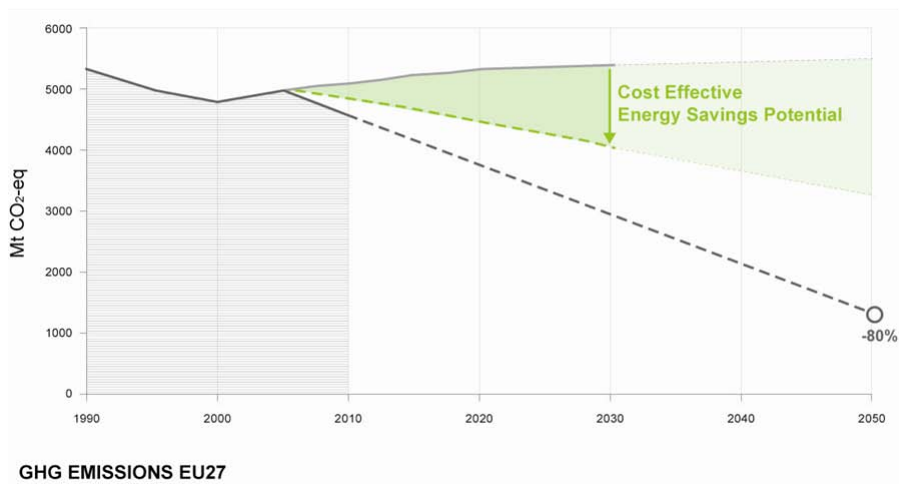


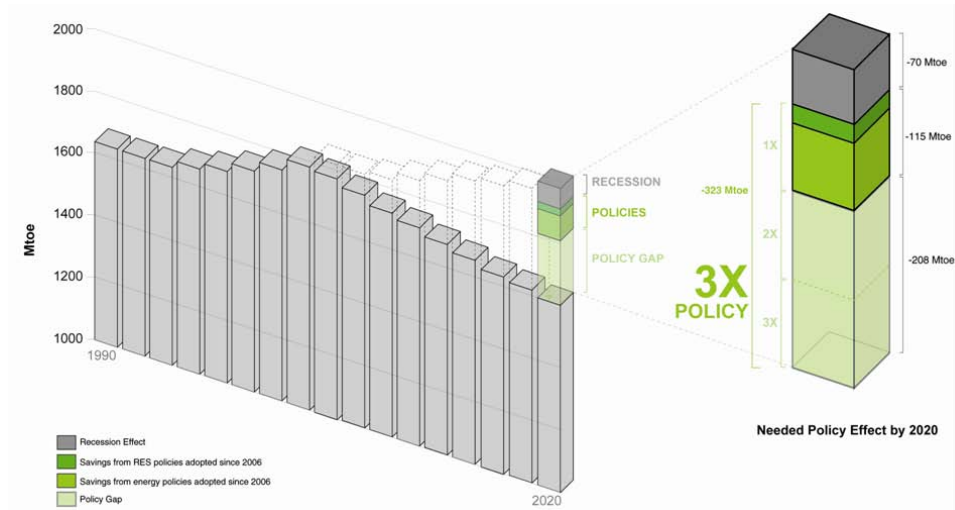
EU Energy efficiency policy - closing the gap

Claude Turmes,
Member of European Parliament,
President of EUFORES

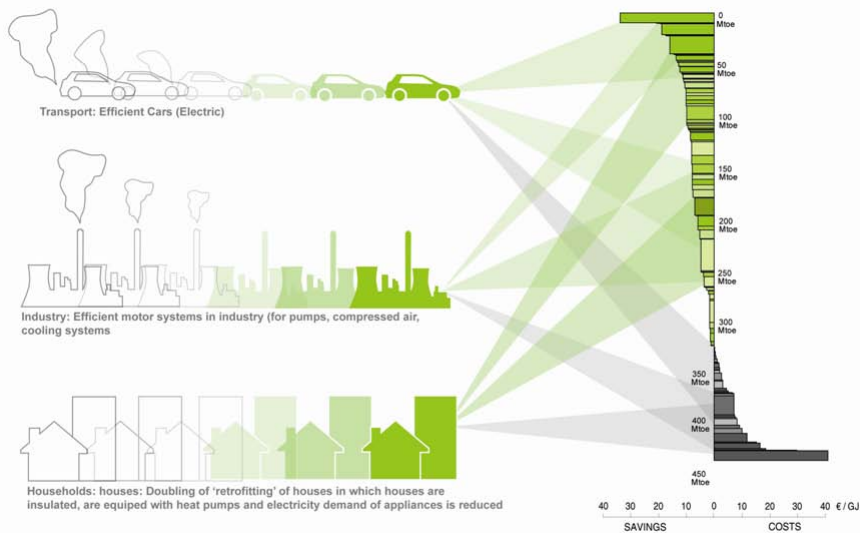
Why Energy Savings?



