

PRESS BULLETIN
Brussels, 27 June 2002



SECURITY OF ENERGY SUPPLY – GOOD TO CUT YOUR ENERGY USE

The European Commission Communication "Towards a European Strategy for the Security of Energy Supply", COM(2002)321, Issued 26 June 2002

COGEN Europe welcomes the publication of the Commission on the Security of Energy Supply, the culmination of a long year of debate.

The Commission is correct in the declaration of policy that energy efficiency is a key pillar of a holistic security of energy supply policy. This is the first time that the European policy makers have delivered such a clear position. Here Europe has again shown that in policy thinking it is several steps ahead of other parts of the industrialised world. Unfortunately, the delivery mechanisms for policy at the Member State level are rarely up to the challenge, and realisation of energy demand management is hindered by a lack of ambition and vested interest. In the future this must change.

The paper concludes that "...there is virtually unanimous agreement on the strategic axis of demand management: energy consumption must be guided and steered. The conclusions of the Barcelona European Council, stressing in particular the need for better energy efficiency by 2010...clearly give political backing to this priority."

It goes on to state, p25, "*Energy efficiency and energy demand management* are almost universally seen as key tools for improving energy supply security, reducing import dependence and reducing greenhouse gas emissions, although the point is also made that the energy saved may not necessarily be imported energy. Some comment that far more could be done cheaply and quickly to reduce energy needs substantially, notably in the buildings sector. The most common proposals are for incentives, legislation, new taxes and more clean technology investment, including CHP. Several organisations offer detailed and sometimes quantified *action plans* aimed at reducing energy needs, increasing the take up of renewables and using fossil fuels more cleanly."

The role of cogeneration in energy demand management is in our opinion given to little prominence. In Europe at the present time cogeneration reduces imports dependence by around 1200 PJ/a, equivalent to the entire energy demand of Austria. The target to double cogeneration in Europe by 2010, if met, would further reduce energy demand by 1000 PJ/a or the energy demands of Portugal. Cogeneration is, therefore, one of the most important energy efficiency measures. And surprising, there is also no mention in the document of the forthcoming Directive on Cogeneration, despite its praise for other initiatives such as the Buildings Directive.

Despite these regrets from the cogeneration industry, the Commission should be congratulated for their focus on demand side measures.

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 significant growth potential, which will lead to an improved environment and greater economic competitiveness. 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.

COGEN Europe is Europe's umbrella organisation representing the interests of the cogeneration industry, users of the technology and promoting its benefits in the EU and the wider Europe. The association is backed by the key players in the industry including gas and electricity companies, ESCOs, equipment suppliers, consultancies, national promotion organisations, financial and other service companies.

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