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Committee on Industry, Research and Energy

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DRAFT REPORT

on an Action Plan for Energy Efficiency: Realising the potential (2007/2106(INI))

Committee on Industry, Research and Energy

Rapporteur: Fiona Hall

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CONTENTS

	Page
MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION	3
EXPLANATORY STATEMENT	10

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on an Action Plan for Energy Efficiency: Realising the potential (2007/2106(INI))

The European Parliament,

- having regard to the Commission Communication of 19 October 2006 Action Plan for Energy Efficiency: Realising the potential (COM(2006)0545),
- having regard to the Commission staff working document (SEC(2006)1173) Accompanying document to the Commission Communication (COM(2006)0545),
- having regard to the impact assessment of the Action Plan (SEC(2006)1174), and the executive summary (SEC(2006)1175),
- having regard to the Commission Communication of 10 January 2007 entitled An Energy Policy for Europe (COM(2007)0001),
- having regard to the Presidency Conclusions of the European Council of 8 and 9
 March 2007 concerning the Council's endorsement of a 'European Council Action Plan (2007-2009) Energy Policy for Europe' (7224/07),
- having regard to Council Directive 92/75/EEC of 22 September 1992 on the indication by labelling and standard product information of the consumption of energy and other resources by household appliances¹,
- having regard to Directive 2002/91/EC of the European Parliament and of the Council of 16 December 2002 on the energy performance of buildings²,
- having regard to Directive 2004/8/EC of the European Parliament and of the Council of 11 February 2004 on the promotion of cogeneration based on a useful heat demand in the internal energy market³,
- having regard to Directive 2005/32/EC of the European Parliament and of the Council of 6 July 2005 establishing a framework for the setting of eco design requirements for energy-using products⁴,
- having regard to Directive 2006/32/EC of the European Parliament and of the Council of 5 April 2006 on energy end-use efficiency and energy services⁵,
- having regard to Council Decision 2006/1005/EC of 18 December 2006 concerning the conclusion of the Agreement between the Government of the United States of

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¹ OJ L 297, 13.10.1992, p. 16. Directive as amended by Regulation (EC) No 1882/2003 of the European Parliament and of the Council (OJ L 284, 31.10.2003, p. 1).

² OJ L 1, 4.1.2003, p. 65.

³ OJ L 52, 21.2.2004, p.50.

⁴ OJ L 191, 22.7.2005, p. 29.

¹ OJ L 114, 27.4.2006, p. 64.

- America and the European Community on the coordination of energy-efficiency labelling programmes for office equipment¹ and to the text of the above mentioned agreement²,
- having regard to Decision No 1639/2006/EC of the European Parliament and of the Council of 24 October 2006 establishing a Competitiveness and Innovation Framework Programme (2007 to 2013)³ and in particular its Chapter III concerning the "Intelligent Energy Europe Programme",
- having regard to Decision No 1982/2006/EC of the European Parliament and of the Council of 18 December 2006 concerning the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007-2013)⁴,
- having regard to Regulation (EC) No 761/2001 of the European Parliament and of the Council of 19 March 2001 allowing voluntary participation by organisations in a Community eco-management and audit scheme (EMAS)⁵,
- having regard to its resolution of 1 June 2006 on Energy efficiency or doing more with less - Green Paper⁶,
- having regard to its resolution of 14 December 2006 on a European strategy for sustainable, competitive and secure energy - Green paper⁷,
- having regard to Rule 45 of its Rules of Procedure,
- having regard to the report of the Committee on Industry, Research and Energy and the opinions of the Committee on Economic and Monetary Affairs, the Committee on the Environment, Public Health and Food Safety and the Committee on Regional Development (A6-0000/2007),
- A. Whereas chaotic climate change will result if global temperatures rise by more than 2 degrees Celsius above pre-industrial levels; whereas drastic cuts in carbon emissions are necessary by 2015 if the rise in global temperatures is to be kept to no more than 2 degrees Celsius; whereas using energy more efficiently is the most immediate and most cost-effective way of reducing carbon emissions;
- B. Whereas energy efficiency has a crucial role to play in reducing the European Union's dependency on energy imports and in limiting the effect of energy price shocks;
- C. Whereas the impact assessment of the Action Plan for Energy Efficiency acknowledged a lack of enforcement capabilities at all policy-making levels within

² OJ L 381, 28.12.2006, p. 24.

