

BNXS35: EC Green Paper and Action Plan for Energy Efficiency

Version 4.4

This Briefing Note and referenced information is a public consultation document and will be used to inform Government decisions. The information and analysis form part of the Evidence Base created by Defra's Market Transformation Programme.

1 Summary

This Briefing Note is intended to provide information and updates on the progress of the European Commission's (EC) Green Paper on Energy Efficiency - Doing More with Less, as it relates to products. The publication is referred to in the Briefing Note as 'the Green Paper' for the sake of brevity. The Green Paper covers all sources and uses of energy including the use of energy throughout the life-cycle of products. Following its publication on 22 June 2005, there was an eight-month period of consultation which closed on 31 March 2006. The results of this consultation have helped to form the basis of an Action Plan for Energy Efficiency published by the EC on 19 October 2006. This Briefing Note also describes the activities of the European Sustainable Energy Forum.

2 Overview

2.1 Scope of the Green Paper

The Green Paper on Energy Efficiency was published on 22 June 2005. It covers all aspects of energy use including electricity generation and supply and transport. However, these aspects are not directly relevant to MTP and therefore are not covered in detail in this Briefing Note.

The Green Paper covers the need for and benefits from increased energy efficiency as well as the barriers to its increase. It then goes on to describe the possible actions which might increase efficiency.

2.2 Targets and objectives

The Green Paper puts forward the view that energy use within the European Union (EU) in 2020 could be 20% lower than in 1995 as a result of a combination of rigorous implementation of existing EU measures (total savings of 190 Mtoe^[1]) and adding new measures (360 Mtoe). Of these, estimated savings in sectors relevant to MTP

¹Mtoe is a measure of energy - Megatonnes of oil equivalent.

are described in Table 1. To put this in context, estimated total energy use in the 25 EU states in 2005 is 1,725 Mtoe.

Table 1 Potential savings (Mtoe)

Potential savings (Mtoe)	2020 Rigorous implementation of adopted measures	2020+ Implementation of additional measures
Buildings: heating/cooling	41	70
Electrical appliances	15	35
Industry	16	30
Total	72	135

2.3 Existing and proposed measures

Existing European measures in place include:

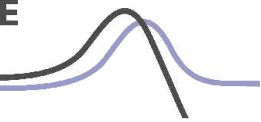
- Directive on the Energy Performance of Buildings 2002/91/EC.
- Directive on the Promotion of Cogeneration 2004/8/EC.
- Directive for the Taxation of Energy Products and Electricity 2003/96/EC.
- Directive on Energy Efficiency Requirements for Ballasts for Fluorescent Lighting 2000/55/EC.
- Directives on Labelling of Electric Ovens, of Air-conditioners and of Refrigerators 2002/40/EC, 2002/31 /EC, 2003/66/EC.
- Regulation on Energy Star Labelling for Office Equipment 2001/2422/EC.
- Framework Directive for the Eco-design of Energy Using Products (EuP) 2005/32/EC.
- Directive on Energy End-use Efficiency and Energy Services 2006/32/EC.

Proposed actions include:

- Giving citizens better information - for example, through better targeted publicity campaigns and improved product labelling.
- Improving taxation, to ensure that the polluter really pays, without increasing overall tax levels.
- Better targeting of state aid - where public support is justified and a necessary incentive.
- Using public procurement to 'kick-start' new energy efficient technologies, such as more energy.
- Efficient cars and IT equipment.
- Using new or improved financing instruments, at both Community and national levels, to give incentives, but not aid, to both companies and householders to introduce cost-effective improvements.
- Going further regarding buildings - possibly extending the existing Directive to cover renovations of smaller buildings.

3 The questions raised by the Green Paper

The Green Paper included a list of 25 questions for debate that the EC would like feedback on (of these, 18 are relevant to MTP). The EC asked for the answers to be as detailed as possible, covering timescales, costs and who is best placed to implement actions.



The questions range from the very general, for instance:

- How could the Commission better stimulate European investment in energy efficiency technologies?
- Should fiscal measures be used more to support European energy efficiency policy? If so, how?

To the more specific:

- How can the challenge of improving efficiency of rented accommodation be best addressed?
- What more should be done on public information campaigns on energy efficiency?

4 Consultation

The Green Paper was published on 22 June 2005. The closing date for receipt of consultation responses was 31 March 2006. This allowed an eight-month period for interested stakeholders to respond to the questions raised by the Green Paper.

It was the intention of the EC to consult widely on the options put forward in the paper. One mechanism for this was the European Sustainable Energy Forum.

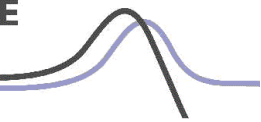
4.1 The European Sustainable Energy Forum

The European Sustainable Energy Forum, known as the Amsterdam Forum, met for the first time in Amsterdam on 13-14 October 2005, attended by representatives of the EU Member States (25) and 25 representatives of non-governmental organisations (NGOs), energy companies and other organisations in the field of renewable energy and energy efficiency. The Forum is organised by SenterNovem under the authority of the EC Directorate-General for Energy and Transport (DGTREN) and the Dutch Ministry of Economic Affairs. Details of this first meeting can be found at:

http://www.senternovem.nl/AmsterdamForum/Amsterdam_Forum_I/Index.asp

The Forum's objectives are:

- To develop the European Union's energy policy in a way that contributes to the objectives of sustainability, increased competitiveness and security of supply.
- To provide opinions on any Commission initiative in the field of renewable energy sources (RES) and energy efficiency ((EE), including transport) policies. The basis for the work of the Forum will be the different directives and Commission documents on these topics.
- To serve as an observatory and monitoring assistance centre for those policies.
- To help facilitate the interaction and integration of RES/EE in concrete applications in supply and demand.
- To help define corrective measures to solve the problems/concerns associated with the RES access to the grid.
- To assist the Commission in organising and analysing debates and other not above mentioned actions in the framework of RES/EE policies.



