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Event Report | Sept. - Oct. 2022

Efficiency: The pillar of Europe's energy security

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The energy crisis has heaped pressure on policy-makers to find quick fixes to reduce consumers' energy bills in the short term. Yet, lasting solutions like renewables and energy efficiency need to be envisaged to address the root causes in the long term. Can Europe reconcile the two?

In this Special Report, EURACTIV looks at measures envisaged at EU level to boost energy efficiency in the context of the energy crisis and the bloc's decarbonisation goals.

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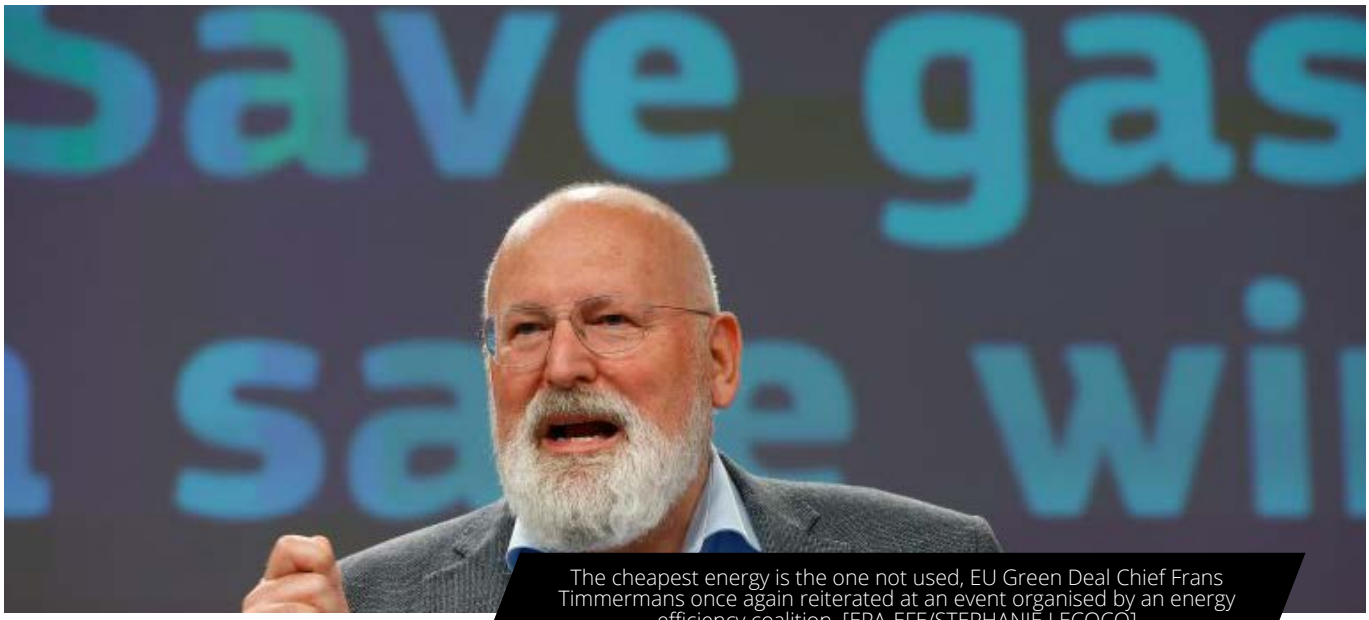
'Not using energy is the cheapest energy', EU climate chief insists

By Nikolaus J. Kurmayer | euractiv.com



The cheapest energy is the one not used, EU Green Deal Chief Frans Timmermans once again reiterated at an event organised by an energy efficiency coalition. [EPA-EFE/STEPHANIE LECOCQ]

A silver lining about sky-high energy prices is that they help raise awareness about the need to save energy, argues Frans Timmermans, the vice-president of the European Commission in charge of the Green Deal.

Energy efficiency advocates have long complained that measures to reduce energy consumption tend to be neglected in favour of more visible policies like the deployment of renewables.

But the drawn-out energy crisis Europe is currently mired in may finally turn the tide, they hope.

Speaking at a Brussels event on 13 October, the EU's climate chief said energy savings were the surest way out of the crisis in the short term.

"The era of cheap fossil fuel is over. For good. It will not come back," said Timmermans who is European Commission vice-president in charge of the Green Deal.

