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CECED response to the Green Paper consultation on a 2030 framework for climate and energy policies

European household appliance manufacturers, represented by CECED[1], welcome the Commission's consultation and Green Paper on the 2030 Framework for Climate and Energy Policy.

This Green Paper offers an opportunity to continue and strengthen the current EU Climate and Energy policy framework and provides the EU industry with the rights signals and incentives to invest and enhance competitiveness in a global environment.

4.1. General

Out of the three 20% targets of the 2020 framework, we now see that the EU is very likely to miss its non-binding target to reduce consumption of primary energy by 20% by 2020. The others two targets, both binding, are on track to close their 20% gap or even overpass it.

CECED members have a long tradition of promoting energy efficiency through the development of appliances. CECED has been a strong supporter of the recently adopted Energy Efficiency Directive which gave a sign in the right direction. Yet, we still see an unexploited potential for the EU to achieve higher energy savings.

4.2. Targets

The success of the EU Energy and Climate Agenda is a means to ensure the EU's competitiveness and sustainable growth in the long-term. The EU must demonstrate that it has strong political ambitions for the climate discussion taking place in international roundtables.

The 2050 Roadmap suggests that energy efficiency improvements are necessary for transforming the EU's energy system. This target can be achieved by setting a balanced mix of carbon reduction, renewable and primary energy efficiency targets. All should be binding in order to ensure that investments are duly oriented towards the implementation of energy efficiency technologies. Ensuring

[1] Direct Members are Arçelik, Ariston Thermo Group, BSH Bosch und Siemens Hausgeräte GmbH, Candy Group, Daikin Europe, De'Longhi, AB Electrolux, Fagor Group, Gorenje, Indesit Company, LG Electronics Europe, Liebherr Hausgeräte, Miele & Cie. GmbH & Co., Philips, Samsung, Groupe SEB, Vorwerk and Whirlpool Europe. CECED's member Associations cover the following countries: Austria, Belgium, Bulgaria, Czech Republic, Denmark, France, Germany, Greece, Hungary, Italy, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Spain, Sweden, Switzerland, Turkey and the United Kingdom.

a coherent implementation of already available energy efficiency technologies will avoid requiring unproductive investments in power generation and transmission to foster inefficient uses for decades in the future (lock-in effect).

Overall, CECED believes that the 2030 policy framework shall build on mutually reinforcing and binding energy savings, renewable energy and greenhouse gas emission reduction targets. These three targets should build on the individual potential of the main relevant sectors of the society (residential, transport, energy transformation, process and manufacturing industry, services and agriculture). Benefit sharing amongst these sectors but also considering the individual national potentials will help the EU determine realistic and achievable 2030 energy and climate objectives.

4.3. Instruments

For many years household appliances have been subjected to energy efficiency policies (mostly ecodesign and labelling but also EPBD) which aim to pre-empt waste of energy at final consumption. However the penetration of super-efficient products on the market depends on consumer's investment capacity. A general energy efficiency policy is required to support consumers and remove the lock-in effect. Energy Efficiency Directive is a first step in the right direction

The factact is that today the EU has prioritised some policies to achieve carbon emissions reduction that preventany other type of policies to develop further. Energy efficiency has been largely marginalised. It does not benefit from a conducive market or political and financial support in the same way as nuclear, fossil fuel mix, renewables and CCS.

A stand-alone emission reduction target or coupled with a renewable target does not represent a solution. In the absence of a specific initiative on energy efficiency, it is hard to justify any claim that a carbon emission reduction policy would deliver automatic energy savings. An additional policy is required to address the limited investment capacity by consumers and the lock-in effect.

Together with policies that orientate and support consumers towards the best energy performing products, the establishment of the energy demand response market through the development of the relevant Grid Codes and the relating smart technologies will enable a more efficient matching of demand and response, thus contributing to the strategic primary energy saving objectives.

Demand response technology offers a quick, flexible, reliable, repeatable, cost-effective, and energy efficient capacity resource that would highly contribute to the security of supply and respond to the challenge of renewables integration. It can substantially reduce the need to invest in carbon intensive generation, thus lowering CO2 emissions. Shifting consumption off peaks or when renewable energy becomes available can greatly contribute to the reduction of primary energy consumption and costs of the energy system too. Finally it could bring an important contribution to lowering the EU import dependency.

However, a real market for demand response technology is currently missing. Appropriate framework rules and structures that enable, attract and incentivise any actor to participate effectively in the energy market are essential for optimising capacity resources and achieving the future low-carbon energy

system. Implementation of Demand Response must correspond to direct tangible benefits to the customer. Without a genuine market approach this technology would be discredited and the potential to foster a market for renewable energy and on site use of locally produced energy would be missed.

4.4. Competitiveness and security of supply

We consider that energy availability is essential to stimulate development and wealth of society. Today, the diversion of massive investments into power generation to cope with inefficient demand, Carbon Capture and Storage or other environmental remedy technologies represent an obstacle for development as societal financial means are diverted towards capital intensive activities with very limited impact on local job creation and wellbeing.

Energy efficiency policies – such as ecodesign and labelling – have allowed the development of very good technologies for energy using products, building components and local energy generation. The lack of ambition to develop a strong European energy savings policy is however spoiling the investments made in product innovation and is hampering industrial competitiveness.

Energy efficiency requires a long-term investment perspective. A binding energy savings target for 2030 is the missing element that would provide the industry the certainty to re-invest in innovative and energy efficient solutions. This would enhance businesses' competitiveness and allow the EU's technological and market leadership in global markets.