

**Eurofuel**  
**Draft response to the Public Consultation**  
Green Paper on a 2030 Framework for Climate and Energy Policies  
COM (2013)169

## **4. QUESTIONS**

### **4.1. General**

- Which lessons from the 2020 framework and the present state of the EU energy system are most important when designing policies for 2030?

*Account has to be taken of the technical and financial constraints already encountered with the 2020 framework while designing policies for 2030. To make a real difference, EU policies should promote realistic and affordable solutions, such as hybrid heating systems for households, to allow for a stepwise transition to less energy and carbon-intensive equipment in the long term.*

### **4.2. Targets**

- Which targets for 2030 would be most effective in driving the objectives of climate and energy policy? At what level should they apply (EU, Member States, or sectoral), and to what extent should they be legally binding?

*EU energy and climate legislation is, especially in the buildings sector, currently lacking consistency, as it is based on different parameters, in particular primary energy reduction and CO<sub>2</sub> emission reduction as well as specific objectives for renewables. A single approach looking at primary energy reduction would be more effective and create less confusion as regards regulatory requirements imposed on the industry.*

*The setting of specific targets by 2030 needs to take into account the economic situation and perspectives for the European Union, as well as the progress achieved on existing targets. In the field of heating, the replacement of old heating systems with hybrid systems using the advantages of renewable energy sources combined with the unique storability properties of oil can make a difference in the reduction of both, energy use and greenhouse gas emissions, at an affordable price for households. Further concerns should be considered, such as the competitiveness of the European industry: Imposing the generalised use of energy technologies produced outside of the EU would fail to take account of the impact on the know-how and employment of traditional manufacturing and energy refining sectors located in the EU. It is important to stress here that the competitiveness of European industry and the impact of energy prices on consumers were rightly pointed out as areas of concern by the European Council on 22-23 May 2013.*

- Have there been inconsistencies in the current 2020 targets and if so how can the coherence of potential 2030 targets be better ensured?

*The non-binding nature of the energy efficiency target by 2020, as opposed to the legally binding targets on CO<sub>2</sub> emission reduction and the share of renewable energy sources, has been particularly confusing. While energy efficiency is clearly recognised by experts as the first priority (the 'greenest' energy being the one which is not used), this should be reflected in the order of*

*priorities towards 2030. This is why, in our mind, efforts should be targeted first and foremost at increasing energy efficiency. For the buildings sector, the reduction of primary energy demand should therefore be the key parameter, as established in the Energy Performance of Buildings Directive (EPBD). This technologically neutral approach leaves it up to the consumer to decide on the most appropriate tool to reduce energy demand, whether insulation, more efficient heating and cooling equipment or the use of renewable energy sources. The reduction of energy demand will accordingly diminish CO<sub>2</sub> emissions.*

*It is important to stress that national and local conditions vary substantially across Europe. One-size-fits-all mandatory measures would not be appropriate. Instead, Member States should be free to decide on the means to reach this target and the sectors affected. Incentives and voluntary agreements with the industry should be encouraged.*

- Are targets for sub-sectors such as transport, agriculture, industry appropriate and, if so, which ones? For example, is a renewables target necessary for transport, given the targets for CO<sub>2</sub> reductions for passenger cars and light commercial vehicles?

*Households in residential buildings are a major user of energy. With an average age of boilers around 20 years, the potential for energy savings in heating is crucial. Member States should be encouraged to find appropriate incentives to facilitate modernisation of heating systems for households, in cooperation with professionals and considering the initiatives already in place. However, we do not consider binding targets for sub-sectors an appropriate way to reach EU climate policy objectives. Such targets would also not be cost-effective. For example, the setting of binding renewable targets for existing buildings in some parts of Germany in the case of a boiler replacement has unfortunately resulted in a significant reduction of heating system renewals.*

- How can targets reflect better the economic viability and the changing degree of maturity of technologies in the 2030 framework?

*Focussing on energy efficiency targets in a technology-neutral way would enable national and local authorities, citizens and industries, to use the most effective tools in view of their budget constraints and technological developments, and achieve the objectives.*

- How should progress be assessed for other aspects of EU energy policy, such as security of supply, which may not be captured by the headline targets?

*The security and reliability of energy supply are also crucial. Overreliance on energy sources from a particular country or region, as well as excessive dependence on volatile renewable energy sources (e.g. wind and solar), should be avoided. The storage of energy is a major issue here. A realistic plan for the roll-out of renewable sources of energy should be put forward, taking into account current market realities, with a view to addressing the challenges of supply intermittence, grid dependence (including the use of smart grids and energy islands), energy storage and cost effectiveness for consumers. Hybrid energy systems combining renewable with conventional heating oil are an ideal solution to the challenges outlined above, and should therefore be facilitated.*

*The 2030 framework should set up benchmarks towards a minimum capacity of energy storage for household heating installations. This would add to the security of energy supply e.g. through heating oil storage tanks.*

#### 4.3. Instruments

- Are changes necessary to other policy instruments and how they interact with one another, including between the EU and national levels?

*The existing and constantly-developing legal framework for EU energy and climate policies, especially in the buildings sector, has become particularly confusing for all stakeholders. Instead of repeatedly amending legislation and proposing new acts, the industry would welcome further visibility and legal certainty with a long term perspective. We would in this sense welcome an integrated document detailing all major obligations resulting from existing EU energy policy acts (e.g. Energy Performance of Buildings Directive, Energy Efficiency Directive, Ecodesign and Energy Labelling Directives, etc.).*

*Moreover, while an EU framework is necessary to coordinate energy and climate policies, it should allow for national initiatives such as voluntary agreements passed with the industry, which in many cases have been very successful.*

- How should specific measures at the EU and national level best be defined to optimise cost-efficiency of meeting climate and energy objectives?

