

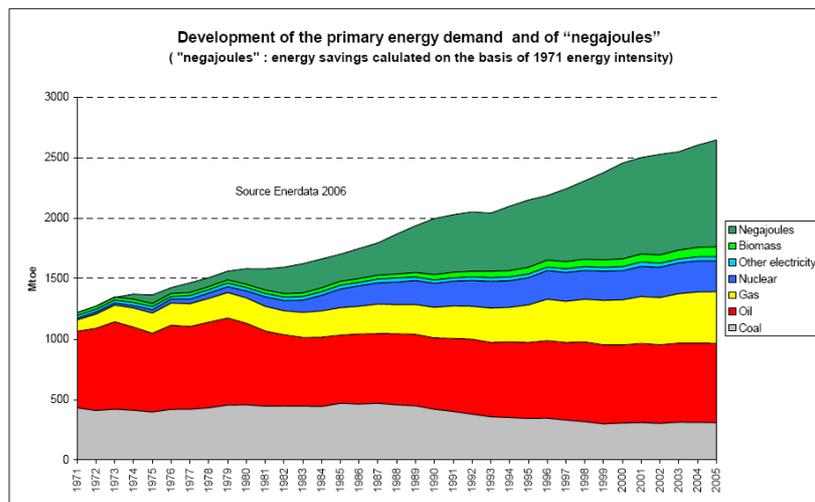
Comments of PU Europe on the Stock taking document Towards a new Energy Strategy for Europe 2011-2020

PU Europe is the European association representing the polyurethane insulation manufacturers. Polyurethane is a premium insulation material used in a wide range of energy saving applications in buildings, cold stores and district heating.

Introductory comments

PU Europe welcomes the public consultation on the future of the European energy policy and the European Commission's intention to develop a far-reaching energy policy framework over the next months. The next decade is indeed a pivotal time that should see accelerated change in the way Europeans source, save and use energy. PU Europe supports the Commission's intention to develop such a strategy over the coming months. However, PU Europe would like to

underline that energy policy encompasses both supply and demand side considerations. A competitive and sustainable internal energy market cannot be achieved without greater energy efficiency gains on the ground. Indeed, such gains have contributed more to the EU's energy requirements over the past thirty years than traditional fuel sources (see chart below). This trend must continue as Europe moves towards a decarbonised energy society.



The stock taking document refers to the Europe 2020 Strategy and its "flagship initiative" to promote a "Resource-efficient Europe" including the commitment to deliver the 20-20-20 targets. However, while the targets for greenhouse gas emissions and renewable energy are binding, the one for energy savings remains indicative.

Recent research shows that, at current rates, only half of the indicative 20% savings target will be achieved. The consequence of this failure will be an unnecessary additional cost to consumers of 78 billion Euros annually. A three-fold increase in policy impact will be

needed to achieve this 20% target.¹ The non-binding character of the savings target should be recognised as one of the major shortcomings of the current EU energy policy and measures to make this target binding should be proposed.

¹ Preliminary findings of the forthcoming study 'Energy Savings 2020' by Ecofys and Fraunhofer ISI, to be published in September 2010.

Prioritising the potential of permanent energy savings, especially in buildings which account for 40% of the EU's primary energy use, is paramount to achieving Europe's objectives on competitiveness, sustainability and security of supply. Energy efficiency gains offer a cost-effective solution to reducing energy import dependence and the exposure to energy price fluctuations, reducing the number of fuel poverty households, and moving towards a low-carbon energy economy whilst creating hundreds of thousands of local jobs. In other

words, the most significant challenges identified by the Stock Taking document could be tackled at a negative cost. This is clearly not the case for investments in generating capacity, infrastructure and CCS.

The stock taking document does not clearly come to this conclusion as it fails to compare the cost-effectiveness of measures in the various energy supply and demand sectors and build its priority proposals around the economically most interesting solutions.

