



Directorate-General
for Energy
and Transport

● ACTION PLAN ON ENERGY EFFICIENCY

Realising the potential



DG TREN
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Action Plan on Energy Efficiency

- **Adopted 19 October 2006**
- **One of the core elements of the Energy Package of 10 January 2007**

● Action Plan: the objective

Improving energy efficiency



Achieving the over 20% estimated savings potential in EU annual primary energy consumption by 2020

● **Action Plan: the savings potential**

- **Energy efficiency potential in different sectors¹:**
 - » **Manufacturing industry: up to 27%**
 - » **Commercial buildings: up to 26%**
 - » **Households: up to 25%**
 - » **Transport: up to 30%**

¹ Wuppertal Institute 2005

● Why is potential not realised?

- In theory markets will achieve best result, but ... market failures do exist:
 - » Consumers may not be affected by the price signal (Principal-agent problem/Split incentives)
 - » Prices may not reflect the environmental externalities
 - » High transaction costs (e.g. to obtain information on energy efficient solutions)
 - » Financial obstacles and lack of transparency of risks and cost/benefits
 - » Lack of awareness, information, education and training
 - » Multifaceted and fragmented market, many actors
 - » Lack of availability of the most efficient products on the shelf

● Reinforcing implementation of existing legislation:

- End-use Efficiency & Energy Services
- Energy Efficiency in Buildings
- Eco-design of Energy-Using Products
- Energy Labelling of Domestic Appliances
- Energy Star Programme
- Combined Heat and Power (Cogeneration)

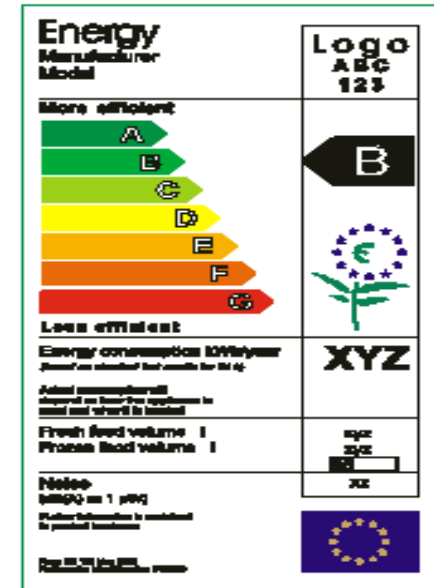
New measures needed ...

● **Action Plan: 6 areas, 10 priorities , 75 actions**

- **Dynamic energy performance requirements for energy-using products, buildings and energy services**
- **Improving energy transformation**
- **Moving on transport**
- **Financing energy efficiency, economic incentives and energy pricing**
- **Changing energy behaviour**
- **International partnerships**

I. Improving energy efficiency in energy-using products, buildings and services

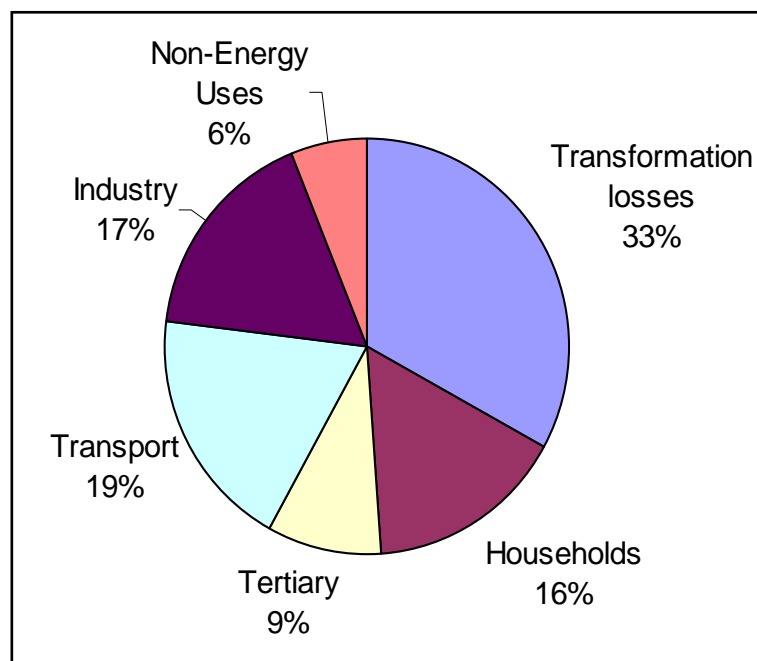
1. Appliance and equipment labelling and minimum energy performance standards