And while the "era of cheap renewable energy is real" and coming fast, "it's not coming fast enough to solve the problems this year or perhaps next year," he conceded.

So in the meantime, "saving energy, not using energy, is the cheapest energy obviously," he said in a speech at the European Energy Efficiency Day 2022.

Consumer subsidies 'derailing' the green transition

Timmermans was speaking ahead of an EU summit on 20-21 October where heads of state and governments will discuss energy price caps and and joint gas purchases among a range of options to address the crisis.

They will also underline the need for longer-term solutions like fast-tracking permitting for new renewable energy projects and demand reduction measures, according to draft summit conclusions seen by EURACTIV.

Efficiency advocates who spoke at the event were quick to highlight the synergies between renewables and energy efficiency, saying they are complementary and should not be portrayed as rivals.

Renewables and efficiency are the "two most important instruments" for

fighting climate change, even though they are "very often" pitted against each other, said Monica Frassoni, president of the European Alliance to Save Energy, which organised the event.

And even though gas prices have retreated in recent days due to a warm autumn and full storages, saving energy remains Europe's best ally for the coming winters, Timmermans insisted.

Governments, however, are often working to undermine efficiency policies.

Since the energy crisis started one year ago, European governments have earmarked nearly €500 billion to cushion citizens and companies from soaring gas and power prices, according to research published by think-tank Bruegel last month. And billions more are being spent on new gas supply deals and infrastructure to replace Russian imports, Bruegel noted in a recent study.

This generous government compensation for fossil fuels risk "derailing" the green transition, warned Laurence Tubiana, CEO of the European Climate Foundation.

"And that is in complete contradiction with the investments we need in renewable energy and energy efficiency," she warned, pointing out that budgets for energy efficiency and insulation are "magnitudes" apart compared to budgets allocated for fossil fuel subsidies.

Public awareness on the rise

Yet, with rising utility bills, all households in Europe are now scrambling for ways to cut their energy consumption.

"You know, my mom talks about this. Her friends talk about it. On everyone's mind is: 'how can I save energy?'," Timmermans said.

"The climate is not the reason for them to think that," the Dutchman pointed out. "The main reason is that they can't afford to pay their energy bills anymore. We need to react to them and we need to convince our citizens that there are ways of saving energy."

Yet, consumers often find it difficult to navigate the different energy solutions on offer, said Monique Goyens, director general of the European Consumer Organisation (BEUC).

Energy companies need to make the "transition easy" to understand for consumers by putting clear information out there for them, while making it "fun" at the same time, she argued.

"Fundamentally, people find energy boring," she remarked saying people don't put hours choosing energy like they spend hours choosing a car or a smartphone.

"That means that, if you want to engage them in the energy transition, you need to make this transition easy" with information given to consumers "in plain language" and without acronyms.

Making energy efficiency part of the mix

Still, policymakers are looking for quick fixes to rising energy prices like price caps, or hydrogen.

"We are in an energy crisis. We all know this. There is no silver bullet to this crisis. And it's it is here to stay," explained Quentin Galland, public affairs and regulatory director at Knauf Insulation.

According to Galland, "insulation is a good place to start." Heat pumps, which make efficient use of electricity to produce heat, "can help reduce reliance on fossil fuels," he remarked. But their efficiency is reduced when houses are not well insulated, he added.

With heat pumps requiring electricity to run, investing in insulation could reduce the overall demand for electricity, which would be a "win-win for consumers," he explained.

Meanwhile, executives in the electricity industry are calling for faster build-up of renewable capacity.

"Accelerating the process requires a societal change. And the whole of Europe is not ready," warned Simone Mori, head of Europe at Enel, the Italian electricity giant.

Energy companies have a business model which is "not naturally coherent with the idea of promoting a super-fast acceleration of investments" in decentralised solar PV generation or energy efficiency, he noted.

"Very often there is a lack of specialised staff" to carry out those tasks with consumers, Mori remarked, saying Enel is seeking to address this by supporting training for young people at universities as well as reskilling programmes for existing professionals.

For Galland, policymakers can also find creative ways of promoting investments in energy efficiency.

"Why not look at including energy efficiency as part of the energy mix that member states are reporting on? This could also help drive investments into energy efficiency," he suggested.

