

Recommendations on the Reform of the Energy Efficiency Directive concerning Energy Efficiency Targets (Art. 1 & 3)

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The review of the EED - Energy Efficiency Directive (2012/27/EU) is foreseen for adoption during the 3rd quarter of 2016. The European Commission has recently finalised the evaluations of the EED, while work on the Impact Assessment is advancing. Based on the findings already presented on these evaluations, IFIEC Europe - representing the world's most efficient energy users - likes to make the following statements on possible policy options and ways forward for the EED concerning energy efficiency targets (Art. 1 & 3 EED):

Energy Efficiency should be a process oriented approach

In 2007 EU Council and Parliament set out to deliver 20% energy efficiency by 2020. A target approach was chosen which introduced a top-down path by setting an indicative 2020 target of 20% energy efficiency. IFIEC's recommendations on the first Commission's proposals on a future EED in 2011 focused at approaching energy efficiency improvements differently by implementing tailor-made sectorial measures, taking a bottom-up approach and including a monitoring scheme.

- This process orientated approach is in IFIEC's point of view still valid for today's options in EU energy efficiency policy, leading to recommendations and guidance given at EU level to encourage self-responsibility, innovation and individual initiatives to boost energy efficiency in an economical reasonable way.

2030 Energy Efficiency – keep current system with binding measures

In 2014, the European Council set an indicative 2030 energy efficiency target. The European Parliament asked in 2014 and 2015 for a binding 2030 target.

A change of paradigm as requested by the Parliament with having binding targets instead of binding measures would turn the whole architectural world of energy efficiency upside down which has been constructed differently to the system of CO₂-reduction and the renewables scheme on purpose.

- In case of proceeding on target level, IFIEC recommends to keep the system of indicative targets and binding measures for energy efficiency improvements until 2030, since this would leave at least a certain amount of flexibility to implement measures in cost efficient way.

2030 Energy Efficiency indicative target should stay at level of 27%

In 2014, the indicative 2030 target setting by the European Council of at least 27% energy efficiency improvement (compared to the year 2007) was accompanied by decisions also on CO₂ reduction of 40% (compared to 1990) and the increase of renewables by 30% (compared to 2007). On the other hand, the European Parliament asked in 2014 and 2015 for a binding 2030 target on energy efficiency of 40%.

- In IFIEC's opinion, it does not make sense to question the Council decision on the target level itself as done by the European Parliament and try to break apart the three targets of energy efficiency, emissions and renewables.
- Moreover, IFIEC disagrees with the increase of the energy efficiency target to 40% as asked by the European Parliament, and recommends that every Member State implements the EED properly.

Best measure for Energy Efficiency is specific energy consumption

Absolute final energy savings as nature of the 2030 energy efficiency target leads to energy consumption reduction and not to improvements of energy efficiency. Absolute energy consumption should not be limited as an input factor for industrial process, as they mean a value added for the economy and resource efficiency.

- In IFIEC's point of view the best way of expressing the nature of EU energy efficiency target for 2030 is to refer to specific energy consumption (energy consumed per ton or unit of output).

Energy consumption should be expressed in primary energy per unit of production

For the purpose of the target a distinction is not to be made of its source (as is the case now), as avoided non-renewable energy or as avoided fuel-use but instead:

- Energy consumption should be expressed in primary energy consumption, e.g. per unit of production (for industry), per tonne and per km (for transport) or per m³ (for buildings).

In terms of Energy Efficiency IFIEC advocates in general for:

- Sectors already covered by EU ETS should not be subject to an energy efficiency target. A close look in these terms is needed on non-EU ETS sectors.
- No absolute cap for energy consumption since it does not incentivise energy efficiency, but instead hinders economic growth and is in contradiction to EU's industrial target of 20% industry share of GDP by 2020.
- The economic and technological feasibility of potential improvements should be taken into account and early actions should be recognized.

IFIEC Europe represents energy intensive industrial consumers where energy is a major component of operating costs and directly affects competitiveness