*The best way to optimise cost-efficiency is to stay strictly with a technologically neutral approach, as foreseen in the EPBD for the buildings sector. In order to optimise cost-efficiency of (national) incentive programmes, they should be granted in a neutral way, according to the amount of energy saved and not restricted to certain technologies or types of investment. Such an approach would encourage consumers and professionals to develop and use the measures which allow the biggest energy savings for a given amount of money.*

- How can fragmentation of the internal energy market best be avoided particularly in relation to the need to encourage and mobilise investment?

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- Which measures could be envisaged to make further energy savings most cost-effectively?

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*Moreover, while an EU framework is necessary to coordinate energy and climate policies, it should allow for national initiatives such as voluntary agreements passed with the industry, which can be very successful.*

*Incentives should be given to households for the most cost-effective energy saving measures. This could certainly take the form of fiscal incentives or grants, but first and foremost, too ambitious policies should not deter households from performing the most accessible and affordable works. For example, the replacement of old oil boilers with new condensing oil heating technologies, ideally combined with solar panels or other renewable input, can already contribute to energy savings of up to 40% for a single household.*

*Such measures should not be discouraged with inappropriate energy labels or misplaced calls to focus only on expensive deep renovation, which households and public budgets cannot afford on a large scale.*

*When considering cost-effectiveness, the increase of district heating does not seem appropriate in view of the 2030 and 2050 objectives. Important developments can already be foreseen now, which would significantly reduce the expected environmental and economic advantages of district heating:*

- *A reduction of heat demand due to better insulation of buildings.*
- *A switch of electricity production from coal and gas to renewables such as wind or photovoltaic power.*

- How can EU research and innovation policies best support the achievement of the 2030 framework?

*EU research and innovation policies should take a technology-neutral approach, and thus not favour or discriminate against any source of energy. We believe that further innovation should be encouraged to disseminate hybrid energy solutions, which will facilitate the uptake of renewable energy sources. Promising areas of research and innovation in our sector include hybrid systems (e.g. oil condensing boilers with electric heat pumps), micro cogeneration systems powered by oil or the possible blending of bio components with heating oil. These innovation areas have almost exclusively been supported by the industry, whereas they should clearly be considered as priorities for EU research and innovation policies.*

*The deployment of smart grids and smart meters should be accelerated, to enable consumers to benefit from multiple energy sources according to network capacities. The issue of energy storage should also feature prominently in the research.*

#### **4.4. Competitiveness and security of supply**

- Which elements of the framework for climate and energy policies could be strengthened to better promote job creation, growth and competitiveness?

*Account should be taken of the impact of long-term policy objectives on the competitiveness of the EU industry. The adverse impact of public support for solar energy on European producers vis-à-vis Chinese solar panel producers is an example among others. Europe-based manufacturers produce high-quality hybrid heating solutions, which should not be discouraged against low-quality renewable technologies produced in third countries.*

*Measures aimed at increasing the renovation and replacement of heating systems in buildings should be encouraged and stepped up.*

- What evidence is there for carbon leakage under the current framework and can this be quantified? How could this problem be addressed in the 2030 framework?

- No reply -

- What are the specific drivers in observed trends in energy costs and to what extent can the EU influence them?

*Specific measures to reduce energy costs are often very expensive, especially when a very low energy demand should be reached. Energy upgrades of old buildings are very different according to the individual building. A cost-optimal solution has to be defined for each specific situation. In order to minimise costs, only the target (energy demand) should be defined, leaving it to the owner to decide on the most appropriate measure to reach this target. Such a technology-open approach ensures the lowest modernisation costs.*

- How should uncertainty about efforts and the level of commitments that other developed countries and economically important developing nations will make in the on-going international negotiations be taken into account?

- No reply -

- How to increase regulatory certainty for business while building in flexibility to adapt to changing circumstances (e.g. progress in international climate negotiations and changes in energy markets)?

- No reply -

- How can the EU increase the innovation capacity of manufacturing industry? Is there a role for the revenues from the auctioning of allowances?

- No reply -

- How can the EU best exploit the development of indigenous conventional and unconventional energy sources within the EU to contribute to reduced energy prices and import dependency?

- No reply -

- How can the EU best improve security of energy supply internally by ensuring the full and effective functioning of the internal energy market (e.g. through the development of necessary interconnections), and externally by diversifying energy supply routes?

*Diversifying the energy supply routes is a necessity for the EU. The full functioning of the internal energy market across the borders should be ensured through proper implementation of the EU package of measures, as well as the deployment of smart grids. This is particularly true to facilitate the use of renewable energy sources and their combination with other types of sources in hybrid systems.*

#### 4.5. Capacity and distributional aspects

- How should the new framework ensure an equitable distribution of effort among Member States? What concrete steps can be taken to reflect their different abilities to implement climate and energy measures?

*General targets should be set for Member States, leaving them a margin of manoeuvre as to the specific measures to use.*

- What mechanisms can be envisaged to promote cooperation and a fair effort sharing between Member States whilst seeking the most cost-effective delivery of new climate and energy objectives?

*- No reply -*

- Are new financing instruments or arrangements required to support the new 2030 framework?

*As it is increasingly the case, a larger share of EU budgets should be dedicated to climate and energy policies, in particular to facilitate and incentivise energy savings in the Member States.*