² OJ L 381, 28.12.2006, p. 26.

⁴ OJ L 310, 9.11.2006, p. 15.

⁵ OJ L 412, 30.12.2006, p. 1.

⁶ OJ L 114, 24.4.2001, p. 1. Regulation last amended by Council Regulation (EC) No 1791/2006 (OJ L 363, 20.12.2006, p. 1).

⁷ OJ C 298 E, 8.12.2006, p. 273.

⁸ Texts adopted, P6 TA(2006)0603.

- the Commission and estimated that an additional 20 staff would be necessary to make the Action Plan a success;
- D. Whereas Directive 2002/91/EC on the energy performance of buildings has been properly transposed by only five Member States;
- E. Whereas Directive 2006/32/EC on energy end-use efficiency and energy services requires Member States to submit a National Energy Efficiency Action Plan (NEEAP) to the Commission by 30 June 2007; whereas by 1 September 2007 the Commission had received only nine NEEAPs;
- 1. Welcomes the abovementioned 2006 Action Plan for Energy Efficiency and applauds its objectives and scope;
- 2. Considers that a target of improving energy efficiency by over 20% by 2020, in addition to any improvements due to autonomous structural or price effects, is entirely feasible technically and economically, and calls on the Commission and the Member States to ensure that this target is met;
- 3. Notes with grave concern that implementation by Member States of existing legislation on energy efficiency is incomplete and behind schedule;
- 4. Censures the failure to put in place the number of Commission officials necessary to make sure that both the Action Plan and the energy efficiency legislation on which it builds are implemented fully and promptly;
- 5. Deplores the fact that, of 21 Commission actions scheduled in the Action Plan for completion in 2007 only three had been fully carried out by 1 September 2007 and deplores the severe slippage in the timetable for the adoption of minimum energy performance standards for priority product groups;
- 6. Censures the failure of many Member State governments to prioritise full and prompt transposition of and compliance with energy efficiency legislation, despite rhetoric about tackling climate change and reducing EU fuel imports;
- 7. Calls for an urgent and frank assessment, in the Commission and in each Member State, of the capacity shortfalls and other barriers which to date have led to inadequate implementation of energy efficiency legislation, and of how these shortfalls and barriers can be overcome;
- 8. Notes in particular the widespread lack of simple, immediate information and organisational support on energy efficiency at the point of need, which may arise suddenly (e.g. when a domestic appliance or other equipment breaks down) or be connected with particular events (e.g. moving house); believes that a lack of attention to the practical needs of citizens is undermining many energy efficiency schemes and therefore stresses the importance of practical help and up-front funding;

Equipment and appliances

- 9. Welcomes the strategy of adopting minimum energy performance standards in conjunction with a dynamic revision of labelling;
- 10. Approves the adding of domestic lighting to the list of priority product groups and calls on the Commission to establish a full timetable for the withdrawal of the most inefficient lightbulbs from the market, in line with the European Council conclusions of March 2007;
- 11. Welcomes the emphasis on stand-by loss reduction; calls on the Commission to come forward with a 'one watt' stand-by performance requirement and an analysis of the potential energy savings to be made from eliminating stand-by mode altogether;
- 12. Welcomes the signing of a new Energy Star Agreement with the United States and the inclusion of a mandatory public procurement provision; urges the Commission to take forward negotiations on extending the scope of EU-US Energy Star cooperation;
- 13. Welcomes the proposal to establish by 2010 minimum performance standards for all other significant energy using appliances and equipment; calls on the Commission to start with the least energy-efficient products on the market, such as patio heaters;
- 14. Urges rigorous implementation of the 2006 requirements relating to the installation of smart meters in order both to raise consumer awareness of electricity use and to help electricity suppliers manage demand more effectively;