Key issues for the new energy strategy

- **Doubling energy efficiency refurbishment rates in buildings**

The recast EU Energy Performance of Buildings Directive provides a sound basis for ensuring all new buildings will be nearly zero energy before 2021. The provisions for existing buildings remain rather vague although they account for 99% of the building stock and 80% of them will still be in use in 2050. However, a major acceleration in the refurbishment of the existing

building stock is needed if Europe is to achieve its stated energy policy objectives. The rate of retrofitting more energy efficient residential and commercial buildings can be doubled or even trebled at cost-optimal level. The EU should set Member State specific refurbishment targets based on the number of upgraded buildings or kWh saved.

- **Review of the Energy Efficiency Action Plan (EEAP)**

This review opens a unique window of opportunity to tap the cost-effective energy savings potential of existing buildings. Given the scale of potential in those buildings, the EEAP review is the key vehicle for providing the framework, mechanisms and incentives for promoting accelerated deep renovation. It should include a comprehensive plan to at least double the refurbishment rate for energy savings in Europe's building stock by 2020.

EEAP should contain a provision for a review of the EU Energy End-Use Efficiency and Energy Services Directive (2006/32/EC) to include measures to harmonise the National Energy Efficiency Action Plans, to support the development of a competitive European energy services market with a large number of independent service providers, to mandate the establishment of energy efficiency funds, and to increase the ambition level of the targets.

Energy use can also be effectively reduced by tailor-made energy (efficiency) services. The

- **General Energy savings target**

It is widely accepted that, even if the existing measures were fully implemented, the current 2020 energy savings target is unlikely to be reached. Many Member States continue to show a lack of commitment to this policy area as show the conclusions of the European Council regarding the EU2020 Strategy. The 20% goal was replaced by a vague commitment to "move towards a 20% increase in energy efficiency".

take more and better action. It would also provide an overarching framework in which building refurbishment targets could be set. PU Europe welcomes the Commission's action to enter into a dialogue with Member States on how to determine national energy savings targets. However, the Commission should also ensure that energy efficiency policy is strategically placed in any future EU Energy policy to highlight the benefits and potential of cost-effective energy savings.

A mandatory and measurable 20% energy efficiency target by 2020 would have the effect of focusing the minds of national governments to

- **Finance**

The Commission's stock-taking document rightly states that investments should contribute maximally to creating safe, secure, sustainable and affordable energy for everyone. As outlined

above, energy efficiency building refurbishment can provide cost-effective answers to this challenge, but requires a coherent and long-term investment strategy. While funding is

available for buildings under the EU's structural and cohesion policy and via the European Investment Bank, barriers still exist. The EU's energy action policy should comprehensively address investment and funding bottle-necks in

- **Training and education**

A more sustainable and secure energy economy cannot be achieved without the effective mobilisation of a new energy workforce. Special emphasis should be given in the Energy Action Plan to providing the support and stimulus for educating and training workers as the backbone of the move towards low-energy buildings. Wide-scale up- or re-skilling will be necessary and much of the work, especially for buildings, is likely to be carried out by local SMEs, requiring specialised measures relating to the installation and maintenance of energy-efficiency technologies. These are European jobs that are not easily relocated abroad.

- **Implementation**

PU Europe welcomes the Commission's concern over the poor state of implementation of energy-related legislation and agrees that providing more regulatory oversight at both national and EU level is imperative. The

- **Comparing the costs**

Many governments still see financial incentives for investments in energy efficiency as a cost, although they save end-users' money. There is a lack of research as to how such incentives provided to end-users impact government

order to capitalise on budgets that are already available. Smart city programmes, in particular, provide a useful mechanism for channeling funds down to the level required for buildings.

In this context, PU Europe supports the DG ENER's future "Qualifying the Building Workforce" initiative on training and qualification in the field of EE and RES within the IEE Programme, provided it leads to mandatory training programmes which are mutually recognised by Member States.

Member States should require that the whole energy efficiency workforce receives adequate training and regularly follows professional qualification courses.

Commission should exercise all mechanisms available to it to ensure that Member States are transposing and implementing legislation in a timely and effective manner.

budgets in the medium- and long-term. PU Europe calls for such a study to be conducted. The results should be compared with the societal and government costs / benefits for investing in additional energy supply capacities and CCS.

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