

Brussels, 23 February 2012

Recommendations on further proceedings on the Proposal for an Energy Efficiency Directive

In view of the further proceedings in preparing for the vote of the European Parliament Industry Committee on the Commission proposal for an Energy Efficiency Directive, Orgalime submits its comments, which aim at ensuring as ambitious as possible a Directive with concrete binding measures, while leaving some limited degree of flexibility to take due account of early actions in the area of energy efficiency measures taken by Member States.

We consider the draft Directive as an opportunity to provide **a common and holistic answer to the energy, climate change and resource efficiency challenges** ahead by harmonising to the maximum extent possible current practices and efforts of the different Member States thereby at last developing concrete measures which will help to make the 20/20/20 agenda a reality in all areas including energy efficiency: a solid European framework will not only provide a clear political signal for sustainable, growth enhancing energy efficiency investments, it will also help to secure the free movement of goods and services, thereby helping to reduce Europe's external energy bill that today is strongly dominated by energy imports; such a framework can only contribute to help changing consumer behaviour to reduce their individual energy consumption and related costs.

Orgalime industries are fully committed to continuously improving the energy use in their own processes, to placing on the market ever more energy efficient products and technologies for the consumer to enjoy and to play its role in facilitating better informed consumer choices.

1. Orgalime kindly asks you to support proposals that:

- Strengthen requirements on, both private and public, **building renovation requirements** and introduce a definition of building renovation, including technical installations, inside equipment. The surrounding energy system and the maintenance of the building should also be taken into account as they are easily implemented and offer substantial energy saving potential with rapid returns on investment.
- Encourage the **use of energy performance contracting and Energy Service Companies (ESCOs)** to accelerate the speed of building renovations.
- Encourage **going beyond the proposed 3% target on public buildings** as long as national particularities are taken and sufficient flexibility is given to Member States to achieve an equivalent improvement of building stock. In that sense, we strongly support a target expressed as a percentage of final energy consumption of a building to ensure the cost-effectiveness of

Orgalime, the European Engineering Industries Association, speaks for 34 trade federations representing some 130,000 companies in the mechanical, electrical, electronic, metalworking & metal articles industries of 22 European countries. The industry employs some 9.7 million people in the EU and in 2010 accounted for some €1,510 billion of annual output. The industry not only represents some 28% of the output of manufactured products but also a third of the manufactured exports of the European Union.

investments, such as proposed in the EP Environment Committee opinion report of Rapporteur P. Liese.

- Encourage Member States to set up an **Energy Efficiency Roadmap beyond 2020**, including deep renovation objectives for 2030, 2040 and 2050 to reduce energy consumption of the existing building stock. While this would encourage innovation that we support, sufficient flexibility should remain in national plans since future best technologies are not known yet.
- Accompany energy efficiency measures with **effective technical and financial support, underpinning in this way** the practical implementation of the Directive's future requirements.
- Strengthen **consumer information and awareness** on energy consumption, especially with provisions on smart metering, informative billing and consumer empowerment programmes.
- Introduce a **definition of "smart metering"**, which would be helpful to provide a common understanding and a common reference for all future EU legislation. Metering should be smart, secured, respect the privacy of end-user, provide direct feedback to consumers (possibly through in-home displays) and additional functionalities, as identified in European standardisation Mandate 441.
- Establish an **energy efficiency obligation scheme** focused on final energy consumption of end users, including deep renovation of buildings in products and technologies providing long-term energy savings. We also support an exemption for small actors and an opt out clause for Member States without lowering the overall ambition.
- Introduce **demand Response programmes** and improve the European-wide market design
- **Harmonise energy efficient product criteria of public procurement** to take into account economic feasibility, technical suitability and fair competition for all products
- Support **incentives for voluntary energy audits and energy management systems** as useful tools to monitor energy consumption, especially in Member States where no initiative exists.
- Review the **appropriateness of a conversion factor of 2.5 for energy savings in electricity** that may negatively affect other EU legislation, such as the implementation measures under the Eco design Directive

2. Orgalime kindly asks you to refrain from:

- Setting **mandatory energy saving targets**, since these would hamper EU growth. Instead, we would advocate energy intensity targets in relation to economic output indicators.
- Setting **targets at sectoral level**, either in absolute or relative terms, for energy and non energy intensive sectors in Europe **should also be avoided**. The flexibility of manufacturing industry and the risk of a non-harmonised approach at EU level would result in a distortion of competition between the different EU Member States. The negative impact on EU industry competitiveness is even higher at global level: it risks favouring imports and thereby has a negative impact on investment in Europe.
- Introducing **mandatory energy audits**, as the general rule, is too prescriptive. On the contrary, requirements should respect current best practices, such as the possibility to fulfil requirements with either qualified in-house or external experts and ISO standards, and not jeopardize schemes in place in different Member States.
- Limiting the roll out of **smart meters and in-home displays**. While it is essential to develop a sustainable smart grids system in Europe, more ambitious provisions on smart metering would accelerate change in customers' behaviour when consuming energy.

- Targeting only products complying with eco design benchmarks in **public procurement** instead of fostering the market uptake of existing best available products and technologies. As an alternative, we propose that **public bodies should not buy products below A class**.
- **Reducing or even excluding some appliances**, such as compact light bulbs, smart meters or energy efficient shower heads **from being counted as providing savings towards the energy efficiency obligation scheme in the short term**: acting in this way would reduce the incentive to install such products.
- Introducing too much flexibility on **criteria to exempt small actors from the energy efficiency obligation scheme** by letting each Member State develop its own criteria, since this would distort competition on the EU energy market. Instead, the criteria should be harmonised at EU level.
- Imposing **too prescriptive measures on district heating and cooling**. Instead, the emphasis should be placed on high energy efficiency solutions to safeguard energy technology neutrality.

Orgalime has issued its opinion and recommendation on the draft report of Rapporteur C. Turmes on 25 November 2011, which we consider still valid (http://www.orgalime.org/Pdf/PP_comments_Recommendations_on_Turmes_Draft_Report_Nov11.pdf).

We hope that you will be able to take into account these recommendations, which we consider vital to establishing an ambitious while realistic and workable Energy Efficiency Directive in the context of the EU's efforts on the 20/20/20 targets.



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