INTERVIEW

Insulation exec.: 'Heat pumps alone will not do the trick'

By Frédéric Simon | euractiv.com

"Building energy efficiency has a massive unrealised potential to save energy using existing technologies," says David Ducarme. [Knauf Insulation]

A properly insulated home will allow heat pumps to deliver their "magic trick" – a 400% efficiency rating over the 90% figure observed for fossil gas boilers. Yet, these efficiency gains will not materialise unless homes are heat-pump ready, says David Ducarme.

David Ducarme is the group chief operating officer at Knauf Insulation. He responded in writing to questions by EURACTIV's senior energy and environment editor, Frédéric Simon.

INTERVIEW HIGHLIGHTS:

- Long-term measures to reduce energy demand are essential to address the root causes of the energy crisis Europe is facing.
- Buildings remain Europe's year-round weak spot in the energy transition. Drastically improving the energy performance of buildings envelopes would decrease by 45% the energy demand for heating and cooling from buildings.
- Heat pumps alone will not do the trick. A properly insulated home will allow heat pumps to deliver their "magic trick" – pulling four units of heat out of each kilowatt-hour (kWh) of electricity. Otherwise, they will not deliver as much.
- Heat pumps will also pose challenges to the electricity grid, with demand for electric heating set to increase by 356 Terawatt hours per year (TWh/y). Without insulation, the additional generation capacity needed to meet peak winter demand would need to be 2,129 TWh/year, almost five times more.
- The revised Energy Performance of Buildings Directive (EPBD) and Energy Efficiency Directive (EED) will be the backbone of resilient

and decarbonised building stock.
- Long-term decarbonisation of the building stock also entails setting long-term trajectories on whole-life carbon reduction.

The gas crisis has put the spotlight on the need to reduce energy demand in the short term. What measures can be implemented in the coming months that can bring the most energy savings for the coming winter, both for gas and electricity?

The energy crisis is definitively calling for short-term measures that can alleviate pressure on households and industry players.

However, short-term measures can only deliver so much. A more holistic review of our energy systems is required.

Let's be clear, there is no silver bullet to this energy crisis. Beyond short-term emergency measures, a long-term outlook is needed to mitigate any risks that may turn this Winter crisis into Winter and Summer crises.

In the short term, it is crucial to diversify energy sources and work with reliable international partners. Fortunately, this is happening. Yet, our dependence on energy sources must also be addressed at the heart of our economy. Buildings are responsible for around 40% of Europe's total energy consumption. A recent BPIE study has concluded that drastically improving the energy performance of buildings envelopes would decrease by 45% the energy demand for heating and cooling the building stock.

Shifting in the long term our mindset toward energy efficiency renovation programmes is a priority, as recently reminded by Commission President von der Leyen. In particular, building energy efficiency has a massive unrealised potential to save energy using existing technologies. And money from the recovery and resilience plans remains available for such efforts. Let's not waste time and energy by delaying their use.

Furthermore, national governments can embed energy efficiency policies within their energy security strategy. For instance, within less than a year our glass mineral wool will save the equivalent of four times the energy required for its production, that's a tremendous quick win for households and the environment.

So, whilst the coming months look difficult, governments should refrain themselves from putting on hold renovation programmes, on the contrary. These bring effective changes for households as insulation brings comfort not just in Winter but also in the Summer as buildings require more and more cooling during extreme heat periods.

Is electricity and gas demand rationing inevitable this winter? How can it be avoided?

A societal effort is required under the current circumstances. Players across the board shall do their part – whether industries, public authorities, or households. Whether rationing will be necessary remains to be seen.

Market forces are at play here: with such high energy prices, industries have already started pausing their operations to mitigate risks from ever-increasing energy costs. Households are also reducing their present consumption to limit their overall energy cost.

This de facto contributes to minimising energy consumption; allowing certain countries like Belgium to gear up for next Winter and be on track for their reduction targets.

So, public measures to ration energy consumption may come as a last resort mechanism and be triggered only if necessary.

But buildings remain our year-round weak spot in the energy transition: it is essential to stay the course, reducing the energy demand of the building stock is the only answer. So, let's not forget that this crisis is there to stay and that we need multiple, long-term solutions to mitigate risks for future winters.

