

Comments of PU Europe on the Energy Union Package (COM(2015) 80 final) Communication from the Commission "A Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy"

General:

- PU Europe welcomes this Communication which provides a holistic view of the medium-term EU goals and initiatives in the field of energy policy.
- The Commission rightly stresses the need to move away from an economy driven by fossil fuels dominated by a supply-side approach. It identifies energy efficiency as one of the five dimensions of the Energy Union and one of the two key drivers for increased energy security. This assessment is fully supported by PU Europe and its affiliate national associations.
- This new philosophy is however only partially followed throughout the Communication. Most of the proposed measures will not reduce the EU's energy import dependence and the related annual invoice of €400bn.
- The savings potential of Europe's building stock is highlighted, but the role of the EU in setting an ambitious framework for building renovation is neglected.

Protecting vulnerable consumers:

- PU Europe supports efforts to protect vulnerable customers from fuel-poverty. It is unacceptable that, in Britain alone, 9,300 people died prematurely during the 2012-13 winter due to cold, poorly insulated homes¹. However, regulated or social tariffs only address the symptoms but not the root causes of ill health among vulnerable customers.
- An innovative scheme to change this situation is being implemented in the UK. The government is preparing a programme for doctors to prescribe boilers, insulation and double glazing to fuel-poor patients suffering from health issues exacerbated by cold homes.
- In the long run, such schemes will show far more sustainable results and should therefore be promoted.

Energy efficiency first approach

- PU Europe supports the Commission's assessment according to which it is "necessary to fundamentally rethink energy efficiency and treat it as an energy source in its own right, representing the value of energy saved."
- It is also encouraging to see the Commission's will to "ensure that energy efficiency and demand side response can compete on equal terms with generation capacity." We believe, this approach should be extended. All Energy Union-related decisions should undergo an "Energy efficiency first" check. If energy efficiency measures, for example building renovation, can more effectively reach the goals of the proposed measure, preference should be given to energy efficiency as an indigenous energy source.
- Investments in Energy efficiency measures, such as renovation of building fabrics, stimulate national economies and provide employment at a local level, rather than fuelling ever increasing levels of fossil fuel importation from outside of the EU.
- While it is true that most of the work needs to be accomplished at national and local levels, experience shows that European headline targets are needed to bring about changes in most Member States. The Communication should have accepted a stronger legislative role for Europe in terms of unlocking the renovation potential. For example, the implementation of the national renovation roadmaps introduced by the Energy Efficiency Directive needs to be strengthened.

¹ <http://www.theguardian.com/environment/2015/mar/03/ed-davey-announces-3m-for-boilers-on-prescription-scheme>

Energy efficiency and resource efficiency:

- PU Europe supports the idea to link energy efficiency with resource efficiency and the circular economy. However, within the built environment, energy efficiency is the major contributor to resource efficiency and should therefore be given priority.
- The resource efficiency of the building itself (embodied impacts) needs to be taken into account over the whole life cycle. Based on a mandate from the European Commission, CEN/TC 350 developed a method to declare environmental impacts at the product level (Environmental Product Declarations) and assess the performance of whole buildings, including in terms of resource efficiency. The standards are increasingly referred to in national and international building assessment schemes. It is regrettable that the same Commission now wants to develop another building assessment method.
- PU Europe welcomes the proposal to exploit the potential of "waste to energy" as part of the circular economy philosophy. If waste-to-energy is an economically and environmentally sound solution for certain end-of-life products, this indigenous source of energy should be used to reduce import dependency and minimise land-fill.

Realising the energy efficiency potential of buildings:

- The European Commission rightly points to two sectors with huge energy savings potential: buildings and transport. The statement that 75% of our housing stock is inefficient demonstrates the scope of the problem. Currently, around 40% of primary energy is consumed in Europe's 210 buildings. They use a staggering 61% of all gas imports for heating and cooling.
- In contrast to the present situation, modern building technologies such as high-performance insulation and condensing boilers / heat pumps can reduce this demand to close to zero. These technologies are readily available today and can substantially reduce the EU's energy import dependency and contribute to its decarbonisation efforts.
- PU Europe applauds the efforts of the European Commission to facilitate access to finance for building efficiency measures. These activities address one of the major stumbling blocks to the large-scale deployment of building renovation projects. However, these efforts cannot replace Europe's responsibility to put in place an ambitious legislative framework for building renovation.
- As an addition to financing, PU Europe calls on European decision makers to earmark funds for large deep renovation programmes in the European Fund for Strategic Investments (EFSI). In fact, a new [study by Copenhagen Economics](#)² shows that this would offer the highest leverage, the quickest roll-out and the widest societal benefits. Such "shovel-ready" investments respond effectively and cost-efficiently to EFSI's key operational objectives.
- Highly energy efficient smart buildings will become an important part of the energy system in terms of energy suppliers, smart energy users (demand response) and energy storage providers, and should be recognised as such.

Brussels, 30th March 2015

² Copenhagen Economics "The role of building renovation in the EU investment strategy" (2015)