

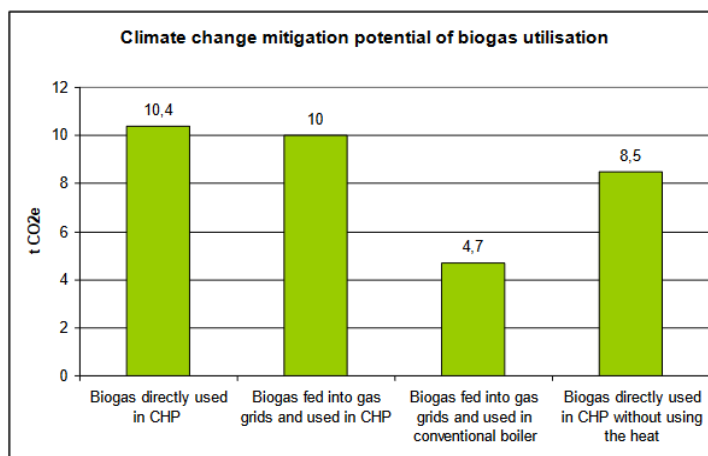
26 February, 2018

Today, the cogeneration sector already helps deliver EU's climate and energy objectives, generating 11% of the electricity and 15% of the heat in the EU. Studies show that there is still significant potential for cogeneration to grow across Europe, reaching 20% of electricity and 25% of heat by 2030. This will help Member States reach their energy efficiency, decarbonisation and renewable energy objectives in a cost-effective, boosting industry's competitiveness and empowering small energy consumers.

As the Council and the European Parliament are preparing for the first trialogue meeting on the Renewable Energy Directive recast (RED II), COGEN Europe stresses the importance of "energy efficiency first", taking an integrated approach to the energy system and ensuring consistency between the Clean Energy Package Proposals.

1. Prioritise High Efficiency Cogeneration for the Efficient use of Biomass (Article 26.8)

The climate change mitigation potential of biomass fuels can roughly be doubled by using them in high efficiency cogeneration systems, which clearly underlines the priority which should be given to Combined Heat and Power (CHP) solutions. Renewable CHP share in the CHP mix has more than doubled between 2005 and 2015 (from 9% to 21%). According to EU funded project, CODE2, there is potential for it to reach 33% by 2030, under the right policy conditions¹. High efficiency cogeneration is the most efficient way to maximise the use of limited biomass resources. In addition, using high efficiency cogeneration to produce both electricity and heat from biomass, will ensure dispatchable and flexible electricity supply, as well as help Member States more easily meet their renewable heat objectives.



Source: www.unendlich-viel-energie.de, FNR, IFEU, UBA, 1/2011

COGEN Europe Policy Recommendation:

Support the European Parliament's position, which allows for either high efficiency cogeneration or highly efficient power-only plants to benefit from biomass support for installations above 20 MW (thermal input).

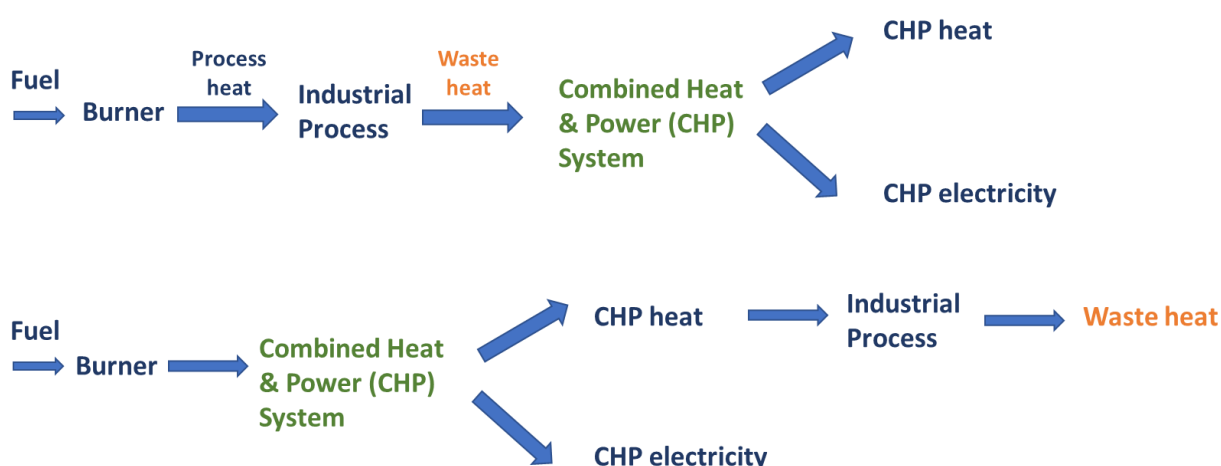
COGEN Europe welcomes this compromise, as balanced and ambitious, while ensuring consistency with Article 14 of the Energy Efficiency Directive.

¹ CODE2 (2013): [Bio-energy CHP Potential Analysis](#).

2. Better “waste heat and cold” Definition to Prioritise and Account for the Potential of Cogeneration (Article 2)

The definition of waste heat should be general enough to account for all potential applications of waste heat recovery:

- While heat from cogeneration is promoted as part of the Energy Efficiency Directive, there should be recognition in the “waste heat and cold” definition of the potential interactions between waste heat and cogeneration (please see below a simplified illustration). The clarification on cogeneration in the definition of waste heat should not exclude cogeneration altogether; and
- Indicate that waste heat could be used in both district heating and cooling and other dedicated energy recovery system, since waste heat could be utilised in a cogeneration system to further produce heat and electricity.



Illustrative diagram showing in interactions between waste heat & cogeneration.

COGEN Europe Policy Recommendation:

The “waste heat and cold” definition should be encompassing enough to account for all the potential applications of waste heat.

Below is the preferred wording for the definition, which takes into account the European Parliament and Council’s positions and addresses COGEN Europe’s remaining concerns:

*“waste heat or cold” means heat or cold which is generated as by-product in power generation installations, **before or after cogeneration is used or where it is not feasible**, in industrial or **tertiary sector** and which would be dissipated unused in air or water without access to a district heating or cooling system **or other dedicated energy recovery system**;*