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# CERAME-UNIE'S RESPONSE TO THE EC CONSULTATION ON ENERGY EFFICIENCY

**1.** Energy efficiency should be about *doing more with less*. A true debate on how to best qualify and measure energy efficiency in the heterogeneous landscape of EU sectors is of upmost importance.

**2.** Before 2020, the focus should be on the_cost-effective implementation of the Energy Efficiency Directive and of the Eco-design Directive and allow flexibility for Member States to take into account their domestic contexts.

**3.** European businesses have greatly contributed to make Europe one of the most energy efficient regions in the world. The latest projections have shown that manufacturing industry has made more progress than any other sector across the European economy. Therefore industrial sectors should not be subjected to any new legislative energy efficiency initiatives and targets.

**4.** Buildings account for 40% of Europe's energy consumption, a sector where much more could be done on energy efficiency with a large potential for emission reductions.

## 1. Doing more with less

Before specifying the ***means*** to achieve energy efficiency, it is imperative to define its ***meaning***. Energy efficiency means the intelligent use of energy, which is often but not necessarily linked to energy savings, it should be about doing more with less. Therefore before discussing a policy framework for the 2030 horizon, it is necessary to achieve a common understanding on what the concept of energy efficiency means. Cerame-Unie believes that a true debate on how to best qualify and measure energy efficiency in the heterogeneous landscape of sectors across EU's economy (industry, buildings, transport, agriculture, etc.) is of upmost importance.

In industry, increasing energy efficiency has always been viewed as diminishing the amount of energy needed for the same process or product, such as increasing energy productivity. On the contrary, an absolute reduction of energy consumption would provide the wrong incentive to "consume less" and risk capping future growth prospects instead of "being more efficient".

In residential or office buildings, energy efficiency can be achieved by better insulation or replacement, through energy efficient equipment and by improving maintenance. Real energy efficiency should be a measurement of the amount of energy saved after implementation of energy efficiency improvement measures while external factors (changes in production volumes, production portfolios and weather conditions) should not be included in the definition.

## 2. Pre-2020: focusing on cost-effective implementation of the Energy Efficiency Directive and of the Eco-design Directive

The Energy Efficiency Directive has been adopted in 2012 following a two years policy debate. It entered into force in 4 December 2012 and intensive stakeholders' consultations have ensued in order to put into practice the new requirements agreed by the directive. The deadline for transposition of the directive by Member States is June 2014.

Cerame-Unie is convinced that re-opening of the Energy Efficiency Directive (EED) at such an early stage would be counter-productive. It risks creating uncertainties for public authorities and stakeholders currently involved in the implementation of the existing directive. Therefore, Cerame-Unie calls on EU policy-makers to resist adding new legal uncertainties and supports focusing efforts on its cost-effective **implementation**.

The Directive imposes new and highly demanding requirements on a wide range of industrial actors. The way the European Commission and national authorities interpret, implement and enforce these requirements is essential to ensure a cost-effective implementation process. In particular, the following issues require careful consideration:

- Member States should refrain from setting additional requirements for the improvement of energy efficiency in ETS-companies in order to comply with their national targets under Article 7 of the EED. If these requirements were to be put in place, they would severely undermine the effectiveness of the EU ETS' objective of achieving GHG reductions at the lowest possible cost for society.

- Implementation of energy efficiency obligation schemes should take national circumstances into consideration, such as energy efficiency potential, the likely evolution of national GDPs and the previous energy savings achieved by every Member State.

The Eco-design directive, which aims at removing the least performing energy-related products from the EU market, is another pivotal legal instrument when it comes to energy efficiency. However, it is important that EU policy-makers keep the directive aligned with the principles of proportionality, cost-efficiency and no double regulation e.g. with the Industrial Emissions Directive and Construction Products Regulation.