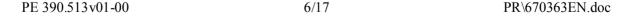
Building performance requirements

- 15. Given the long life of buildings, notes the paramount importance of ensuring that new buildings are constructed to the highest energy efficiency standards possible and that existing buildings are upgraded to contemporary standards;
- 16. Calls on the Commission to revise the Energy Performance of Buildings Directive to include from 2009 within Article 6 all buildings requiring heating or cooling, regardless of size;
- 17. Welcomes the proposal to require minimum performance requirements for new and renovated buildings and for building components such as windows;
- 18. Calls on the Commission to propose a binding requirement for all new buildings requiring heating and/or cooling to be constructed to passive house or equivalent non-residential standards from 2011, and a requirement to install heating and cooling technologies from 2008;

Power generation and distribution

19. Urges Member States to include in their NEEAPs plans to increase high-efficiency co-generation, to move to the holistic planning of electricity, heating and cooling supply and to remove administrative barriers to small-scale and micro co-generation; urges the Commission to look unfavourably on NEEAPs which fail to do this;

Transport



- 20. Calls on the Commission to set minimum energy performance requirements for all transport modes;
- 21. Calls for binding annual car emissions limits to be set so as to ensure that, by means of engine improvements alone, average emissions from all new passenger cars sold from 1 January 2015 onwards do not exceed 120g CO₂/km, and from 1 January 2020 onwards do not exceed 95g CO₂/km;
- 22. Calls for amendment of Directive 1999/94/EC of the European Parliament and of the Council of 13 December 1999 relating to the availability of consumer information on fuel economy and CO₂ emissions in respect of the marketing of new passenger cars¹ to enable car labelling on the clear A to G format used in appliance labelling; proposes that a minimum of 20% of any space devoted to the advertising and marketing of new cars should provide information on fuel efficiency and emissions;

Financial arrangements and regional policy

- 23. Notes the importance of access to structural funding to finance energy efficiency, through bodies such as the European Investment Bank and the European Bank for Reconstruction and Development and also through private banking schemes;
- 24. Calls on the Commission to raise from 3% to 5% the proportion of structural and cohesion funding which may be spent on improving the energy efficiency of existing homes, and to encourage Member States to take full advantage of this opportunity;
- 25. Regrets the complexity of much EU financing for energy efficiency, notwithstanding the existence of the Joint European Resources for Micro to Medium Enterprises Initiative (JEREMIE); notes that the lack of simple and accessible funding constitutes a huge barrier for small businesses and micro businesses in particular, which do not have the necessary capacity to access complex programmes;
- 26. Calls for micro businesses to be treated like domestic households and offered very simple financing for energy efficiency improvements, such as upfront grants;

Taxation

- 27. Calls on the Council to agree to the removal in all Member States of value added tax on materials and components which improve energy efficiency in buildings;
- 28. Welcomes the Commission's decision to evaluate the effectiveness of tax credits both for consumers buying the most energy-efficient appliances and for enterprises who produce and promote such equipment;
- 29. Notes that taxation falls within the competence of the Member States; believes that taxation measures of the Member State's choice should be an element of all NEEAPs;
- 30. Calls on all Member States to introduce specific tax incentives to encourage households, micro businesses and private landlords to take energy efficiency measures:

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PE 390.513v01-00

¹ OJ L 12, 18.1.2000, p. 16. Directive last amended by Regulation (EC) No 1882/2003.

Changing behaviour

- 31. Agrees that education and training programmes on energy efficiency have a key role to play; notes that rolling out innovative techniques for construction and energy management will require a large cadre of appropriately skilled workers; is concerned that Member States have not yet produced adequate training programmes for energy-efficiency related skills; calls for human resource requirements to be regarded as an essential element in NEEAPs;
- 32. Agrees that energy efficiency starts at home; calls on the Commission, 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;

Cities

33. Recognises the importance of exchanging and promoting best urban practice on energy efficiency; suggests that the existing Eurocities forum could be an effective vehicle for doing this;