Energy efficiency should be the backbone of every scenario. Diversifying energy suppliers alone or shifting to renewable energy solely will not do any justice to consumers, to quote President von der Leyen.

In your experience, what national schemes are the most efficient in improving the energy performance of buildings and cutting energy bills for consumers? What lessons could the EU learn from those national schemes?

National schemes are instrumental to improve the energy performance of buildings and cutting energy bills sustainably. At present, renovation efforts are too light and renovation rates too low (i.e., less than 1% when they should be reaching 2-3% annually).

Let's zoom in on Italy and Slovakia.

In Italy, the so-called Superbonus was boosted to give homeowners a fiscal deduction of 110% of the total renovation costs to incentivise the economic recovery after the COVID pandemic. Based on data gathered by the Italian Energy Agency, since its launch in Jan 2021 and up to May 2022, the scheme activated investments for over €30bn in more than 172.000 buildings. This allowed the renovation of nearly 40 million square metres of building stock and saves 5.650 GWh/year of primary energy. And figures are growing with the last data reporting that the level of investments to September 2022 has reached nearly €40bn.

Recent studies have also calculated the return on investment for the government and the creation of hundreds of thousands of jobs in the construction sector. But the programme is being challenged. It is an experience that must continue and that should become more structural with an extension of its application to at least 2030 and a progressive reduction of the incentive in proportion to the ambition and depth of the renovations.

More than half of multi-apartment buildings in Slovakia have by now been insulated, following a renovation process that kickstarted in the late 1990s. This is thanks to an agile group of experts, industry-led promotional activities and a commence of incentive mechanisms. Government support in form of building-saving schemes delivered through private financial institutions and preferential loans from the National Housing Development Fund combined with progressive legislation on housing associations have enabled a take-off of insulation in times of high interest rates. Despite regular budget boosts, the annual volume of loans has been insufficient to cover demand literally every year, proving the popularity of this kind of incentive mechanism, especially when provided in a long term.

Bottom-line, any successful scheme requires binding ambitions, flexibility, long-term trajectory and creative means to deliver necessary results.

Solutions like home insulation take time to implement – typically years, not months. How can those be speeded up? And how soon can the effects be felt on energy bills?

Process and permits to renovate homes may take months, particularly when façades are refurbished.

But insulating does not take months. To address the demand and fast-track energy-efficiency renovation, authorities should start by simplifying permitting processes and acknowledging insulating solutions that bring quick results.

For instance, in Brussels, it's no longer necessary to get a permit to insulate one's façade.

Furthermore, industry should also innovate to bring quantified, effective insulation results to households. Digital solutions exist to demonstrate the real-time impact of a properly insulated envelope and the gain that is observed. At Knauf Energy Solutions, we are demonstrating and implementing energy savings for households by using real-time energy efficiency measurement techniques and rolling-out energy-renovation efforts calibrated to the building's needs. That's a direct innovation at the crossroad of digitalisation and insulation that has brought roughly 35-38% savings on average to this day.

We also should focus efforts on the worst-performing buildings with a staged approach where buildings should attain a defined energy efficiency level by a certain date. In this regard, as a manufacturer, we have the responsibility to design solutions that are faster to implement. Solutions such as blowing wool allow insulating a loft of 100 sqm in around 90 minutes with only two workers onsite.

This type of energy renovation endeavours can deliver multiple renovation works within one day for the benefit of a maximum of households.

Green advocates often highlight the need to build synergies between energy efficiency measures and renewables. Can you please give examples of how this can be achieved in practice?

The has never been a greater moment to bridge energy efficiency renovation with renewable energies. An analysis by Knauf Energy Solutions into the winter peak challenge for Germany concluded that whilst overall electricity demand for electric heating would increase by 356 Terawatt-hour per year, the additional generation capacity needed to deliver this demand, due to winter peaks and generation troughs, would be 2,129 TWh/year, almost five times more.

Energy efficiency has a tremendous role to play to deliver renewable energy to households whilst limiting costly investments into energy capacity for society.

Shifting away from fossil fuels calls for executing various solutions such as heat pumps. However, heat pumps alone will not do the trick. A properly insulated home will allow heat pumps to deliver their

so-called "magic trick": If you put 1 kWh of electricity into the hat and you pull four units of heat out. That's essentially a 400% efficiency rating over gas boilers' 90% figure.

