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DRAFT REPORT

on Revision of the Energy Efficiency Action Plan
(2010/2107(INI))

Committee on Industry, Research and Energy

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on Revision of the Energy Efficiency Action Plan (2010/2107(INI))

The European Parliament,

- having regard to the Commission Communication of 19 October 2006 entitled ‘Action Plan for Energy Efficiency: Realising the Potential’ (COM(2006)0545),
- having regard to the Commission Communication of 23 January 2008 entitled ‘20 20 by 2020 - Europe’s climate change opportunity’ (COM(2008)0030),
- having regard to the Commission Communication of 13 November 2008 entitled ‘Energy efficiency: delivering the 20% target’ (COM(2008)0772),
- having regard to the Commission Communication of 10 January 2007 entitled ‘An Energy Policy for Europe’ (COM(2007)0001), followed by the Commission Communication of 13 November 2008 entitled ‘Second Strategic Energy Review - an EU energy security and solidarity action plan’, with accompanying documents (COM(2008)0781),
- having regard to Regulation (EC) No 663/2009 of the European Parliament and of the Council of 13 July 2009 establishing a programme to aid economic recovery by granting Community financial assistance to projects in the field of energy (European Energy Programme for Recovery)¹,
- 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 services and repealing Council Directive 93/76/EEC (Energy Services Directive)²,
- having regard to Directive 2010/30/EU of the European Parliament and of the Council of 19 May 2010 on the indication by labelling and standard product information of the consumption of energy and other resources by energy-related products³,
- having regard to Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings⁴,
- having regard to the Commission stocktaking document of 7 May 2010 entitled ‘Towards a New Energy Strategy for Europe 2011-2020’,
- having regard to the independent study entitled ‘Company Car Taxation. Subsidies, welfare and economy’, prepared at the request of the Commission⁵,

¹ OJ L 200, 31.7.2009, p. 31.

² OJ L 114, 27.4.2006, p. 64.

³ OJ L 153, 18.6.2010, p. 1.

⁴ OJ L 153, 18.6.2010, p. 13.

⁵ Copenhagen Economics,

http://ec.europa.eu/taxation_customs/resources/documents/taxation/gen_info/economic_analysis/tax_papers/taxation_paper_22_en.pdf

- having regard to its resolution of 3 February 2009 on the Second Strategic Energy Review¹,
 - having regard to Article 194 of the Treaty on the Functioning of European Union,
 - having regard to Rule 48 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 the Environment, Public Health and Food Safety and the Committee on Regional Development (A7-0000/2010),
- A. whereas energy saving is the most cost-effective and fastest way to reduce CO₂ and other emissions and increase security of supply, and therefore energy efficiency should be a key priority of any future EU strategy, in particular of its 2020 Strategy,
 - B. whereas there are economic advantages to energy savings; whereas the EU's imports of energy are rising and worth €332 billion in 2007, and according to Commission figures energy benefits per year can amount to over €1 000 per household² and successful attainment of the energy efficiency target has the potential to save the EU some €100 billion and cut emissions by almost 800 million tonnes a year,³
 - C. whereas efforts need to be stepped up to reach the 20% energy efficiency target by 2020 and whereas monitoring of progress towards achieving the target is not sufficient,
 - D. whereas the payback period for investments in energy efficiency is short and investments create new jobs in rural as well as in urban areas which can to a large extent not be outsourced, in particular in the construction sector and within SMEs,
 - E. whereas using public funds in revolving financial instruments for giving financial incentives to energy efficiency measures has the advantage, at times of budgetary constraints, that it makes it possible to sustain most of these funds over time,
 - F. whereas the demand side has been the driver for increased energy consumption and there is a real need to address market barriers to more energy-efficient products,
 - G. whereas buildings are responsible for about 40% of energy consumption and about 36% of greenhouse gas emissions in the EU⁴ and whereas construction represents a large part of the EU economy with about 12% of the EU GDP,
 - H. whereas industrial electrical motors consume 30%-40% of the electrical energy generated worldwide and whereas proper optimisation of relevant motor systems, primarily by using speed regulation, can save between 30% and 60% of energy consumed,

1. Compliance with and implementation of existing legislation

¹ OJ C 67E , 18.3.2010, p. 16.