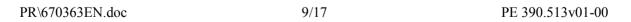
The global dimension

- 34. Applauds the Commission's determination to pursue international agreements on energy efficiency, both bilaterally and multilaterally; calls for these agreements to embrace not only a shared commitment to minimum energy efficiency performance the standards but also sharing of energy efficiency technology; notes the strategic imperative of technology diffusion, which requires a public interest approach to intellectual property rights;
- 35. Acknowledges the on-going work at technical level on shared energy efficiency standards, particularly with China; is concerned that this work is undermined by the lack of co-ordination between Member States, giving rise to confusion in third countries; calls for an integrated approach on standards;
- 36. Notes the widespread concern that Russia will not be able to meet its domestic and contractual gas demand and urges the Commission in the interests of energy security 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;
- 37. Welcomes the Council initiative for an Africa-EU Energy Partnership and calls for this partnership to prioritise energy-efficient and sustainable growth in Africa;

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38. Instructs its President to forward this resolution to the Council, the Commission and the parliaments and governments of the Member States.

PE 390.513v01-00 8/17 PR\670363EN.doc



EXPLANATORY STATEMENT

The context

Latest scientific evidence suggests that the world has as little as eight years to tackle global warming. If global temperatures rise more than 2°C above pre-industrial levels, climate change is predicted to spiral out of control.

Energy efficiency is the most cost effective and immediately available tool in the battle to cap greenhouse gas emissions. A wide range of energy efficient technology already exists and can be introduced with a much shorter lead-in time than is required for major new construction projects.

Energy efficiency is also a crucial tool in the EU's efforts to secure adequate supplies of energy, particularly for those Member States currently dependent on Russian gas. Nor should the importance of energy efficiency in supplier countries be overlooked: the IEA estimates that energy equivalent to a fifth of Russian exports to European OECD countries could be saved through the use of enhanced technology and energy efficiency in Russia.

In addition, energy efficiency has an important role to play in delivering the Lisbon agenda: energy efficiency equates to economic efficiency. The energy efficiency industry is a high growth sector for employment, with building renovation at the forefront of job creation. Commissioner Piebalgs has estimated (Berlin, April 2007) that removing the 1000m2 threshold from the Energy Performance of Buildings Directive Article 6 would lead to an extra 250,000 new jobs as well as savings of 70mtoe and 140MtCO2.

Strategic regulation on energy efficiency is absolutely necessary. Although energy intensity has improved in the EU since 1990 it has not improved enough to counter the year on year rise in GDP, with the result that final energy consumption has nevertheless risen. Trading of carbon emissions now offers a key global tool in tackling climate change but there is no evidence or precedent for market mechanisms alone delivering to a short deadline. To achieve energy saving on the timescale necessary to control climate change requires consumer choice to be exercised within a restricted range of options which are increasingly energy efficient.

The strategic importance of the Commission's Action Plan for Energy Efficiency was underlined by the personal involvement of President Barroso in launching the Plan in October 2006.

Strengths and weaknesses of the Action Plan

The rapporteur welcomes the Action Plan, and in particular the emphasis given to tackling

PE 390.513v01-00 10/17 PR\670363EN.doc



energy wastage from buildings and appliances.

The Plan outlines a strategic approach. For buildings, where over 40% of energy is consumed, tight standards for new buildings will be accompanied by measures to improve the energy efficiency of existing buildings – 75% of which will still be standing in 2050. The rapporteur believes that energy performance standards need to be rigorous and applied to all buildings which require heating and cooling and therefore have an energy demand. For new build, the move towards passive house standards must be accelerated. The technology and expertise necessary to construct passive houses with a minimal heating and cooling requirement already exists but needs to be better disseminated.

On appliances, the Commission proposes a dynamic labelling plan accompanied by measures to take the least efficient products of the market. This needs to be taken forward on a rigorous timetable in order to be effective. The rapporteur believes the approach adopted on appliance labelling also offers an effective approach to tackling carbon emissions from cars, and should be introduced in addition to the measures proposed by the Commission.

While welcoming the thrust of the Action Plan, the rapporteur has very grave concerns about its likely effectiveness. This Action Plan is not a stand-alone document. It refers to and builds upon previous energy efficiency legislation, most notably the Energy Performance of Buildings Directive, the Eco-design Directive and the Energy End use Efficiency and Energy Services Directive. For the current Action Plan to work, previous legislation needs to have been implemented effectively. Nothing could be further from the case.

