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Ms. Roberta Alma ANASTASE
President
Chamber of Deputies
Palace of the Parliament
Str. Izvor nr. 2-4, sector 5
RO – BUCHAREST

Dear President,

The Commission would like to thank the Camera Deputatilor for its Opinion on the Communication "Energy Efficiency Plan 2011"¹

The Commission shares the Camera Deputatilor's view that the new Energy Efficiency Plan adopted in 2011 is an important strategic EU policy document which puts forward a roadmap with an ambitious set of actions to help the EU achieve its energy efficiency target for 2020. The Commission indeed considers energy efficiency of key importance for economic and industrial development, GDP growth and job creation and also essential beyond 2020 for establishing a low carbon future in all Member States.

The main group of actions put forward in the Energy Efficiency Plan 2011 has already been further defined by the Commission in its recent proposal for a new Energy Efficiency Directive², which has addressed energy saving potential in all sectors including energy end-use consumption as well as transmission and distribution of energy and energy generation. Getting on track to achieve the 20% target is forecast to increase EU GDP by €34 bn in 2020 and increase net employment by 400 000 jobs. The biggest obstacle to linking the benefits and the costs is the poorly developed market for energy services and energy efficiency improvements. To this end, market based mechanisms such as energy efficiency obligation schemes are proposed in the proposal for an Energy Efficiency Directive, and the establishment of Energy Service Companies (which commit to make the investment and implement the measures in exchange for income from the financial savings on the energy used) is supported.

Regarding the observation of the Camera Deputatilor concerning the setting of the EU 2020 target, this has been defined as 20% primary energy savings (i.e. gross inland consumption minus non energy uses) in 2020 as compared to the projections for 2020 made in 2007. This definition of the energy efficiency target is already well established. The target implies a reduction of 368 Mtoe in EU primary energy consumption in 2020. This target should however not be understood as setting an absolute cap on consumption at national level regardless of the economic changes in the Member States. In fact, in the proposal for an

¹ COM(2011) 109 final

² COM(2011) 370 final

Energy Efficiency Directive, the progress in Member States has been analysed taking into account a number of other energy efficiency indicators (notably changes in energy intensities).

The Commission welcomes the view of the Camera Deputatilor that the instruments used in the dialogue with neighbouring states should be devised in a spirit of complementarity. The Commission is continuously engaged in discussions with neighbouring states to promote its energy policies including energy efficiency. This international engagement has already been clearly expressed in the Energy Efficiency Action Plan 2006 {COM (2006) 545} to which the Energy Efficiency Plan 2011 is complementary. It has also been reiterated and further developed in the Commission's Communication "Security of energy supply and international cooperation – "The EU Energy Policy: Engaging with Partners beyond Our Borders" adopted in September 2011 {COM(2011) 539 final}.

The Commission fully agrees with the Camera Deputatilor that the European Union needs good coordination of its actions concerning the development of major infrastructure projects with external partners. This has been recently addressed by the Commission's proposal for a Regulation on guidelines for trans-European energy infrastructure³, which is currently under discussion in the European Parliament and the Council. However, it should be stressed that most of the cost-effective potential for energy efficiency is related to local investments and requires major efforts and initiatives to be undertaken by public and private bodies in all Member States, including Romania. These national and local actions are crucial. The EU indeed needs to take stronger efforts to save energy to reduce its dependence on imports of fossil fuels from outside the EU and reduce the negative impacts of rising energy prices.

As regards the suggestion of the Camera Deputatilor that the Commission should address the possibilities for using existing financial instruments for funding energy efficiency investments, the Commission has suggested, in its proposal on the financing of Cohesion Policy adopted on 6 October 2011⁴, to increase significantly the funds for renewable energy and energy efficiency for the period 2014-2020, with a minimum sum of approx. €17 billion to be spent in these policy areas. The Commission also supports initiatives that provide technical assistance for structuring sustainable energy projects (e.g. the ELENA facility) and looks to develop innovative and flexible financing mechanisms (e.g. the new European Energy Efficiency Facility established for the unspent funds from the European Energy Programme for Recovery), which can help with achieving more cost-effective use of the EU Cohesion Policy Funds as well as national funding available for investments in energy efficiency.

The Commission takes note of the suggestion of the Camera Deputatilor that it should propose a system of economic and social impact indicators for the actions included in the Energy Efficiency Plan and use ex-ante, intermediate and ex-post assessment of the plan on the basis of these indicators in order to supplement the annual analysis of the efficiency of the plan. In fact, the Commission has already carried out extensive social and economic ex-ante analyses of the impacts of the main measures put forward in the Energy Efficiency Plan in the context of its impact assessment for the proposal on the Energy Efficiency Directive⁵. As regards monitoring of progress on the implementation of energy efficiency measures in the Member States, the Commission suggested in its proposal for an Energy Efficiency Directive a simplified system of reporting to reduce the administrative burden while increasing the frequency of basic information on the progress in the Member States. This includes annual

³ COM(2011) 658 final

⁴ COM(2011) 615 final

⁵ SEC(2011) 779 final

reporting on few key energy efficiency and economic indicators that could be carried out in the framework of National Reform Programmes and more detailed tri-annual reports looking into various energy efficiency impacts of national measures. The Commission has however not proposed an obligation for the reporting on the detailed social ex-ante and ex-post assessments of the impacts of specific policy measures implemented by the Member States. This does not rule out the possibility for the Commission to carry out an independent analysis of the impacts of the energy efficiency measures on employment as well as other important social impacts.

The Commission takes note of the suggestion of the Camera Deputatilor to examine the possibility of incentivising the establishment and functioning of energy efficiency companies and initiating a dialogue with them. In the context of energy efficiency, the Commission has recognised the specific conditions for the operation of SMEs in its proposal for the Energy Efficiency Directive by requiring that Member States should establish a favourable framework aimed at providing SMEs with technical assistance and targeted information to help them save energy and improve their competitiveness.

As regards the suggestion of the Camera Deputatilor that the Commission should draw up an analysis concerning the specific issues and restrictions facing households with limited incomes as regards the application of energy efficiency measures, the Commission would like to point to some key measures contained in the proposal for an Energy Efficiency Directive where the Commission suggested that all Member States should introduce energy saving obligation schemes or equivalent measures to finance energy efficiency investments among final customers with a possible particular focus on vulnerable consumers, who are often unable to finance themselves important energy efficiency improvements in their households.

I hope that these clarifications address the questions and concerns raised in your opinion, and I look forward to continuing our political dialogue.

Yours faithfully,

*Maroš Šefčovič
Vice-President*