Yet, this efficiency is not observed unless homes are heat pump ready – meaning properly insulated. Out of 66 surveyed homes, only six heat pumps delivered the promised 1 to 4 ratio – this has a direct consequence on the energy costs of households. An integrated assessment of heating systems and the building envelope efficiency is essential to a successful energy renovation.

In a world where heat pumps will also be operated, our economies will have a capacity challenge. While this is not a problem when everyone's using a gas boiler, it does become an issue with heat pumps as our economies transition to intermittent renewable energies. If all the heat pumps tick on at the same time, the grid will fail as there simply is not enough renewable energy to meet demand. In an electrified economy, insulation will do its share: by preventing increasing and costly investments into energy capacity, and enabling heat pumps to operate efficiently thereby reducing further the energy needs.

Out of the nearly 250 million houses in Europe, less than 10% were built in the last 10 years and are not in accordance with the latest insulation standards. Furthermore, of the 85 – 90% of the current building stock that will still be standing in 2050, at least 75% is energy inefficient and, without significant renovation, not properly configured for a heat pump. Decarbonising the building stock necessarily passes by plugging heat pumps to properly insulated buildings: combining efforts in this direction can only be beneficial for all European citizens.

The European Union is currently reviewing its Energy Efficiency Directive (EED) and its Energy Performance of Buildings Directive (EPBD), with a focus on insulation and electrification, among other priorities. What are the key measures for you in this ongoing revision process?

The revised EPBD and the EED will be the backbone of a resilient and decarbonised building stock. Their combined level of ambition is crucial to set the build environment on the right path for the decades to come. Knauf Insulation sees these revisions as opportunities to incrementally bring buildings to their next levels.

First, we must start by phasing renovation works over time and targeting the worst-performing buildings. Setting energy performance obligations to be achieved by a certain date in time will allow players in society (e.g., the construction industry, homeowners) to plan and deliver renovation works.

Secondly, digital solutions exist to strengthen the energy performance certificates, complementing or substituting the analysis with real-time, accurate data sets that provide the performance of the building and assess the energy efficiency renovation measures that are required to decrease the buildings' energy needs.

Finally, long-term decarbonisation of the building stock entails setting long-term trajectories on whole-life carbon (including both operational and embodied carbon).

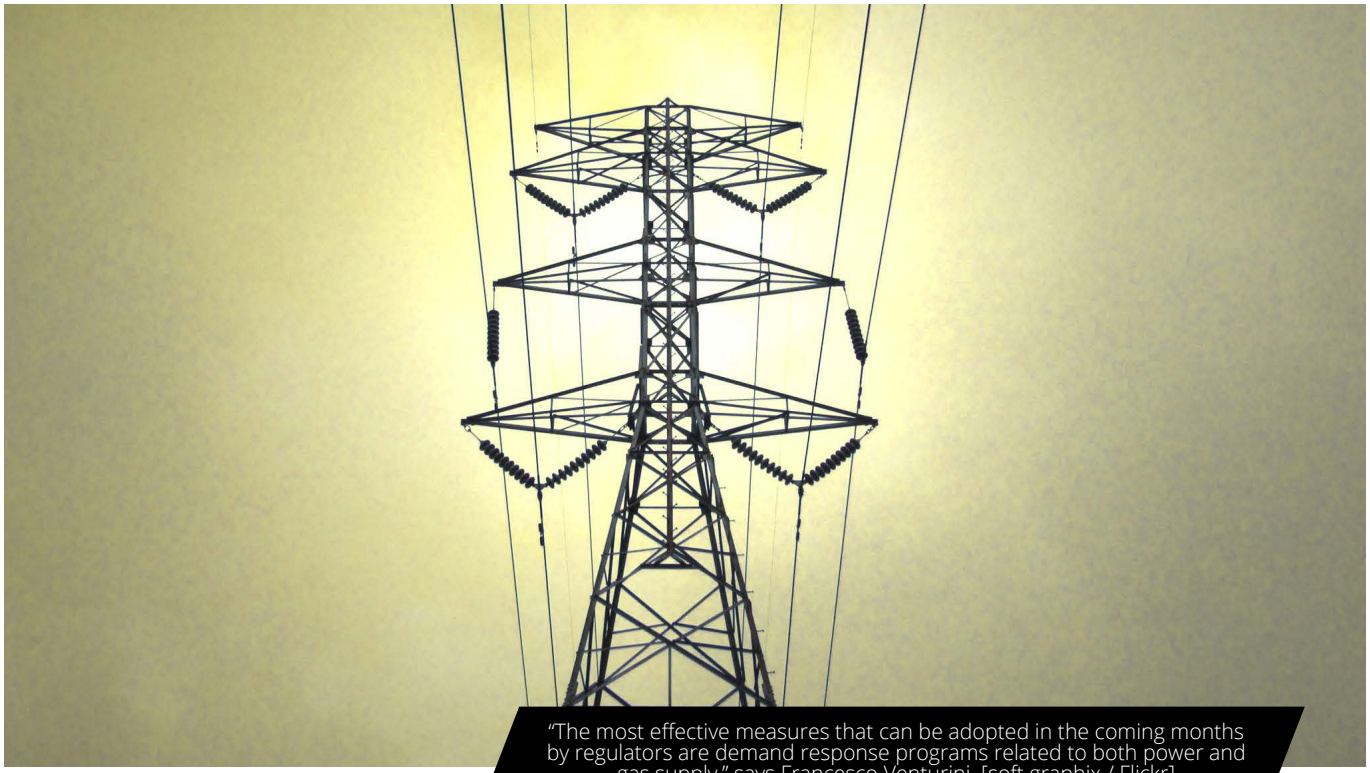
Whilst operational carbon (i.e., energy needed to cool and heat) remains the largest share of the carbon emitted by the building stock, the embodied carbon (e.g., carbon associated with the products) gradually needs to be addressed by regulation and will require the construction industry to invest in its decarbonisation.