Both the Commission and Member State governments have been guilty of a serious dereliction of duty over the implementation of energy efficiency legislation. The Commission has failed to put in place the number of staff necessary to ensure full and timely implementation of the Buildings Directive and National Energy Efficiency Action Plans, the cornerstones on which the current EU Action Plan rests. Member States are culpable for failing to grasp the strategic importance of energy efficiency and the need to make it a political priority.

It falls now to the European Parliament to give the political leadership that has been lacking in the other two institutions. EU elected representatives need to keep the fullest glare of scrutiny on the Action Plan, both through the European Parliament and through national parliaments and watchdogs such as Energy Watch, to make sure that the Plan is implemented in full and on schedule.

Annexes:

Source: "Energy and Transport in figures, 2006 - Part 2: Energy", European Commission, DG-TREN in cooperation with Eurostat.

PR\670363EN.doc 11/17 PE 390.513v01-00

Final Energy Consumption by fuel 2004 (Mtoe)

	All fuels	Solid fuels	Oii	Gas	Electricity	Derived heat & Industrial waste	Renewables
EU25	1140.9	52.3	488.1	276.9	227.9	46.7	49.0
	100.0%	4.6%	42.8%	24.3%	20.0%	4.1%	4.3%
BE	37.4	2.3	16.6	10.6	6.9	0.5	0.5
CZ	25.8	4.3	6.7	6.6	4.6	2.7	0.8
DK	15.2	0.3	7.2	1.7	2.8	2.5	0.7
DE	229.9	10.6	90.5	63.0	44.1	15.8	5.9
EE	2.7	0.1	0.9	0.2	0.5	0.5	0.5
EL	20.2	0.6	13.9	0.5	4.3	0.0	1.0
ES	94.3	1.9	52.1	16.8	19.8	-	3.8
FR	157.9	4.8	74.0	33.4	35.8	-	9.9
IE	11.5	0.5	7.5	1.3	2.0	-	0.2
IT	131.2	4.1	59.0	40.7	25.4	-	2.0
CY	1.8	0.0	1.4	-	0.3	-	0.1
LV	3.9	0.1	1.2	0.5	0.5	0.6	1.1
LT	4.3	0.2	1.5	0.5	0.7	0.9	0.6
LU	4.4	0.1	3.0	0.7	0.5	0.1	0.0
HU	17.4	0.7	4.5	7.5	2.7	1.2	0.7
MT	0.5	-	0.3	-	0.2	-	-
NL	52.5	1.6	17.4	21.7	8.9	2.6	0.4
AT	25.6	0.5	11.4	4.9	4.8	1.5	2.5
PL	56.9	11.3	17.3	8.3	8.6	7.5	3.9
PT	20.1	0.1	12.2	1.3	3.8	0.3	2.5
SI	4.8	0.1	2.3	0.7	1.1	0.2	0.4
sk	10.0	1.5	2.0	3.1	2.1	1.0	0.3
FI	26.5	1.0	8.2	1.3	7.1	3.6	5.3
SE	34.0	1.2	11.6				
UK	152.0	4.7	65.2	51.0	29.2	1.3	0.7

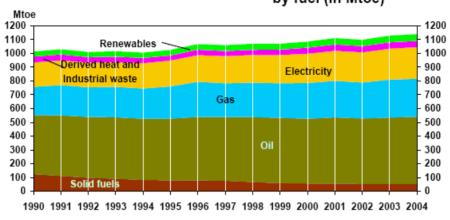
Source: Eurostat

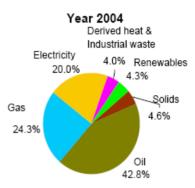
Final Energy Consumption by sector 2004 (Mtoe)

