposals. To ensure this happens, the Council should adopt the following measures:

1. Integration of energy efficiency into other policies

European Regional Development Funds and Cohesion Funds have budgets that far exceed those for environmental protection, yet they are often used for environmentally detrimental projects such as large road projects. The Action Plan proposes guidelines for incorporating better energy efficiency into such spending; these require clearer definition and strengthening. In addition, efficiency indicators and standards should be developed for structural fund spending, development programmes, EIB infrastructure investments, etc.

2. Directive on energy efficiency in buildings

Commercial buildings are among the fastest-growing energy-consumption sectors for GHG emissions in the EU. Energy savings in space heating and cooling through measures such as HFC/ ozone depleting substances-free insulation and double and triple glazing in residential and office buildings can save large amounts of CO₂ and money, while simultaneously creating many jobs. The SAVE Directive, which contains measures for Member States to promote energy efficiency in buildings and other end-use sectors, urgently requires strengthening. A Directive is needed to

¹ See "European Climate Change Programme: Ensuring the Effectiveness", Position Paper on the European Climate Change Programme, September 2000. Available on www.climnet.org.

enforce national legislation to retrofit existing buildings according to best available practice and establish “low energy house” standards for new buildings, including a labelling scheme for energy efficiency in houses. It should also have a compliance regime. Efficient heat use in buildings could allow savings of almost 10 percent of EU 1990 CO₂ emissions by 2010.

3. Energy efficiency standards for appliances

Energy efficiency improvement potentials of 40-60 percent exist for most electrical appliances, often based on minimum life-cycle cost models. Minimum standards for efficient electric appliances could deliver emission reductions of 90 million tonnes of CO₂ by 2010. The financial return of more efficient appliances is generally positive but is not perceived as such. Efficiency standards evolving with best available HFC/ ozone depleting substances-free technologies, based on minimum life-cycle cost analysis, must be adopted to harness these benefits. This approach should also be used in energy labelling, updating the different energy classes.

4. Directive on combined heat and power (CHP) – cogeneration

Cogeneration provides a large and low-cost CO₂ reduction potential: a doubling of cogeneration by 2010 can save up to 150 MtCO₂, or about 5 percent of 1990 CO₂ emissions. Unfortunately, the current, incomplete liberalisation of the electricity market has caused serious problems for cogeneration in many countries, partly because the general fall in prices favours the cheapest, which is often the dirtiest, power supply. A Directive with binding targets for the doubling of cogeneration to about 18 percent of domestic electricity consumption by 2010 is necessary.

5. Public procurement

Public sector spending accounts for 40-50% of the EU economy, so public procurement of energy-efficient, HFCs/ ozone depleting substances-free technologies could have a very profound effect on overall energy efficiency. Until recently, however, public authorities were not allowed to judge their spending decisions on energy efficiency. The Action Plan proposes to define criteria by which energy efficiency can be taken into account: this should be done as a matter of urgency. In addition, as much pressure as possible should be placed on purchasers to consider energy efficiency.