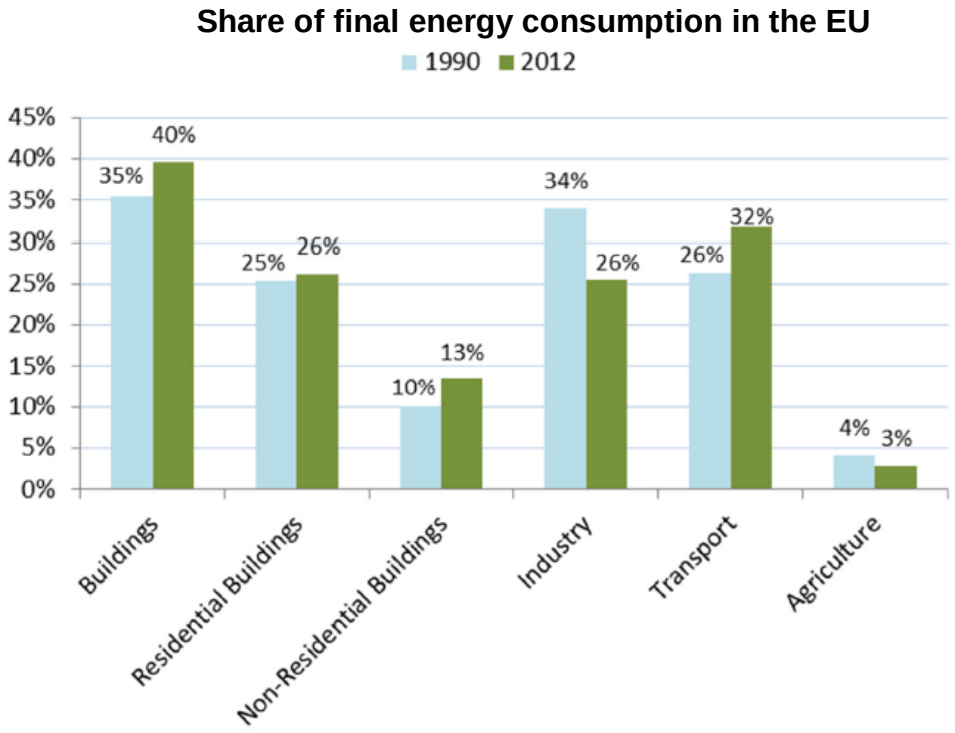
## 3. A sector-specific approach towards 2030

Cerame-Unie strongly believes that a top-down and economy-wide target is incompatible with the complexity of the energy efficiency concept. What Europe needs is a sector-specific and tailor-made approach taking due account of past efforts, prioritizing actions in those sectors with the highest potential for cost-effective improvements and avoiding overlapping between EU policy instruments.

### *a) Industry*

European business have greatly contributed to making Europe one of the most energy efficient regions in the world providing the market with innovative products and technologies ranging from light bulbs, through low rolling tyres,

lightweight plastic materials, insulation materials, efficient manufacturing equipment, efficient heating and cooling systems for residential and commercial buildings or novel technologies to capture and recover waste heat. By reducing its energy intensity from 34% to 26% over 20 years, manufacturing industry has made more progress than any other sector of the European economy.




*Source: Eurostat*

In addition, at EU level, an encompassing regulatory framework for the reduction of GHG emissions and the improvement of energy efficiency is already in place for industry. EU rules such as the Energy Efficiency Directive, the EU Emissions Trading Scheme, the Industrial Emissions Directive or product-specific policies have already driven and should continue to drive further energy efficiency improvements in industry across Europe. Therefore, Cerame-Unie is opposed to any new legislative initiatives and targets for industrial sectors.

While the development of a market for energy efficiency services (such as energy performance contracting) is a driver for energy efficiency improvements and offer new business opportunities, the risk of multiple layers of regulation and additional burdens should be avoided. This is particularly true for companies that fall under the EU ETS. In order to allow the ETS to deliver GHG reductions at the lowest possible cost, ETS companies should be excluded from

any further regulatory instruments aiming at improving energy efficiency. In addition, ETS revenues coming from industry should remain within the sector to finance industry research and efficiency projects instead of supporting non-ETS sector improvements.

### *b) Buildings*

Buildings account for 40% of Europe's energy consumption (both residential, public and commercial), and have a large potential for emission reductions. Three quarters of buildings standing in the EU were constructed at a time without or minimal building codes. Moreover, buildings have an average life expectancy of about 50-100 years and 75% of buildings standing today are expected to remain in use in 2050. In order to unlock the energy efficiency potential in buildings and related appliances, the EU should pave the way for new financing models. The scale of finance needed to upgrade the building stock cannot be achieved by the private sector alone. Appropriate use of Horizon 2020, structural and cohesion funds should boost private sector engagement. On the basis of the first review of the EED, a target for energy savings in the building sector should also be considered as an option to trigger additional investments. This would entail the development of wide-scale renovation programmes and the need for a skilled workforce in energy efficient techniques such as smart meters, insulation, glazing and lighting. Public authorities must also assume a strong role in the implementation of this target and work as frontrunners of energy efficiency improvements for the public building stock. In addition to buildings as such, special attention should also be devoted to the whole energy chain related to the use of buildings, such as innovative district heat and cooling systems, roofs, walls and windows.