	All sectors	- Industry	- Households, Services, etc.	Households	Services, etc.	- Transport	Road	Railways	Air	Inland navigation
EU25	1140.9	318.9	471.7	299.7	172.1	350.3	289.7	8.6	47.0	5.0
Share	100.0%	27.9%	41.3%			30.7%				
BE	37.4	12.4	14.8	10.0	4.8	10.2	8.5	0.2	1.4	0.1
CZ	25.8	9.8	9.8	5.8	3.9	6.2	5.5	0.3	0.3	0.0
DK	15.2	2.9	7.1	4.3	2.8	5.1	4.0	0.1	0.9	0.1
DE	229.9	58.4	109.0	77.0	31.9	62.6	53.2	1.9	7.3	0.2
EE	2.7	0.6	1.7	1.2	0.5	0.5	0.4	0.0	0.0	0.0
EL	20.2	4.0	8.2	5.4	2.9	8.0	6.0	0.1	1.2	0.7
ES	94.3	30.7	25.3	14.4	10.9	38.4	30.8	1.0	5.0	1.5
FR	157.9	35.9	71.9	41.9	30.0	50.1	42.3	1.3	6.3	0.3
IE	11.5	2.1	4.8	2.9	1.9	4.6	3.8	0.0	0.7	0.0
IT	131.2	41.2	46.0	30.1	16.0	43.9	39.1	0.9	3.7	0.2
CY	1.8	0.5	0.4	0.3	0.2	0.9	0.6	0.0	0.3	-
LV	3.9	0.7	2.2	1.4	0.7	1.0	0.8	0.1	0.0	
LT	4.3	0.9	2.0	1.4	0.7	1.3	1.2	0.1	0.0	0.0
LU	4.4	1.0	0.8	0.6	0.1	2.6	2.2	0.0	0.4	-
HU	17.4	3.4	10.1	6.0	4.1	3.9	3.5	0.2	0.2	0.0
MT	0.5	0.0	0.1	0.1	0.1	0.3	0.2	-	0.1	-
NL	52.5	14.8	22.6	10.4	12.2	15.0	11.0	0.2	3.6	0.3
AT	25.6	7.6	10.2	6.8	3.4	7.7	6.8	0.3	0.6	0.0
PL	56.9	17.7	27.9	17.4	10.5	11.3	10.5	0.5	0.3	0.0
PT	20.1	7.2	5.6	3.0	2.6	7.3	6.3	0.1	0.8	0.0
SI	4.8	1.5	1.9	1.2	0.6	1.4	1.3	0.0	0.0	-
SK	10.0	4.2	4.3	2.7	1.6	1.6	1.5	0.1	0.0	-
FI	26.5	13.2	8.6	5.0	3.6	4.7	3.9	0.1	0.6	0.2
SE	34.0	13.2	12.5	7.1	5.4	8.2	7.0	0.3	0.8	0.1
UK	152.0	34.6	64.0	43.3	20.6	53.5	39.3	0.9	12.2	1.1

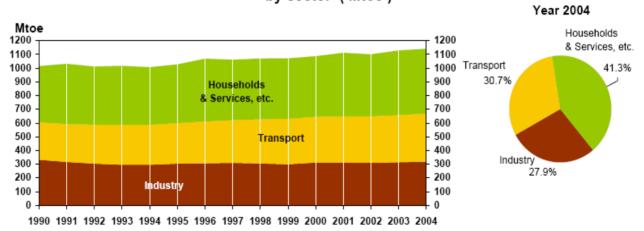
Source: Eurostat

Final Energy Consumption - EU25 by fuel (in Mtoe)





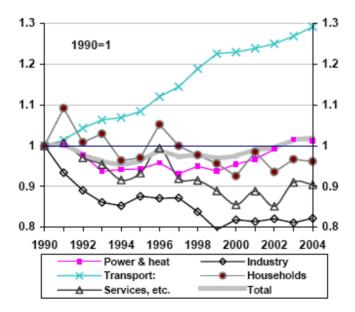
Final Energy Consumption - EU25 by sector (Mtoe)