Identifying the policy gap

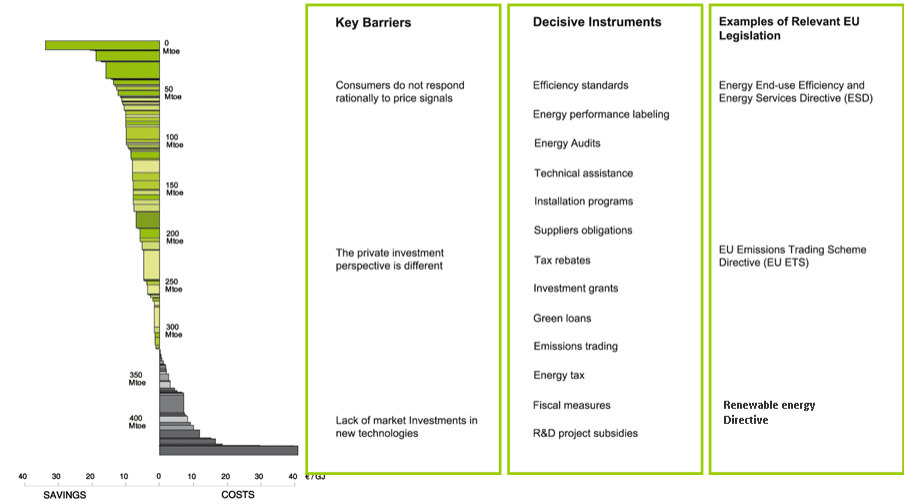


The potential to close the gap



A mix of policy instruments is required

EU 2020 Marginal Abatement Cost Curve for End-Use Sectors



Why are cost-efficient energy savings not taking off?

Policy patchwork, low ambition, difficult enforcement:

- ESD: delivering only 1/3 of identified energy savings potential
- EBPD, Ecodesign, Labelling: only 1/2
- CO2 and Cars: only 1/4
- GHG effort sharing: no big effort needed

Important non-price market barriers:

- Lack of consumer information
- Split incentives problem (owner versus tenant)
- Liquidity problem (difficult access to capital)
- Energy bills are an overlooked fraction of overall expenditures

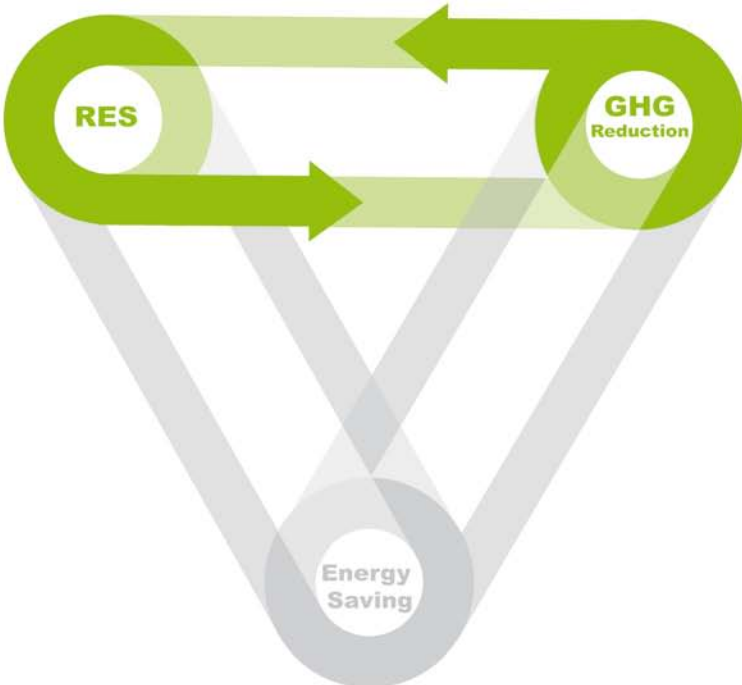
- Strengthening price signals is important but not sufficient
- Need stronger commitment

