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Committee on the Environment, Public Health and Food Safety

2005/2210(INI)

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OPINION

of the Committee on the Environment, Public Health and Food Safety

for the Committee on Industry, Research and Energy

on energy efficiency or doing more with less
(2005/2210(INI))

Draftsman: Péter Olajos

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SHORT JUSTIFICATION

There are several reasons why energy efficiency should be promoted in Europe. Decoupling economic growth and energy demand and achieving a reduction in the overall energy consumption is essential for Europe to reach its goals regarding sustainable development and the fight against climate change.

The recent crisis related to the distribution of Russian natural gas supplies, has put the spotlight on Europe's dependence on imported energy sources, which is projected to increase substantially in the years to come. Curbing our energy demand could be an important part of the solution to this problem. Improving energy efficiency is also likely to have a positive effect on employment in Europe and will help boost the competitiveness of European industry and is thus fully in line with the aims of the Lisbon strategy.

For the above reasons, the Draftsman welcomes the Commission Green Paper and the increase in Community efforts to improve energy efficiency.

Regarding the goals set in the Green Paper, these were determined at a time when oil prices were around 30 USD/barrel, whereas today, they are as high as 70 USD and expected to rise even further. This increase makes it seem appropriate that more ambitious targets be set than the 20% reduction of energy consumption outlined in the Commission proposal.

As a result of improved technology, appliances, vehicles and buildings are now available which use much less energy than before. A quick diffusion of these new technologies can help realise the potential for energy savings that we have today. However, we must be aware that replacing older products with new ones earlier than necessary has a series of negative environmental implications such as increased waste, more pollution as well as the consumption of raw materials during the production process. The Draftsman strongly believes that at all cost we must avoid sending a false message to the European consumers and public procurement agents that they can best help the environment by throwing everything away prematurely.

The compulsory labelling of household appliances under Directive 92/75/EEC has proved a great success and lead to significant improvements in the energy performance of these products. It is precisely this improvement which makes it necessary to systematically review the labelling categories to keep up with technological change by ensuring that the labels remain clear, giving valid information to consumers so as not to mislead them. (Today's refrigerator models, for example, are all rated above category C, but the labels still show a scale of A-G, which gives a false perception of the energy performance of a refrigerator with the rating of B.) The Draftsman believes that the effect of labelling systems could be further enhanced if labels were required to provide estimates of the actual operating costs during the life of the product in question.

Buildings are the largest users of energy in Europe and also have vast potential for increasing efficiency. Since only a small part of Europe's building stock represents the newest technological standards, it is necessary to invest in improving the energy performance of older buildings and not just establishing standards for new constructions. The Draftsman believes

that priority should be given to housing estates of high rise blocks of flats where the savings potential is the highest.

District heating systems are potentially more efficient than separate production, but in most places where these exist (notably the new Member States), the facilities operate with a great loss of energy. Therefore it is also very important to promote the modernisation of these systems, preferably linked to the modernisation of the buildings they supply. The Draftsman believes this is necessary in order to avoid local imbalances between the demand and the supply of heat.

The Draftsman believes that financing the initial investment is most often the main obstacle in the way of - otherwise beneficial - energy efficiency projects. Therefore he considers it important to promote new and innovative forms of financing, through Energy Service Companies (ESCO-s) and clearinghouse facilities, the creation of which generally requires external incentives. He believes that the great financial institutions, such as the European Investment Bank (EIB), the European Bank for Reconstruction and Development (BERD) and the World Bank also have a greater role to play in financing energy efficiency investments and should be encouraged to take up this responsibility.

SUGGESTIONS

The Committee on the Environment, Public Health and Food Safety calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Draws attention to the fact that the oil price on which the energy savings target of 20% in the Green Paper is based is now significantly higher, which results in a substantial increase in the cost-effectiveness of energy efficiency measures; calls therefore on the Commission to raise the savings target accordingly;
2. Calls on the Commission to submit a coherent strategy for safeguarding energy supplies, increasing energy efficiency and promoting renewable energies; considers that the various fields of policy should complement one another with regard to this subject and that, given the numerous initiatives, rules and projects which exist at EU level, it is in many cases impossible for consumers to recognise their respective goals;
3. Considers that increased investments in renewable sources of energy and energy savings technologies are crucial as they are key tools to decrease energy demand, fight climate change and ensure energy supply and that the EU could also benefit greatly by exporting these technologies to countries whose expected exponential increase in energy consumption will force them to invest considerable amounts in environmental technologies; therefore calls for the 7th Research framework programme (2007-2013) to guarantee substantial funds in favour of these technologies;
4. Recalls that roughly 59% of the oil consumed in Europe in 2004 was used by the transport sector, with the remaining 17% used in buildings, 16% in non-energy uses and 8% in industry; notes that the Commission expects energy demand in the transport sector to grow by at least 30% until 2030, with an increase of up to 5% per year for air transport, which will increase emissions and dependency on imported energy;
5. Calls therefore on the Commission to propose a programme which will lead the EU towards the most energy-efficient economy in the world by 2020, transport definitely being a component of this energy-efficient economy;
6. As far as the transport sector is concerned, calls for a comprehensive strategy to phase out fossil fuel use in, and to minimise CO₂ emissions from, the transport sector, including greatly increased production and use of the latest technology biofuels in accordance with the Commission's biofuels strategy and much higher fiscal incentives for low-emission vehicles as already proposed by the Commission in its proposal for a Council Directive on passenger car related taxes (COM(2005)0261);
7. Considers it also urgent that the Commission submit proposals for sustained, long-term improvement in energy efficiency and conservation in the transport sector, including legislative proposals to achieve (a) twice as fuel-efficient cars and vans; (b) a transfer of traffic from road and air to rail and water; (c) more public transport;
8. Considers that, in order to reduce the environmental impact of the EU's 1725 mtoe of

