Press Release – for immediate use

Energy efficiency deal halves 20% target gap

Brussels, 14 June 2012 – After months of negotiations, an agreement was reached last night on the Energy Efficiency Directive between European Parliament, Council and Commission negotiators, which still requires approval by Parliament’s full assembly and Council of Ministers before becoming law. The deal would require Member States to step up their efforts to improve energy efficiency. But in the absence of binding national targets the Directive’s requirements might only close half of the gap to the EU’s 20% energy savings target by 2020.

This deal is an important step towards acknowledging energy efficiency as a centre-piece of Europe’s sustainable growth strategy. But its weakness reflects that national governments still lack the conviction that energy efficiency is the opportunity to get out of the economic, environmental and social crises.

“It is regrettable that the financial crisis weakened the political will for a strong Directive - when in fact investments in energy efficiency could give a major boost to European economies” said Stefan Scheuer, Secretary General of the Coalition for Energy Savings. “Governments struggled to see the opportunities energy savings represent to reduce energy bills, boost economic growth and create local jobs. We hope the Directive will unlock investments in energy efficiency and demonstrate their benefits to make the case for further policies and actions to secure the 20% energy savings target.”

The Coalition’s Gapometer shows that the deal for a Directive would only close half of the gap to the EU’s 20% energy savings target for 2020, as many efficiency measures proposed by Parliament have been watered down significantly.

“The restriction of public building renovation and procurement obligations to central government reduces them to mere symbolism, said Jan te Bos, Director General of Eurima and Chair of the Coalition for Energy Savings. “This is why the inclusion of national building renovation strategies is important to start a serious process and engage all policy-levels in the long-term and deep renovation of all buildings. Again this week the International Labour Organisation (ILO) reconfirmed the enormous economic and social benefits of building refurbishment programmes.”

“The push for energy companies to develop new business models and invest in energy efficiency improvements for businesses and consumers has been weakened. Governments have let energy companies off the hook by forcing through a number of exemptions. The Commission must follow-up on this to ensure efficiency measures remain as effective as possible and to prevent abuse of exemptions”, said Erica Hope from Climate Action Network Europe.

“Member states have identified where primary energy savings could be achieved in the supply side sector, with this deal they will not only have to reassess the economic potential for CHPs but will also have to put forward measures to trigger investment decisions. Nevertheless, the needed flexibility provided in several part of this legislation means that addressing energy efficiency in the transformation sector depends heavily on member states commitment to act”, said Fiona Riddoch, Managing Director of COGEN Europe.

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Note to the Editors: EU Energy Savings Gapometer

The EU is expected to miss by half its energy saving target of 368 Mtoe by 2020\(^1\). The gap is around 190 Mtoe in 2020. The Gapometer estimates how far different measures in the Energy Efficiency Directive are expected to close this gap.

The text which has been agreed on 14/06/2012 between the negotiators would close half of gap to the EU 20% savings target and thus realise around 15% savings by 2020.

New EU efficiency measures in the pipeline, like eco-design measures for boilers and water heaters, or planned, like new CO2 standards for cars, can help to further reduce the gap.

- The lion's share of savings results from the 1.5% annual savings under the efficiency obligations schemes, which can be reduced by a maximum of 25% to count early actions, allow phasing in or other cases. Eventually this represents nearly a doubling of savings compared to the existing 1% annual savings target under the Energy Services Directive;
- Requirements for renovating public buildings and procurement are limited to central government which significantly reduces the impact;
- Auditing is mandatory, metering and billing information are largely voluntary; and
- Requirements for CHP and efficiency of the energy system are slightly improved over existing rules.

Main changes at last trilogue do not significantly change the savings delivered, but include important requirements like:

- Member States to develop long term renovation strategies for the whole building stock including policies to stimulate deep renovations;
- 2016 review of the 2020 sunset for energy efficiency obligations; and
- 2014 Commission assessment of national targets to be accompanied by further measures.

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\(^1\) In 2007 European Council made the commitment to achieve 20% energy savings by 2020, based on projections available at that time. This means saving 368 Mtoe and staying below an overall consumption of 1,474 Mtoe. In 2010 the European Summit reconfirmed the target, noting the Commission’s findings that with current policies only half of target would be achieved.
Members of the Coalition for Energy Savings:

The Architects’ Council of Europe (ACE)
Buildings Performance Institute Europe (BPIE)
ClientEarth
Climate Action Network – Europe (CAN-Europe)
COGEN Europe
Energy Cities
European Partnership for Energy and the Environment (EPEE)
The European Alliance of Companies for Energy Efficiency in Buildings (EuroACE)
The European Alliance to Save Energy (EU-ASE)
European Association of Polyurethane Insulation Manufacturers (PU Europe)
The European Climate Foundation
The European Committee of Domestic Equipment Manufacturers (CECED)
European Copper Institute
The European Council for an Energy Efficient Economy (eceee)
European Environmental Bureau (EEB)
The European Federation for Intelligent Energy Efficiency Services (EFIEES)
The European Insulation Manufacturers Association (Eurima)
European Lamp Companies Federation (ELCF)
The European Liaison Committee For Social Housing (CECODHAS)
Friends of the Earth Europe
Glass for Europe
WWF

The Coalition for Energy Savings brings together business, professional, local authorities and civil society associations. The Coalition’s purpose is to make the case for a European energy policy that places a much greater, more meaningful emphasis on energy efficiency and savings. In particular it is arguing for the current 20% energy efficiency target to be binding.

Coalition members represent:
- more than 400 associations, and 150 companies
- 15 million supporters, more than 1.5 million employees
- 1,000 cities and towns in 30 countries in Europe