200 MToE to find to be on track!

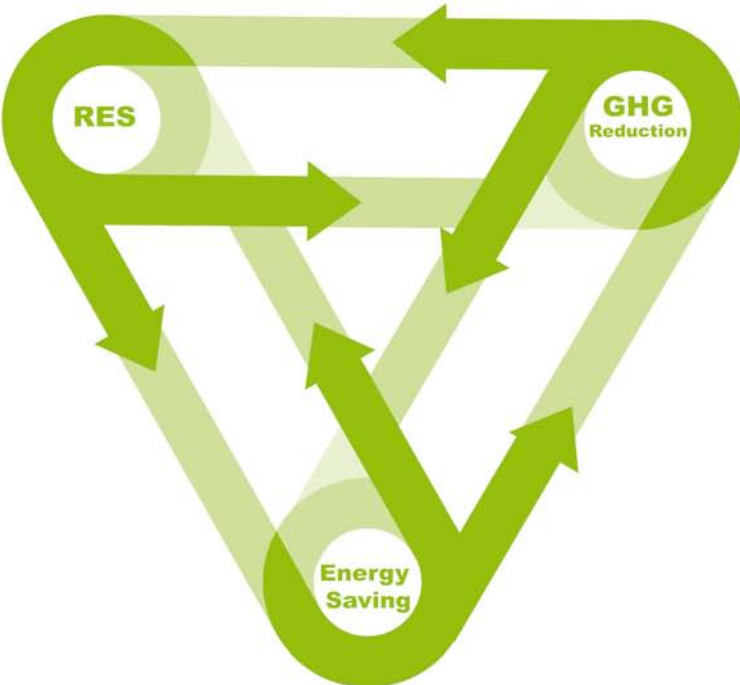
- 1) Strengthen overall targets
- 2) Better implement existing legislation
- 3) Look for new financial resources
- 4) Come up with new legislation

EU policy target architecture

TODAY



TOMORROW?



-  BINDING TARGETS
-  NON-BINDING TARGETS

1) Strengthen overall targets

2 complementary strategies:

- . **Strengthen EU CO2 cap from 20 to 30%**
(decision pending)
- . **Making (20%) efficiency target binding**
(**decision postponed** to at least 2013 by EU Heads of governments, 4th of Feb 2011)

2) Better implement existing legislation

- Eco-design:
 - Bad news: computers put on hold
 - Bad news: Boilers put on hold
- Building directive
(better define concept of near zero energy and of cost-effective measures)
- Existing CHP and Energy Service Directive
 - 2nd national efficiency plans for June 2011

3) Look for new financial resources

- Good news:
 - New 146 million EURO fund managed by EIB
 - New technical assistance in En Intell EU Prog 11
 - More funds eligible under EU cohesion funds
- To be worked on:
 - New EU financial perspectives (cohesion funds)
 - Create “vehicles” to collect “revenues from national CO2 auctionnings, 1/1/13

4) Come up with new legislation

- Transport sector:
 - New roadmap to be pending (March 2011)
 - CO2 and cars legislation review 2013
- End-use energy – review of En Service Directive
- CHP – recast of CHP directive

Recast of CHP directive

- Actual CHP is too weak
- Recast of key articles notably on access to grid (copy successful Renewables directive)
- Make potentials into targets (difficult)

ESD review – THE GAME IN TOWN!

- By far the single biggest new measure BUT:
- Threats:
 - Continuation of 1% yearly target under attack
 - Binding template for national efficiency action plans under threat
 - Energy saving obligation for el&gas retailers under threat
- To prevent: mere “toolbox” instead of framework for “end-use energy” policy drive

Energy Efficiency (NO ACTION) Plan

(to be adopted next Tuesday)

- Roll-back in ambition and scope
- Risk to move from “fully fledged co-decision” to a mere “pledge and review” under NRPs (National Reform Programs)
- Few positive measures (3% renovation rate of public buildings) under threat
- ...

Future of EU Efficiency policies

Future of EU Efficiency policies

?