CO₂ Emissions by Sector

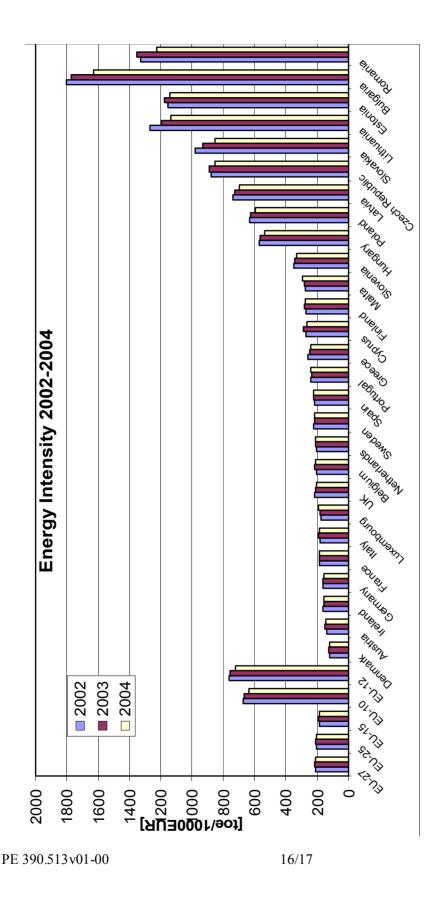
(EU25, Million tonnes CO₂)

	(
							of which			
	Total	Power & Heat Generation *	Industry	Households	Services, etc.	Transport:	- Road	- Air	- Inland Navigation	- Rail
1990	3790	1493	728	489	289	790	672	85	20	12
1991	3810	1504	680	534	291	801	683	86	21	11
1992	3706	1460	648	493	281	824	703	88	22	11
1993	3646	1400	627	503	276	840	715	92	22	11
1994	3608	1406	621	471	265	845	717	96	22	10
1995	3647	1408	638	474	270	857	726	100	21	10
1996	3752	1431	634	514	287	885	749	105	22	10
1997	3684	1391	635	489	266	904	763	110	20	10
1998	3710	1418	610	478	265	939	789	120	20	10
1999	3671	1400	578	467	257	968	812	128	19	9
2000	3692	1425	596	452	247	972	812	134	16	9
2001	3754	1444	593	481	257	979	825	130	15	9
2002	3770	1481	598	457	246	988	836	129	15	8
2003	3845	1517	591	472	263	1002	844	133	17	8
2004	3863	1512	599	470	262	1021	859	139	15	8

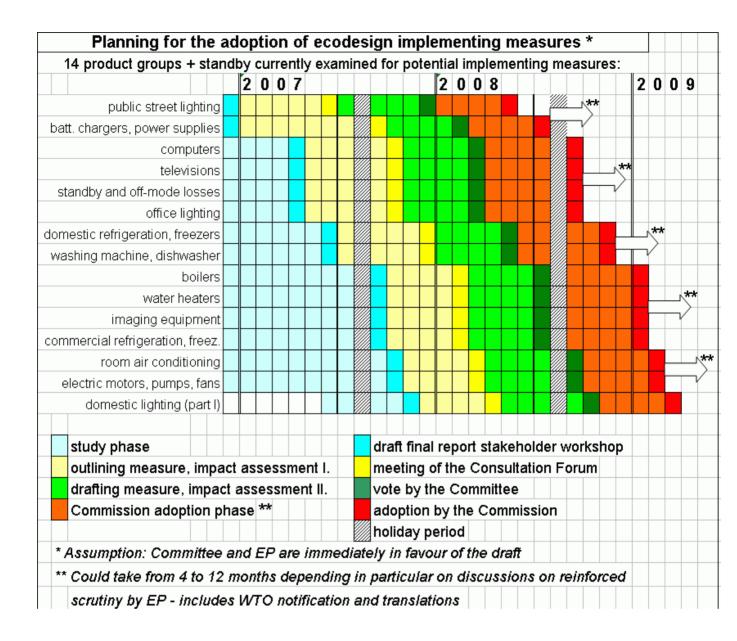


Source: Eurostat

^{*} Note: Includes "own use" by power and heat generation sector



Source: Eurostat in Commission Staff working document on EU energy policy data, SEC (2007)12



Implementing measures under Directive on the Ecodesign of Energy-using Products (2005/32/EC) - State of play and next steps

Source:

http://ec.europa.eu/energy/demand/legislation/images/planning overview first 15 products.gif