energy consumption, approximately half of which is imported and some 1500 mtoe of which consists of climate damaging fossil fuel use, the EU's energy strategy should concentrate initially on the total substitution of fossil fuel use in the transport sector by 2030 and a substantial increase in the use of renewables in the electricity generating sector with a view to reducing GHG emissions by 60-80% over 1990 levels by 2050;

9. Considers the growth of transport - notably road transport - to be one of the main obstacles to curbing Europe's energy demand; calls on the Commission to examine the progress under the voluntary agreement with European car manufacturers and, if necessary, consider additional measures to reach the targets set;
10. Considers that captive fleets, particularly in big cities, offer a good potential for promoting new and more efficient solutions for urban mobility; calls on Member States to use public procurement and tax relief for the promotion of more efficient means of transport, thus contributing to build up the markets for cleaner and more efficient vehicles and fuels;
11. Believes that the promotion of intermodality will have very positive effects in terms of optimising energy consumption in the transport sector; underlines that the congestion of infrastructures can only be avoided in an effective way by developing the Trans-European Transport Networks and adopting measures to make rail and maritime transport more efficient and competitive;
12. Underlines that for energy using appliances (as well as buildings and vehicles), the aim has to be the reduction of the overall environmental impact throughout their entire life-cycle; calls on the Commission to initiate further studies, also for the building sector and for vehicles, in order to determine these life-cycle minima (including the environmentally optimal timing of replacement) and to have further studies carried out in those fields of energy saving where no reliable statements can so far be made.
13. Considers labelling an effective way to promote energy efficiency and calls on the Commission to continue in this direction by systematically reviewing and simplifying the label categories created under Directive 92/75/EEC and introducing labels by means of which consumers can recognise potential savings;
14. Calls for the early introduction of an 'energy consumption per kilometre' label for the transport sector so that consumers can choose, for example, between rail, air and car travel in the light of an understanding of the energy implications;
15. Considers furthermore that the European car labelling system needs to be reinforced by measures to promote the market penetration of low CO₂ emission and/or biohydrogen-fuelled vehicles, as well as wider measures such as much greater enforcement of speed limits, improving road and traffic management systems and infrastructure as well as supporting improved driving skills;
16. Stresses the need to broaden the scope of Directive 2002/91/EC on the energy performance of buildings to include significant renovations of buildings of all sizes and to provide adequate financing to accelerate the renovation of building blocks with the highest savings potential; where applicable, these projects should be combined with the renovation of the district heating systems supplying these buildings while noting that,

below a critical population threshold, district heating is not viable.

17. district heating systems refurbishment and modernisation as well as co-generation should be strongly supported by means of clear targets and incentives;
18. Urges that the buildings of the European institutions should comply with the highest standards in the field of energy efficiency so that these buildings become the centre of innovation;
19. Urges that the Commission pursue a convincing enforcement policy in order to avert the danger that important energy efficiency directives may be insufficiently complied with;
20. Stresses the need for Member States to adopt national energy efficiency action plans based on ambitious and realistic mandatory annual targets; calls on the Member States to provide adequate funding for the implementing agencies and programmes at national and local level;
21. Notes that electricity transmission and distribution are responsible for the loss of up to 10% of the electricity produced; draws attention to the fact that in some Member States these losses account for more than 20% of the electricity produced; calls on the Member States to take urgent action to minimise the losses in electricity transmission and distribution networks;
22. Stresses the need to promote the creation of clearinghouse facilities, energy service companies (ESCOs) and energy efficiency service companies to facilitate the realisation of energy efficiency projects;
23. Calls on the Commission and the Member States to encourage major financing institutions to prioritise investments in energy efficiency and alternative energy sources and to consider energy efficiency aspects during the selection of projects to be financed; calls on the Member States and local authorities to eliminate obstacles to the financing of energy efficiency; calls for subsidy schemes to promote energy-efficient behaviour;
24. Calls on the Commission and the Member States to include a high level of energy efficiency among public procurement selection criteria;
25. Considers that multilateral banks and public financial institutions should create an Energy Efficiency Fund granting money for energy efficiency projects; believes that energy objectives should also be integrated into other sectoral policies (i.e. fiscal policy, transport and cohesion policy); believes furthermore that innovative financing schemes and contractual tools, such as micro-credits and joint ventures between private companies and municipalities, must be proposed in order to actively involve local partners and decision-makers;
26. Points out that EU regional policy funds could also be used to finance inter-regional projects providing know-how transfer to the Member States and regions lacking advanced technology development for energy efficiency;
27. Supports measures to achieve the wider application of energy efficient technology