The EPBD is an opportunity to rightly set the pathway by sequencing the development of a whole-life carbon approach per category of buildings and type of construction (e.g., renovation or new build), starting with pilot projects, reporting data, prior to setting benchmarks or thresholds. Such an approach should also be relying on scientifically recognised European harmonised standards: the only toolset existing to ensure a level playing between all manufacturers.

INTERVIEW

Power exec.: To shave peak demand, EU states should impose 'flexibility' on industry

By Frédéric Simon | euractiv.com



"The most effective measures that can be adopted in the coming months by regulators are demand response programs related to both power and gas supply," says Francesco Venturini. [soft graphix / Flickr]

The biggest potential for short-term energy demand reduction lies with industrial consumers, says Francesco Venturini. Those savings can be tapped with programmes that reward businesses who adapt their demand to energy supply, he argues.

Francesco Venturini is the Head of Enel X Global Retail. He answered in writing to questions from EURACTIV's energy and environment editor, Frédéric Simon.

INTERVIEW HIGHLIGHTS:

- Big industrial loads offer the biggest opportunity to efficiently manage peak electricity consumption
- EU countries should introduce forms of mandatory flexibility, rewarding businesses that are able to adapt their demand to electricity supply
- Europe has sufficient gas storage to get through this winter without rationing. Potential shortages could especially affect the winter 2023-2024 and the following ones
- Today's high gas prices are driven

mostly by speculation. This should be reined in with the introduction of a temporary price cap on European gas
- For private consumers, regulations should be adjusted to encourage energy self-consumption, like solar panels and batteries. Other examples include citizen-led Energy Communities, tax deductions for heat pumps, removing subsidies for gas boilers, and a 'right to plug-in' for consumers
- When it comes to public spending, Enel believes policies that promote energy savings from direct fossil fuel combustion must be excluded from eligible measures to achieve EU members states' energy savings obligations

The gas crisis has put the spotlight on the need to reduce energy demand in the short term. What measures can be implemented in the coming months that can bring the most energy savings for the coming winter – both for gas and electricity?

More than one-third of Europe's gas consumptions comes from generating electricity, transport and heating. And all these sectors can be fully decarbonised.

The European Union's high gas dependency can be reduced through both electrification and energy efficiency, which are both driven by customers who play an active role in the energy transition.

We can address concrete actions in the short term to help people and businesses reduce their energy demand. As Enel, we are launching new initiatives to encourage our residential and business customers to reduce their consumption on a voluntary basis, rewarding those who adopt good energy saving practices. These initiatives are also backed by an awareness-raising campaign.

