Public consultation on the review of progress towards the 2020 energy efficiency objective and a 2030 energy efficiency policy framework

INFORMATION ABOUT THE RESPONDENTS

Are you responding to this questionnaire on behalf of/as: -single choice reply-(compulsory)	Organisation
Please enter your name or the name of your company/organisation: -open reply-(compulsory)	IFIEC Europe
Please indicate your principal country or countries of residence or activity: -single choice reply-(compulsory)	Belgium
How would you prefer your contribution to be published on the Commission website, if at all? -single choice reply-(compulsory)	Under the name indicated (I consent to publication of all information in my contribution and I declare that none of it is under copyright restrictions that prevent publication)

A. Energy efficiency targets and measures

1. Do you think the right approach in addressing the shortfall is: -multiple choices reply-(compulsory)	b) Reinforced implementation of existing legislation, including active policy on infringements

Please specify your response b) -open reply-(optional)

Existing legislation of energy efficiency is already extensive. European industry does not need additional regulation, but implementation of existing regulation. Double regulation for industry subject to EU ETS needs to be avoided. Energy Intensive Industries which are under the regulation of EU ETS, should not be further burdened with an additional obligation to improve their energy efficiency or their absolute energy consumption. EU industry believes that absolute energy reduction targets would limit growth, whereas energy efficiency in industry is a means to enable growth through competitive advantages. Many have been investing in energy efficiency improvement measures since 1990 and have already achieved a significant progress at their installations. Production efficiency is the link between the EU 20-20¬20 targets, and the EU strategy for re-industrialisation. Taken together they could develop the EU into a globally successful technology-led low-emitting business location.

B. Energy efficiency sectors

2. Do you think that further policy measures are needed at EU level to foster energy efficiency in buildings? -single choice reply-(compulsory)	Yes

Please give details. -open reply-(optional)

The Impact Assessment for the EED specifies industrial, commercial, residential, transport and energy sectors, attributing quite different savings potentials to them: Energy has the biggest potential, ca 80 Mtoe or 22% of the savings target, but this sector is also largely subject to the EU ETS. So here double regulation must be ruled out. The Residential Sector offers the third biggest potential of 55 Mtoe (15 % of the savings target) – for this to be effective property owners must be incentivised to invest in efficiency. The Commercial Sector has a bigger potential than industry: ca. 10 Mtoe, i.e. 3 % of the savings target.

3. Do you think that further policy measures are needed at EU level to foster energy efficiency in industry? -single choice reply-(optional)	No

Please give details. -open reply-(optional)

Industry's remaining potential is relatively small (ca. 7 Mtoe or 2 % of the overall savings target of 368 Mtoe). Additionally, industry is largely subject to EU ETS. It is of utmost importance taht double regulation with EU ETS must be ended in any event. Furthermore, energy costs are much higher than the ones in competing regions (see EU COM report dated 22 January 2014). This gives industry enough incentives for higher efficiency. Even higher cost burdens would just jeopardize EU efficient productions but not improve efficiency. For many Energy Intensive Industries, the energy is a raw material. Therefore the investments to improve energy efficiency have already been made since many years. In other sectors, there is still likely to be more potential for significant and economically justified, energy efficiency improvement.

4. Do you think that further policy measures are needed at EU level to foster energy efficiency in transport? -single choice reply-(optional)	Yes

Please give details. -open reply-(optional)

Transport has the second biggest potential of ca 53 Mtoe (14 % of the savings target).

5. Do you think that further policy measures are needed at EU level to foster energy efficiency in electrical equipment? -single choice reply-(optional)	No opinion
6. Do you think that further policy measures are needed at EU level to foster energy efficiency in generation and distribution? -single choice reply-(optional)	No

Please give details. -open reply-(optional)

Electricity generation is in a period of restructuring - to incorporate renewables, to create a single market with fluent interconnection, and to implement "smarter" grid systems. There is a limit to the human and capital resources available to achieve this effectively. Additional regulation would lead to initiative overload and divert focus from the targets already being pursued.

7. Do you think that further financial mechanisms and instruments are needed at EU level to mobilise energy efficiency investments? -single choice reply-(optional)	Yes

Please give details. -open reply-(optional)

EU´s manufacturing industry has a high energy efficiency versus global competitors. There is still a significant potential, but this is costly as the EED Impact Assessment illustrates. In contrast to some belief, the additional energy efficiency potential of industry is by far not sufficient to overcome the relatively high prices and costs for electricity, natural gas and feedstocks versus major competing regions in the world. In the longer run technology breakthroughs are needed to support a low carbon economy. Two policy targets should be adopted: Firstly, counterproductive cost burdens on EU industry must be avoided and if applicable ended. Examples: the too stringent top 10% benchmarks aggravated by unrealistic reduction factors in the EU ETS and contemplated limitations on exemptions for industry regarding RES surcharges and capacity mechanisms. Secondly, lowering the cost of capital for industry projects should be developed, e.g. by revolving funds (nationally, support by EIB).

8. Do you think that further measures are needed to build the capacity of actors in the energy efficiency sector? -single choice reply-(optional)	No opinion

9. What are the most promising technology solutions that can help deliver energy savings in the 2020 and 2030 time horizon? How can their development and uptake be supported at EU level?

-open reply-(optional)

More efficient and powerful Waste Heat Recovery technologies like steam turbines, ORC, more efficient heat exchangers operating at low to very high temperatures would be promising. Innovation support from EU through programs like SILC will be very useful.

10. Further comments -open reply-(optional)