² COM(2008)0772, p. 4.

³ COM(2008)0030, p. 8.

⁴ COM(2008)0772, p. 8.

1. Calls on the Commission to present an evaluation of the result of the efforts made by Member States and the Commission; considers that, if the evaluation reveals unsatisfactory implementation of the strategy and the EU is therefore projected not to reach its 2020 target, the EEAP should include a commitment by the Commission to propose further EU measures such as binding energy efficiency targets for the Member States which are fair, measurable and take into account their relative starting positions and national circumstances; stresses that the method should be based on absolute reductions in energy consumption to ensure transparency;
2. Calls on the Commission to present an ambitious Energy Efficiency Action Plan which takes stock of the progress achieved with all measures contained in the 2006 Action Plan, reinforces implementation of energy efficiency measures adopted as outlined in the 2006 Action Plan, which are still under way, and includes new adequate measures to achieve the 2020 target;
3. Calls for a revision of the Energy Services Directive (ESD) to include a so-called scoreboard approach (with flexible targets), which leaves flexibility for Member States to choose in which areas they will focus their effort based on assumptions with regard to cost-efficiency and potential energy savings;
4. Calls on the Commission to include a critical assessment of National Energy Efficiency Action Plans and their implementation, including a binding template for reporting, merge reporting with ESD, energy labelling and eco-design to remove burdens from Member States, and evaluate each Member State's actions and rank them to make sound use of the flexible targets approach;
5. Urges Member States to set up comprehensive market surveillance and compliance-monitoring programmes for the Directives on buildings, eco-design, energy labelling and energy labelling for tyres, in particular regarding imports, and calls on the Commission to monitor the implementation of these programmes and start infringement procedures if necessary;
6. Following the entry into force of the revised Directive, asks the Commission in a few years' time to assess the impact of the mandatory reference to the energy-label scheme in advertisements on consumers' behaviour;

2. Energy infrastructure (production and transmission)

7. Considers that a stronger focus is needed on system innovations such as smart grids, smart metering and energy storage which can facilitate energy efficiency;
8. Calls for a revision of the CHP Directive to promote CHP and district heating/cooling by encouraging Member States to set up a stable and favourable regulatory framework by considering priority access to the electricity grid for CHP and by promoting use of CHP and district heating in buildings and sustainable funding for CHP, e.g. by making CHP a selection criterion for urban and rural development projects financed by the Structural Funds;
9. Calls on Member States likewise to promote the use of CHP by supporting the

establishment and refurbishment of district heating systems rather than supporting CHP generation as such;

10. Welcomes the Commission's ongoing work on smart grids and urges it to support development of smart grids by setting common standards and ensure a long-term stable harmonised regulatory environment throughout the EU;

3. Urban development and buildings

11. Underlines the need to support initiatives which focus on the local and regional level to lower energy consumption and greenhouse gas emissions such as the Covenant of Mayors and the Smart Cities initiative;
12. Calls on the Commission to assess the potential for efficiency in public buildings and propose a mandatory target for the reduction of the energy consumption of public buildings in the Member States;
13. Is convinced that it is key for achieving the energy savings target that public authorities lead the way; acknowledges on the other hand that existing budgetary restrictions in particular at regional and local level often limit the capability of public entities to invest up front; calls on the Commission and the Member States to find innovative solutions to address this problem;
14. Believes that the European Parliament and the Commission should set an example by refurbishing their buildings to nearly zero level by 2020;
15. Asks the Commission to promote new initiatives in support of building refurbishments in the context of the forthcoming innovation strategy, such as an innovation partnership on energy efficiency in energy-efficient/zero-emissions cities;
16. Calls on the Commission and the Member States to promote the introduction of Energy Performance Certificates, one-stop shops providing access to technical advice and support as well as financial incentives available at regional, national and European level;
17. Asks the Commission and the Member States to promote the wider use of energy audits in companies and devise mechanisms for assisting SMEs, in particular, in this respect;
18. Believes that the Commission should finance pilot studies of energy efficiency audits of buildings to verify potential savings and motivate market players to invest in energy-efficient solutions;
19. Asks the Commission to propose minimum energy requirements with regard to street lighting, green procurement and energy refurbishments; urges in this context that it include specification of total lifetime costs for all public procurement of lighting installations by 2012;

