

PRESS RELEASE EMBARGOED UNTIL MIDNIGHT – 12 DECEMBER 2006

LEADING EU ENERGY EFFICIENCY INDUSTRIES URGE EUROPEAN PARLIAMENT TO GET SERIOUS ABOUT ENERGY SAVINGS



Initiative supported by:



European Council for an energy efficient economy

On the eve of the European Parliament’s vote on the European Commission’s Green Paper on Energy, a group of leading energy efficiency industries are urging the European Parliament to get serious about energy savings. With the industry being able to deliver an estimated reduction of at least 20% in CO₂ emissions within 20 years, whilst saving billions of euro in energy costs and delivering hundreds of thousands of jobs, ambition should be high. With the effects of climate change already being felt and with energy prices remaining high, the time for action is now.

“The cogeneration industry could start addressing the energy waste issue today. It is the political determination to act that seems to be lacking. In Denmark where cogeneration has been strongly adopted the overall electricity supply system is 65% efficient compared to the European average of a dismal 33%” explained Fiona Riddoch, Managing Director of COGEN Europe. Andrew Warren, Senior Adviser to EuroACE added: “The European Parliament must make clear to the incoming German presidency that it wants energy efficiency to be the first pillar of the new EU energy policy. It must also insist that the Energy Efficiency Action Plan is implemented swiftly and in full.” Horst Biedermann, Director General of EURIMA, agreed: “Member States are not doing enough and we need the European Parliament to send a strong message that this is no longer acceptable.”

Today energy efficiency industries that represent the entire energy supply chain are saying that it is time that their voice was heard in this debate. “We are ready now. The best refrigerator on the market today consumes barely one-fourth of a 10-year old one”, says Luigi Meli of CECEC. “We could cut 22 million tonnes of CO₂ emissions if we replaced the appliances in use today that are ten years old or more “. The associations agree that tomorrow’s technologies in Europe and around the world will have to be energy efficient technologies, if Europe is to stand any chance to combat climate change and remain competitive. They believe that the EU can either take the lead, and reap the economic and environmental benefits or it can hesitate and fail to deliver a clean, competitive and secure energy model for Europe and the world.

The recent Stern Review: 'The Economics of Climate Change' demonstrated how much we have to lose from inaction and how much can be gained from action. Today, energy efficiency industries are calling on the European Parliament to choose action and in particular:

- To ensure that the role of energy savings is fully recognised within the Green Paper, and across energy policy – energy efficiency is like a fifth fuel and must therefore be fully recognised for the contribution it can make to delivering a clean, secure and competitive energy model for Europe.
- To recognise that energy efficiency needs strong political support and a proper regulatory framework.
- To deliver a clear message that Europe will only succeed in delivering a clean, competitive and secure energy model if Member States get serious about energy efficiency.

Note to editors

- Ahead of the European Parliament's vote on the European Commission's Green paper on energy, several leading energy efficiency industries have come together to have their voice heard. They include:
 - COGEN Europe - the European Association for the promotion of cogeneration.
 - EuroACE – the European Alliance of Companies for Energy Efficiency in Buildings
 - EURIMA – the European Insulation Manufacturers Association
 - CECED –the European Committee of Domestic Equipment Manufacturers
- In addition:

This industry initiative is supported by the European Council for an Energy Efficient Economy (eceee), Europe's largest individual membership-based NGO committed to improving energy efficiency.

"In the view of eceee, such proposals put forward by the four trade bodies are entirely consistent with the recent EU Energy Efficiency Action Plan and deserve greater recognition on European and National level" said eceee chairman Peter Bach. He underpinned the need for a rapid and comprehensive implementation of existing European energy efficiency Directives, including dynamic minimum energy performance standards for energy-using products and buildings, as well as a revitalisation and expansion of the energy labelling scheme.

KEY SECTORAL ELEMENTS

COGENERATION

CHP, Combined Heat and Power, or cogeneration is the simultaneous production of heat and electricity. This proven technology produces around 10% of Europe's electricity and heat requirements and has a currently estimated growth potential of 150GW which will lead to an improved environment and greater economic competitiveness. Cogeneration is currently used in industry, agriculture and for domestic and commercial energy supply. It is a highly efficient energy solution that delivers substantial reductions in greenhouse gases and other pollutants and is the single largest solution to meeting the Kyoto Protocol on climate change for Europe. Where Cogeneration has been seriously support as in Denmark their electricity supply system operates at 65% efficiency overall compared to the current EU average of an unacceptable 33% efficiency overall.

In particular COGEN Europe is calling for:

- Removal of remaining barriers to connecting new decentralised plant to the grid
- Suitable support mechanisms for implementing cost effective cogeneration projects across Europe resulting in a "level playing field" in which the cogeneration industry can compete.

ENERGY EFFICIENCY IN BUILDINGS

With 40% of all Europe's energy being used in buildings, it represents the number one energy using sector – while it is possible to cut these emissions in half through simple measures such as wall and roof insulation, better glazing and heating controls, it must also be considered the number one energy wasting sector. Not only can the energy use be cut in half, but doing this would reduce CO2 emissions by 460 million tonnes a year (more than the total Kyoto Commitment), save Europe up to 270 billion EURO a year in energy costs, whilst creating up to 530,000 new jobs and reducing air pollution.

Capturing this potential will require a mix of legislation, financing schemes and information and organisational support.

In particular EURIMA is calling for:

- An extension of the Energy Performance in Buildings Directive, so that all buildings must upgrade their energy efficiency standards when undergoing renovation.
- The development of financing schemes in all Member States to ensure that the barrier of a lack of upfront financing is overcome

ENERGY EFFICIENT DOMESTIC APPLIANCES

Over the last 10 years, European manufacturers have invested €10 billion at their own cost, to improve the energy efficiency and the performance of appliances. The results are impressive. Since 1995, 34 TWh has been saved (or about 17 million tonnes CO2). Washing machines' water consumption has declined by 62 per cent. Furthermore, we have calculated that 44 TWh could be saved by replacing, overnight, the 188 million large domestic appliances over 10-year old, still in use in European homes, with cutting-edge technology ones.

In other words, CECED is convinced that it is not possible to "realise the potential" of energy efficiency in Europe by pursuing further technical improvement through performance standards and labelling requirements alone. The re-adjustment of standards must be accompanied with financial or fiscal incentives to promote replacement of old inefficient equipment with existing highly energy efficient models.

In particular, CECED is calling for:

- Tax credits, i.e. credits on companies' corporate income taxes to stimulate better diffusion of cutting-edge technologies. In contrast with other schemes, like rebate schemes to the consumers, tax credits are, according to one study, fiscally-neutral.
- To ensure that Member States implement financial and fiscal incentives that will transform the market.

While we recognise that any European level initiative relating to taxation may have limitations, we urge member states to look at precedents from other parts of the world – US and China – in a systematic manner.

For more information on energy efficiency measures please visit:

www.cogen.org

www.euroace.org

www.eurima.org

www.ceced.org

www.eceee.org

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