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DRAFT OPINION

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

for the Committee on Industry, Research and Energy

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

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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. 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);
3. Considers labelling an effective way to promote energy efficiency and calls on the Commission to continue in this direction by systematically reviewing the label categories created under Directive 92/75/EEC, extending labelling to a wider range of appliances as well as vehicles, and creating labels which inform the consumer of the actual cost implications.
4. Stresses the need to broaden the scope of Directive 2002/91/EC on the energy performance of buildings to include all renovations 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;
5. Stresses the need for Member States to adopt national energy efficiency action plans based on mandatory annual targets;
6. Stresses the need to promote the creation of clearinghouse facilities and Energy Service Companies (ESCOs) to facilitate the realisation of energy efficiency projects;
7. Calls on the Commission and the Member States to encourage major financing institutions to prioritise investments in energy efficiency and to consider energy efficiency aspects during the selection of projects to be financed.