The second meeting of the Amsterdam Forum was held on the 24-25 April 2006. Information on this meeting, including presentations and a meeting report, is available at:

http://www.senternovem.nl/AmsterdamForum/Amsterdam_Forum_II/Index.asp

The third meeting of the Amsterdam Forum was held on the 21 and 22 November 2006. Information on this meeting is available at:

http://www.senternovem.nl/AmsterdamForum/Amsterdam_Forum_III/Index.asp

The latest (fourth) meeting of the Forum was held on 3 and 4 April 2007.

4.2 Consultation results

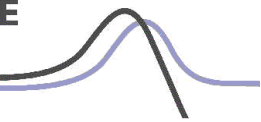
A report summarising the responses received by the EC to the questions posed in the Green Paper was released on 29 May 2006. The report, along with detailed appendices containing lists of respondents, is available at the following address:

http://ec.europa.eu/energy/efficiency/index_en.htm

The EC received 241 responses to the Green Paper. Of these 31 were from NGOs, 66 from Member States and public bodies, 106 from industry and the private sector and 38 from private citizens.

Some of the main points identified in the response were:

- The need for awareness-raising, information and expertise at all levels.
- The need to deliver in full the potential of existing measures and policies (ie through enforcement of existing measures rather than the introduction of new ones).
- Energy efficiency plans are fundamental - should be required of each Member State (Note: This point is addressed in the Energy End-use Efficiency and Energy Services Directive - 2006/32/EC).
- Fiscal policies should be further pursued in order to improve energy efficiency.
- The need for broadening the scope of the EU Emissions Trading Scheme to include emissions from transport, aviation and buildings as well as other greenhouse gases.
- Public authorities should set the example by implementing energy efficient technologies.
- The Energy Performance of Buildings Directive - 2002/91/EC - should be reviewed and extended to smaller premises but at the appropriate time.
- Local Energy Agencies should play a bigger role, as they are closer to consumers.
- Energy service companies (ESCOs), which by their nature can lead to a prioritisation of energy efficiencies, should be further encouraged.
- Energy efficiency in the transport sector should be further encouraged.
- Energy efficiency must be a criterion in public procurement for vehicles.
- The polluter pays principle must be promoted (eg congestion charges).
- The EU should take leadership by promoting energy efficiency in non-Member States.



The responses received for Question 10^[2] are of particular interest in terms of sustainable product policy, as many respondents believe that:

- more research should be conducted in order to increase product efficiency and most importantly, reduce stand-by consumption;
- VAT reductions should be allowed for efficient appliances and VAT increases for inefficient ones;
- a mandatory minimum standard for energy efficiency in certain products should also be implemented on a large scale, as well as benchmarking.

In a presentation given at the second meeting of the Amsterdam Forum (before the release of the above report on responses), a representative of the Directorate-General for Energy and Transport (DG TREN) outlined the level of responses received. He expressed the view in his presentation that the responses contained "political statements supporting energy efficiency but not many innovative ideas".

5 The Action Plan for Energy Efficiency

Following on from the analysis and reporting on the responses to the Green Paper, the EC published an Action Plan for Energy Efficiency: Realising the Potential on 19 October 2006.

The plan outlines a framework of policies and measures with a view to realising the over 20% estimated savings potential in EU annual primary energy consumption by 2020. The plan states that "(energy efficiency) is by far the most effective way concurrently to improve security of energy supply, reduce carbon emissions, foster competitiveness and stimulate the development of a large leading-edge market for energy-efficient technologies and products".

The first of ten priority actions in the plan is to promote appliance and equipment labeling and minimum energy performance standards for appliances and other energy-using equipment.

The plan can be downloaded from:

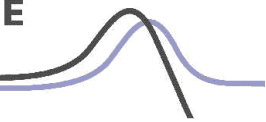
http://ec.europa.eu/energy/action_plan_energy_efficiency/doc/com_2006_0545_en.pdf

6 Links

The Green Paper on Energy Efficiency can be downloaded from

http://ec.europa.eu/energy/efficiency/index_en.htm

² Question 10 is: How can the impact of legislation on the performance of energy consuming products for household use be reinforced? What are the best ways to encourage the production and consumption of these products? How could the EU kick-start research into and the subsequent production of the next generation of energy efficient products? What other measures could be taken at international, EU, national and regional level?



The Action Plan for Energy Efficiency

http://ec.europa.eu/energy/action_plan_energy_efficiency/doc/com_2006_0545_en.pdf

The European Sustainable Energy Forum (Amsterdam Forum)

<http://www.senternovem.nl/AmsterdamForum/index.asp>

The European Commission's DG Energy and Transport (DG TREN)

http://ec.europa.eu/dgs/energy_transport/index_en.html

Related MTP information

Relevant Briefing Notes

- BNXS03 Framework Directive for the Eco-design of Energy Using Products (EuP Directive)
- BNXS34 EU Directive on Energy End-use Efficiency and Energy Services
- BNXS37 Overview of the EU Energy Label Framework Directive

Changes from version 4.3

- Date for next meeting of the Amsterdam Forum included in text

Consultation and further information

Stakeholders are encouraged to review this document and provide suggestions that may improve the quality of information provided, email **info@mtprog.com** quoting the document reference, or call the MTP enquiry line on +44 (0) 845 600 8951.

If you would like to be notified of future updates on this and other EU policies please either:

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