4. ICT and products

20. Calls for the rapid and proper implementation of the Directives on Energy Labelling by adopting delegated acts covering new energy-related products; considers that the Directive

on Eco-Design should also cover products for large buildings, industrial equipment, integrated lighting systems in buildings, pumps and water efficiency products and should also include a definition of minimum performance requirements for buildings;

21. Calls on the Commission to put forward specific legislation on resource efficiency of products;
22. Asks the Commission to evaluate the possibility of expanding the scope of the Buildings Directive to cover large buildings, including eco-design requirements for products, and in particular industrial electrical motors, used in large buildings;
23. Calls on the Commission to evaluate legislation and make sure that legislation addresses products, systems and their energy use and considers it necessary to increase the awareness of EU citizens regarding the energy and resource efficiency of consumer and energy-related products; considers that when evaluating energy consumption, applications should be considered as a whole, rather than single part-products only;
24. Welcomes the work by the taskforce on smart meters and asks the Commission to put forward a number of recommendations before the end of 2011 to ensure that:
 - smart metering is implemented in accordance with the timetable of the 3rd Energy Market Package,
 - Member States agree by the end of 2011 on common functionalities for smart meters,
 - the Commission and Member States establish a concrete target for the number of homes fitted with smart meters by 2020;
25. Calls on the Commission to include in the SET Plan a strand for the development and promotion of technology and products fostering energy and resource efficiency;

5. Transport

26. Asks the Commission to publish an ambitious white paper on transport in order to develop a sustainable European transport policy that promotes the introduction of energy-efficient new technologies and reduces dependency on fossil fuels, especially oil;
27. Calls on the Commission to promote the development of innovative devices to improve energy efficiency (e.g. spoilers for trucks) and to consider making them mandatory, if proved to be cost-effective;
28. Encourages, in this context, promotion of the use of energy-efficient tyres and asks the Commission to set minimum energy efficiency requirements for vehicles purchased by public authorities and tyres fitted on those vehicles;
29. Calls on the Commission to ensure framework conditions for the development of electric vehicles, notably concerning standardisation of software for infrastructure and charging stations;
30. Reiterates the need to promote inter-modal transport solutions as well as the development

of intelligent transport systems in order to achieve energy savings in the transport sector (including congestion charging, traffic management information technologies, train infrastructure, etc);

31. Asks Member States to abolish tax regimes which incentivise purchases of fuel-inefficient cars¹;

6. Incentives and financing

32. Calls on the Commission to submit proposals on how to establish an EU framework of revolving financial instruments to support complementary energy efficiency measures which support existing successful national schemes and distribution channels (e.g. by means of risk sharing) and which encourages the setting-up and improvement of energy efficiency schemes in Member States;
33. Considers that this framework should take into account experience of existing revolving instruments provided by public financial intermediaries, involve existing EU funds and be designed to attract other public or private funds to create the highest leverage possible and support financial programmes for a large number of final beneficiaries;
34. Welcomes in this regard the Commission's proposal to use uncommitted funds under the EEPR Regulation for the creation of a dedicated financial instrument to support energy efficiency and renewables initiatives and asks the Council to adopt the proposal rapidly;
35. Stresses the need to improve the use of existing EU funds such as the ERDF for energy efficiency measures; asks the Commission to identify the obstacles to the use of a larger share of the resources of the Structural and Cohesion Funds for this purpose and to come forward with adequate actions to address these obstacles (e.g. additional EU measures to support technical assistance);
36. Calls on the Commission to strengthen the financing facilities (e.g. ELENA) and to consider setting up complementary facilities funded under the Intelligent Energy Programme;
37. Calls on the Commission to promote EU measures to support technical assistance provided by experienced (national and international) financial intermediaries:
- to raise awareness and know-how among managing authorities and public as well as private financial institutions on funding strategies and institutional requirements to support energy efficiency investments,
 - to support public and private financial institutions in implementing corresponding measures and financial instruments,
 - to structure sustainable and efficient financial instruments to better utilise available funds for energy efficiency investments,
 - to encourage the transfer of best-practices experience among Member States and their

