

**Press release****Brussels, 09 October 2007****CHP A FRONT RUNNER IN THE RACE TO REDUCE CO2**

CHP, the simultaneous production of heat and electricity, is emerging as a front runner in the EU's battle to find a route to its 20% CO2 savings target for 2020. As estimates of national potentials for CHP expansion begin to emerge a doubling of installed capacity is possible in many states equating to savings in CO2 emissions of over 100Mt per annum by 2020. Unlike other "low carbon" technologies recently highlighted by the Commission CHP has no outstanding deployment or technology issues to overcome. However a key policy enabler the CHP Directive is currently moving painfully slowly through its final stages at the Commission. COGEN Europe calls on the Commission to take a "first things first" approach and refocus on the CHP Directive capitalising on the CHP potential to cut CO2 emissions in the power sector in the crucial years up to 2020.

CHP can double the efficiency of fuel use in electricity generation. Germany's National CHP Potentials' study published in November 2006 shows a national potential to hugely increase the installed capacity and in August 2007, Germany officially announced its intention to double CHP capacity by 2020. The Czech Republic the UK, Spain and Belgium have all now completed studies which have been widely trailed and all indicate a potential to increase the percentage installed CHP by at least 50% and in three out of four cases to double it. .

These estimates support studies done by COGEN Europe in 2001 when the potential to greatly increase CHP capacity was identified. If the emerging potentials trend is sustained COGEN Europe estimates that there is realisable, economically viable CHP capacity capable of contributing an annual reduction in CO2 emissions by 2020 of over 100Mt CO2 per annum. This is 12% of Europe's CO2 reduction target.

This is great news! As well as being an available, reliable technology, there is a strong European based CHP manufacturing sector and support infrastructure. The only negative in the story is that CHP has been a casualty of market liberalisation and still faces many barriers within the electricity generating industry. Recognising the need for a supporting policy framework to promote the growth of CHP in this phase of market development the EU voted for a CHP directive in 2004. However the CHP directive 2004/08/EC may not see completion until mid 2008. The delays in finalisation are allowing member states to drag their feet on completing their own internal assessments.

COGEN Europe is calling on the Commission to show its commitment to this energy efficiency sector by ensuring the rapid completion of the final stages of the CHP Directive 2004/08/EC. This will transfer pressure onto member states to produce a measure of their own national potentials. COGEN Europe predicts that these potentials studies will identify considerable scope to reduce CO2 emissions through the improved efficiency of CHP and should make CHP a leading tool in the member states CO2 reduction efforts for 2020.

*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 CHP 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. Contact: Fiona Ridloch COGEN Europe +32 2 772 82 90: [fiona.ridloch@cogeneurope.eu](mailto:fiona.ridloch@cogeneurope.eu)*