solutions that are already available; calls for initiatives to reinforce instruments for financing energy efficiency and investing in material efficiency;

28. Calls on the Commission to review energy efficiency measures to ascertain their acceptance by consumers and to concentrate its efforts only on those measures which can be manifestly successful as quickly as possible;
29. Calls on the Commission to disseminate more information about trends on energy markets, thereby cultivating awareness of the problem among consumers;
30. Calls on the Commission to make full use of the experience gained from SAVE and Energy Intelligent Europe projects among Member States and to multiply its efforts by disseminating and sharing best practices;
31. Notes that energy consumption is strongly related to energy price, and considers it especially important to promote the spread of best practice to Member States where the progress towards energy efficiency is slowed down by energy price subsidies;
32. Calls on the Commission to initiate studies on the impact of all relevant EU policies on energy demand;
33. Calls on the Commission and the Member States to encourage local authorities to take innovative steps to ensure efficient use of energy resources, including by stepping up the production of energy from alternative sources using tax relief and increased financial support from the European Union;
34. Stresses that the effects of the white certificate system should be precisely ascertained before its possible introduction; notes that there are also other ways of achieving the same savings;
35. Stresses that a diverse energy production structure is important in the interests of security of supply and competition; stresses that it must be possible to consider all electricity production technologies and energy sources in order to ensure that dependence on fossil fuels does not increase further and so as to avoid jeopardising the attainment of other energy-policy objectives such as increasing the use of renewable energy;
36. Calls on the Commission to explore the potential for intelligent use of ICT (information and communication technologies) to enhance energy and material efficiency, through dematerialisation, intelligent buildings, transport substitution etc. and to provide the necessary policy frameworks to encourage such developments;
37. Calls on the Commission to explore the opportunities provided by the internal electricity market to use energy more efficiently, making the most of the comparative advantage in selected countries for efficient as well as low carbon power production and considering at the same time whether the system of national emission reduction quotas makes sense in a situation with increased trans-border trade;

PROCEDURE

Title	Energy efficiency or doing more with less
Procedure number	2005/2210(INI)
Committee responsible	ITRE
Opinion by Date announced in plenary	ENVI 17.11.2005
Enhanced cooperation – date announced in plenary	
Drafts(wo)man Date appointed	Péter Olajos 14.12.2005
Previous drafts(wo)man	
Discussed in committee	21.2.2006
Date adopted	21.3.2006
Result of final vote	+: 51 -: 0 0: 0
Members present for the final vote	Adamos Adamou, Liam Aylward, Johannes Blokland, John Bowis, Frederika Brepoels, Martin Callanan, Dorette Corbey, Chris Davies, Avril Doyle, Mojca Drčar Murko, Edite Estrela, Jillian Evans, Anne Ferreira, Matthias Groote, Françoise Grossetête, Gyula Hegyi, Mary Honeyball, Marie Anne Isler Béguin, Caroline Jackson, Eija-Riitta Korhola, Holger Kraemer, Urszula Krupa, Aldis Kušksis, Peter Liese, Linda McAvan, Roberto Musacchio, Riitta Myller, Péter Olajos, Miroslav Ouzký, Vittorio Prodi, Frédérique Ries, Guido Sacconi, Karin Scheele, Carl Schlyter, Horst Schnellhardt, Richard Seeber, Jonas Sjöstedt, Bogusław Sonik, María Sornosa Martínez, Antonios Trakatellis, Evangelia Tzampazi, Thomas Ulmer, Marcello Vernola, Åsa Westlund
Substitute(s) present for the final vote	Alfonso Andria, María del Pilar Ayuso González, Bairbre de Brún, Jutta D. Haug, Miroslav Mikolášik, Andres Tarand, Claude Turmes
Substitute(s) under Rule 178(2) present for the final vote	
Comments (available in one language only)	...