



EUROPEAN COMMISSION

Brussels, 2.4.2012
C/2012/ 2099 final

Dear President,

The European Commission would like to thank the Senát for its opinion on the Communication on an Energy Efficiency Plan 2011 – {COM(2011)109 final} and apologises for the undue delay in replying.

The Commission is convinced that increasing energy efficiency is important to help the European Union achieve its 2020 targets for reducing greenhouse gas emissions and increasing the share of renewable energy in a cost-effective way. The EU needs to make greater efforts to save energy so as to reduce its dependence on imports of fossil fuels from outside the EU and to reduce the negative impact of rising energy prices.

It is estimated that getting the EU on track to achieve the 20% target will increase EU GDP by €34 billion by 2020 and increase net employment by 400 000 jobs. The biggest obstacle to linking the benefits and the costs is the insufficiently developed markets for energy services and energy efficiency improvements. To this end, market-based mechanisms such as energy efficiency obligation schemes are proposed and support is given for the establishment of Energy Service Companies (which commit to making the investment and implementing the measures in exchange for income from the financial savings on the energy used).

The Commission believes that it is important to continue the activities initiated under existing EU legislation addressing energy efficiency, including Directive 2006/32/EC on energy end-use efficiency and energy services and Directive 2004/8/EC on the promotion of cogeneration based on useful heat demand. However, experience with the implementation of both Directives has shown that they have not provided sufficient clarity for the Member States on the required obligations. The new Directive builds on this experience and aims to introduce clearer obligations for Member States. It will cover all sectors, from energy supply to end-use, to ensure that the EU reaches its 2020 target. The Commission does not see any cause for concern in relation to overlaps with existing Directives 2006/32/EC and Directive 2004/8/EC. The new Directive will repeal both while retaining and, where necessary, clarifying most of the obligations already laid out in the earlier Directives.

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The impact assessment for the Energy Efficiency Directive shows that even if the current target of the existing Energy Services Directive is fully achieved, the EU will reach only half of its 2020 target for primary energy savings. It is important, however, not to become bogged down in a debate on targets. Energy savings are not achieved by targets alone. This is why the Commission opted to propose stringent and ambitious binding measures, rather than binding targets in the new Directive. It is my belief that if the measures proposed in this Directive, the implementing Directive on Eco-design (2009/125/EC), the Directive on Energy Labelling (2010/30/EU), the Energy Performance of Buildings Directive (2010/31/EU) and the measures being taken by Member States are properly implemented, then the proposed 2014 assessment will show that the EU is on track for its 2020 target, without the need for binding targets at national level.

The proposed Energy Efficiency Directive is currently being discussed by the European Parliament and the Council, and the Senát's opinion will be taken into account during the legislative procedure. As regards the specific points raised by the Senát, the Commission would like to provide the following clarifications:

The EU has set itself the objective of achieving 20% savings on primary energy consumption by 2020¹ and has made this objective one of the five headline targets of the Europe 2020 Strategy for smart, sustainable and inclusive growth².

The Commission's latest estimates, which take account of the national energy efficiency targets for 2020 set by the Member States in the context of the Europe 2020 Strategy, suggest that the EU will achieve only half of the 20% target by 2020³. The European Council⁴ and the European Parliament⁵ have urged the Commission to adopt an ambitious new strategy on energy efficiency involving resolute action to explore the considerable potential that exists.

Evaluation⁶ of the current energy efficiency guidelines (Directives 2006/32/EC and 2004/08/EC) shows that the European target cannot be met solely through the current combination of indicative targets and a high degree of flexibility in the use of economic policy instruments. When the Council discussed the European energy efficiency plan on 10 June 2011, the Member States urged the Commission to lose no time in putting forward ambitious proposals, including proposed legal measures, for achieving the 20% target.

In order to put the EU back on course to achieve its target, the Commission has proposed a new Directive on energy efficiency {COM(2011)370}. Under Article 3 of the proposed Directive, the Member States are initially required to set themselves indicative targets that take account of the foreseeable energy savings obtainable by means of the binding measures. Under the same Article, the Commission is to assess by 30 June 2014 whether the EU is likely to achieve its target of 20% primary energy savings by 2020.

The economic, social and environmental aspects of the proposed measures were discussed in detail in the impact assessment produced in connection with the proposed

¹ 7224/1/07 REV 1.

² COM(2010) 2020.

³ SEC(2011) 277.

⁴ EUCO 2/1/11.

⁵ 2010/2107(INI).

⁶ Impact assessment on the Commission proposal for a Directive on energy efficiency.

Directive (SEC(2011)779). According to this comprehensive analysis, the proposed measures are likely to have a positive effect on the economy and competition, prevent market distortion and keep the administrative burden to a minimum.

The modelling exercise for evaluating the individual measures proposed and the overall impact of the selected policy options shows that the net effect of the proposed measures will be to enable the 27 EU Member States to meet the objective of 20% savings on primary energy consumption. The impact assessment also shows that the additional cost of achieving the overall 20% target through a set of selected measures is modest compared with the benefits to be gained. The overall economic, social and environmental impact of these measures will make a very positive contribution to EU policy and will support the Europe 2020 Strategy. This also means, however, that the individual measures must necessarily remain integral parts of the Directive package so as not to jeopardise meeting the 20% target.

The Commission agrees with the Senát that it is extremely important to promote research and development on energy efficiency. However, since the focus of the proposed Directive is on meeting the 20% target, in other words using existing technology to tap the EU's potential for making economic savings, the proposed Directive does not imply a stronger emphasis on research and development. The boost to energy research comes from the "Horizon 2020" energy research programme.

I look forward to developing our political dialogue further in the future.

Yours faithfully,

*Maroš Šefčovič
Vice-President*