¹ Taxation Paper No 22 (2010): Company Car Taxation. Subsidies, welfare and economy.

financial intermediaries;

38. Calls on the Commission to consider proposing effective measures to push energy companies to invest in energy efficiency;
39. Reiterates its request that an energy efficiency chapter should be reinforced within the European neighbourhood policy and included systematically in EU-third country dialogues;
40. Calls on the Commission to make energy efficiency one of the key priorities of the 8th Framework Research Programme and to allocate a significant part to energy efficiency sub-programmes similar to the current Intelligent Energy Programme; stresses the need for a doubling of funds for research, development and demonstration in the energy area, including a substantial increase in the EU's future budget, particularly for renewable energy, smart grids and energy efficiency, by 2020 compared with the current level;
41. Instructs its President to forward this resolution to the Council and the Commission.

EXPLANATORY STATEMENT

Introduction

Energy efficiency is the most cost-efficient and fastest way to reduce CO₂- and other emissions. The advantages are huge in terms of both economic growth and job creation. The jobs created will be in both rural and urban areas, often within SMEs and it will be local jobs, which cannot be outsourced. They will lie within IT, construction and services.

A lot has been achieved until the adoption of the Energy Efficiency Action Plan in 2006; however, the political and economical context has changes quite a lot since then. Therefore, there is a clear need to review the EU's Energy Efficiency policy to align it with the current priorities and developments. A thorough assessment of the achievements and shortcomings of the 2006 Energy Efficiency Action Plan should be undertaken as a basis for the revision of the EU's energy efficiency policy. Measures towards boosting energy savings can be introduced through a great variety of instruments at EU-level and at national level. Labelling and eco-standards of energy-related products, the energy consumption of buildings, and many others. It is the view of the rapporteur that policy-makers should seek to diversify the means by which they seek to make EU27 more energy efficient, and that some instruments are better suited to be achieved through measures at the national level.

Energy efficiency targets

It seems to be more and more evident that the EU is not on track to meet its 20% target. There is a lack of official documentation from the European Commission in this respect. While the targets for emissions and renewables are easy to measure and officially made available by Eurostat, statistics on energy efficiency, on the other hand, are controversial as the PRIMES-model is often contested. Nevertheless, the rapporteur believes that the Commission is responsible for presenting statistics on the development of all major elements of the EU's energy policy.

Buildings

It is well-known that there is a huge potential in energy efficiency in buildings. The recent recast of the EPBD makes it difficult to pursue another recast of this directive at this point. Nevertheless, the importance of buildings calls for a different approach, one which is in line with the principle of subsidiarity and does not infringe with the private property right. It should consider the issue of appropriate financing instruments as well as the need for strengthening professional training, access to information for SME and awareness-raising in general. A focus should be on renovation of existing buildings, since the construction rate of new buildings gets lower and lower within the EU and many old buildings dispose of the highest efficiency potential, if renovated properly.

Eco-Design

As a general principle the rapporteur is of the opinion that voluntary agreements should be promoted, however in some cases minimum standards and concrete targets are necessary measures to move the market in a more energy-efficient direction. The Eco-Design Directive

is the most effective instrument at EU-level in energy efficiency policy, and it is a prime example of the types of policy the EU should seek to introduce. The most promising approach seems to be founded on common standards for the EU-wide market, to introduce greater competition between Member States, enabling them to compete on the world market.

Financing

In the cleantech industry there is a need to bridge the gap between the USA and China. Both countries are far more progressive than the EU with regard to adopting legislative measures promoting energy-efficient solutions. Therefore, measures and instruments to boost financing should be supported by the EU and Member States. The introduction of national energy efficiency funds which support EPC's should be incentivised through a financial instrument at the European level.

Energy Performance Contracting (EPC) whereby a customer purchases a guaranteed energy saving creates leverage as the investment is paid back over a time span of 2-15 years. Such a model creates jobs within SME's, consumers earn a saving on the energy bills and emissions are reduced.