2. Building performance requirements and very low energy buildings (“passive houses”)

● II. Improving energy transformation

3. Making generation and distribution more efficient with guidelines; new regulatory framework for distributed generation



Primary energy consumption EU25 (1750 Mtoe) in 2005

● III. Moving on transport

4. Achieving fuel efficiency of cars

➔ 120 g CO₂/Km target by 2012

➔ New labels for cars; public procurement; new tyre and tyre pressure requirements

IV. Financing energy efficiency

- 5. Facilitating appropriate financing of energy efficiency investments for SMEs & Energy Service Companies; PPP; energy audits**
- 6. Spurring energy efficiency in new Member States - Structural and Cohesion Funds**
- 7. A coherent use of taxation**

V. Changing energy behaviour

- 8. Raising energy efficiency awareness**
- 9. Energy efficiency in built-up areas –
A “Covenant of Mayors”**
- 10. Leadership by example**
- 11. Education and training**

● VI. International partnerships

12. Foster energy efficiency worldwide



An International Platform on Energy Efficiency

● **A Platform for International Cooperation on Energy Efficiency:**

- a supplementary and complementary instrument to the United Nations Framework Convention on Climate Change process

● Background of the Commission's Initiative:

- At the Heiligendamm Summit in June 2007, the G-8 asked the Gleneagles Dialogue on Climate Change, Clean Energy and Sustainable Development and the International Energy Agency to explore the most effective means to promote energy efficiency internationally.

● The main goal of the Platform:

- To add value to all the work already underway internationally, complementing and/or coordinating existing international activities and not duplicating them, to create a new Global Forum for systematic cooperation among the States, regions, cities and other public entities that have considerable energy consumption levels



● Characteristics of the Platform:

- Global scale
- Transparency
- Flexibility, modular structure
- Respect for diversity and different needs of participating countries
- Voluntariness
- Results oriented

● Proposed areas of energy efficiency cooperation:

- legislation
- transport
- residential sector, buildings
- globally traded goods and technology services
- industry, industrial processes
- trade in energy related products and services
- green procurement etc.

● Cooperation:

- Enhancing contacts between national, regional and local authorities and other relevant partners and stakeholders, in order to exchange views and share knowledge and experience on the application of energy-efficient technologies and techniques;
- Increasing cooperation on research and technology development, including transport and transport systems;
- Developing benchmarks and share information on goods and services, buildings, industrial processes as well as appliances and equipment;
- Developing common measurement methods regarding energy performance and energy savings attained;
- Strengthening the information, education and training for energy consumers in order to help them to take well-informed decisions on their energy performance;
- Fostering the creation of stable and transparent frameworks for the financing of energy efficiency measures;
- Integrating the concept of "green public procurement" into public procurement practices at large.

Secretariat of the Platform:

Located at the International Energy Agency

The Participants will agree on detailed policy and operational guidelines for the Platform

The Commission will contribute financially for the setting up of the Secretariat of the Platform

● Why a new format of cooperation?

- A new and dedicated format of cooperation on Energy Efficiency alone would highlight importance of energy efficiency and focus common efforts of all Gleneagles Dialogue countries in this area;
- One of important objective of the new Platform would be flexibility and capacity to cope with diversity and different needs of participating countries;
- To foster international cooperation of states and regions, cities and other public entities with considerable energy consumption as well;
- To encourage systematic practical cooperation on specific areas of Energy Efficiency like exchange of information on legislation at the stage of elaboration of legislative acts, measurement methods, labelling, benchmarking, research and development etc.



Why a Platform?

- To create a forum to exchange information and experience to achieve effective policy input, to facilitate discussion between the political and experts level on energy efficiency, to coordinate cooperation
- To build up a co-ordinating body (“Clearing-house”)/International Energy Efficiency Network which would be a forum bringing together key initiatives, organisations, partnerships, financial institutions, industry and other stakeholders in order to:
 - » secure a clear picture of international action on energy efficiency,
 - » take a strategic view across this activity
 - » identify gaps and help avoid duplication of efforts
 - » identify the most appropriate bodies/partnerships to take forward individual sectoral issues and actions internationally under its auspices.

Road map on establishing the Platform:

10 September 2007

Announcement of the initiative of setting up a Platform, made by Mr Andris Piebalgs, during the 3rd Ministerial meeting of the Gleneagles Dialogue in Berlin on September 10

September– January 2008

Bilateral discussions with Gleneagles Dialogue countries

Early 2008

Multilateral meeting to discuss the Draft declaration on setting up the Platform

First half 2008

Signing of the Declaration in Chiba, Japan under its G8/ G20 presidency

● **Thank you for your attention!**

For more information about EU's energy efficiency policy and the action plan:

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

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