Public consultation on the review of progress towards the 2020 energy efficiency objective and a 2030 energy efficiency policy framework

INFORMATION ABOUT THE RESPONDENTS

Are you responding to this questionnaire on behalf of/as: -single choice reply-(compulsory)	Organisation
Please enter your name or the name of your company/organisation: -open reply-(compulsory)	International Association of Oil & Gas Producers
Please indicate your principal country or countries of residence or activity: -single choice reply-(compulsory)	Other
Please specify which other country. -open reply-(compulsory)	United Kingdom/Belgium
How would you prefer your contribution to be published on the Commission website, if at all? -single choice reply-(compulsory)	Under the name indicated (I consent to publication of all information in my contribution and I declare that none of it is under copyright restrictions that prevent publication)

A. Energy efficiency targets and measures

1. Do you think the right approach in addressing the shortfall is: -multiple choices reply-(compulsory)	d) other

Please specify your response d)
-open reply-(optional)

-For 2030, OGP is in favour of setting a realistic single GHG emission reduction target, taking into account progress in international climate negotiations.Setting a single GHG target for 2030 would provide a technology neutral framework and help to drive emission reductions in the most cost-effective way. -Dedicated targets for RES and energy efficiency (EE) lead to distortions and non-cost-effective results. -OGP does not therefore support setting a binding target for EE, for energy intensity improvements or for absolute energy savings(or any hybrid of the aforementioned options). -Setting a binding target for EE, covering the ETS sectors, would constitute double regulation as EE is already being deployed by traded-sectors as a means of achieving savings at lowest cost under ETS. Further, the Industrial Emissions Directive also regulates energy efficiency performance. -In order to avoid overlaps, we urge EU policymakers to further exclude ETS installations from the scope of the EED.

B. Energy efficiency sectors

2. Do you think that further policy measures are needed at EU level to foster energy efficiency in buildings? -single choice reply-(compulsory)	No

Please give details. -open reply-(optional)

- In the European Union, buildings account for 40 % of total energy use and for 36% of EU CO2 emissions. This sector should therefore receive significant attention when considering energy savings, particularly as the building sector is not already covered by emissions reduction legislation (e.g. ETS) - The EU should focus on policy instruments such as standards for buildings to promote greater energy

efficiency more widely across the economy. - Further, EU policymakers should assess the impact of existing legislation on energy savings and assess how decisions to promote the most modern boilers can best be made, including by focusing on the role of natural gas in heating. For instance, replacement of old gas heating boilers by modern, high efficiency gas boilers in homes can lead to fuel consumption reductions by up to 20% for the same heat output, often with a short payback period. Switching in this way would also lead to a reduction in CO2 emissions.

3. Do you think that further policy measures are needed at EU level to foster energy efficiency in industry? -single choice reply-(optional)	No

Please give details. -open reply-(optional)

- OGP does not support overlapping measures for industry: introducing new policy tools - in addition to ETS - to foster energy efficiency in the ETS sectors would lead to double regulation as energy efficiency is already an important measure deployed by traded-sectors to achieve emissions and energy savings at the lowest cost. - The oil and gas industry is committed to increasing energy efficiency in its operations and working with end-users to improve efficiency in the use of its products. We have a strong financial incentive to save energy as it reduces costs along the whole supply chain and makes energy more affordable to consumers. - In addition to energy costs and ETS, other existing legislation has an impact on energy efficiency: for example, the Industrial Emissions Directive.

4. Do you think that further policy measures are needed at EU level to foster energy efficiency in transport? -single choice reply-(optional)	No

Please give details. -open reply-(optional)

- Transport accounts for about 30% of EU energy use, with its different subsectors already covered by existing and incoming measures. Vehicle efficiency standards, labelling, taxation of road fuels, incentives to promote fuel efficient cars as well as measures to improve infrastructure are all used extensively and are already effective in delivering progress. - The oil and gas industry encourages energy-efficient use of its products by end-users. EUROPIA, the body that represents refining & downstream companies, runs a pan-European consumer awareness campaign on the efficient use of transport fuels called “SAVE MORE THAN FUEL”. - Oil and gas companies are continually seeking to reduce energy consumption by improving the quality of its products. Examples include advanced road fuels, motor oils and lubricants that improve vehicle performance. Some companies have developed proprietary additives for gasoline and diesel that help to enhance fuel economy.

5. Do you think that further policy measures are needed at EU level to foster energy efficiency in electrical equipment? -single choice reply-(optional)	No

Please give details. -open reply-(optional)

There are already measures in place aimed at improving energy efficiency in electrical equipment - labelling to raise consumers’ awareness and efficiency requirements for new products. Gas appliances are also becoming increasingly more efficient: - Gas combined heat & power (CHP) units, from large scale CCGT CHP (where the heat is used for industrial process heating), down to micro-CHP (for in-home use) offer broad applications for increasing efficiency and decreasing global emissions. - Gas heat pumps (GHP) & gas/electric hybrid technologies offer not only increased energy efficiency & lower emissions, but also the possibility of integrating renewables into smart grid networks for fuel switching that responds to real-time supply and demand balances. This is to accommodate intermittent renewable energy generation by assisting with load balancing & increasing local security of supply.

6. Do you think that further policy measures are needed at EU level to foster energy efficiency in generation and distribution? -single choice reply-(optional)	No

Please give details. -open reply-(optional)

- OGP believes that redesigning the power market to allow gas and renewables to better partner each other in electricity generation is important, as it would lead to lower GHG emissions and to improvements in energy efficiency. - Subsidies for mature renewables should

be phased out while maintaining R&D support for all promising, non-mature low-carbon technologies, including CCS. - OGP believes that advanced, proven, and readily available gas technologies, such as combined cycle gas turbine (CCGT) and combined heat and power (CHP), can halve EU emissions in the power sector and increase energy efficiency significantly. Therefore these two technologies need to be promoted across Europe.

7. Do you think that further financial mechanisms and instruments are needed at EU level to mobilise energy efficiency investments? -single choice reply-(optional)	No opinion
8. Do you think that further measures are needed to build the capacity of actors in the energy efficiency sector? -single choice reply-(optional)	No opinion

9. What are the most promising technology solutions that can help deliver energy savings in the 2020 and 2030 time horizon? How can their development and uptake be supported at EU level?

-open reply-(optional)

- OGP believes that substantially expanded R&D and innovation financing schemes are likely to achieve faster and more significant results compared to implementation/operation support regimes, for instance for RES, as well as being more cost effective. With a robust long-term market mechanism for emissions reduction, the carbon price and recycled auction revenues can also fund R&D. However, any potential policy initiative for R&D programmes must be thoroughly assessed to avoid picking technology “winners” and “losers”. - EU R&D programmes should focus on new cutting-edge technologies. Such technologies might include smart grids and storage technologies, including for hydrogen obtained by water electrolysis using spilled renewable power. Other potentials might include micro-CHP systems and gas heat pumps, which are being developed to generate electricity and heat for low-emission buildings. These latter technologies will increase energy savings while lowering GHG emissions.

10. Further comments -open reply-(optional)

- The oil and gas industry recognises the need for everyone to use energy more efficiently and is committed to working with other stakeholders to drive forward initiatives to make this happen. Oil and gas companies will continue to research and develop new technologies. - Energy efficiency is essential to conserving energy supplies and contributing to lower greenhouse gas emissions. The oil and gas industry will continue to support policymakers in establishing cost-effective strategies and measures to promote the efficient use of energy for the benefit of all.