Big industrial loads, as a result of their volumes, are the best option to efficiently manage peak consumption and system reliability issues.

The most effective measures that can be adopted in the coming months by regulators are demand response programs related to both power and gas supply. Countries should introduce forms of mandatory flexibility, allowing new resources to give services to the power and gas grids, rewarding businesses that are able to adapt to the current scenario.

Demand Response, a field where Enel X is a global leader managing almost 8 GW of flexible demand around the world, helps end users reach their consumption targets while generating new revenue streams based on the specific industrial sector opportunities, allowing participants to reduce their energy expenses and to gain competitiveness.

Solutions like digitalisation and home insulation take time to implement – typically years, not months. How can those be sped up? And how soon can the effects be felt on energy bills?

Digital solutions combined with new consumption habits can have an immediate effect on energy bills.

By now it is clear that implementing simple changes at home help to achieve energy savings. To get to the next level, a smart home solution, such as the Homix suite provided by Enel X, can allow people to monitor and optimise energy use according to their consumption needs and habits.

Enel X also supplies a wide range of software-based solutions, which help companies to monitor and optimise their consumption through a single and easy-to-use access point, also thanks to a tailor-made advisory service.

Energy efficiency solutions driven by digitalisation can take longer to be adopted by municipalities, even if they can be applied to a wide range of areas, such as public lighting, smart city and smart buildings.

To speed up their adoption, municipalities could leverage on Public-Private partnerships (PPP), a tool which allows private operators like us to propose and carry out investments in the public interest by bearing the related cost. This tool can also help reach Europe's recovery funds targets.

Is electricity and gas demand rationing inevitable this winter? How can it be avoided?

European gas shortage concerns will especially affect winter 2023-2024 and the following ones if things do not go back to a new "normal".

Europe has sufficient gas supplies to get through this winter without the need to introduce heavy rationing measures, considering that in September

EU aggregated gas storage levels surpassed 85%, according to data from Gas Infrastructure Europe.

Nevertheless, some reduction in consumption will certainly be needed.

On electricity, the EU agreed a non-mandatory demand reduction target for member states of 10% monthly consumption compared to the average in the reference month.

So, from the residential demand side this winter some changes in consumption habits will be needed, such as lowering heating temperatures in buildings or reducing energy consumption during peak hours, while some energy-intensive businesses will be asked to slow down and carefully plan their operating processes.

The real issue right now is the historic high prices of European natural gas, which reached 10 times the average level of the past decade, forcing many businesses to shut down and putting many families in financial trouble.

There is little doubt in my mind that today's high gas prices, which are fueling inflation, are not driven only by shortage but – mostly – by speculation.

The commodity world is exposed to speculation by definition. But when the speculation goes too far, the limit is unceremoniously stopped and the market is reset. It has been done several times in history. For example, finance's oldest institutions, the London Metal Exchange, or LME stepped in during the 1985 "Tin Crisis," when a cartel of producers collapsed, and after a copper trading scandal at Japanese trading house Sumitomo Corp. in 1996. More recently, in March 2022, Nickel's prices spiked 250% in just over 24 hours, prompting the LME to suspend trading on 8 March.

So, it is now time for the Regulator to introduce a temporary price cap on European gas to stop speculation, which is threatening the world's economy.

Green advocates often highlight the need to build synergies between energy efficiency measures and renewables. Can you please give examples of how this can be achieved in practice?

A valid tool can be Energy Communities, where citizens, businesses, industries and local Governments can join forces, on a voluntary basis, to equip themselves with facilities for the production and self-consumption from renewable sources by promoting virtuous behaviors among customers.

By consuming energy produced by a local renewable plant owned by municipalities or businesses, customers can benefit from lower electricity bills. To speed up the implementation of energy Communities, operational standards and local regulations should be issued as soon as possible.

In addition, another important tool is the heat pump, which allows customers to be more independent from an energy point of view and to permanently replace gas boilers with a sustainable product.

To speed up adoption of heat pumps, regulators should set up a consistent incentive scheme, such as tax deductions and removal of subsides on gas boilers, as well as new rules and a widespread awareness and educational campaign.

The European Commission recently launched a solar energy strategy and rooftop solar PV initiative. Is this the right approach? Or do you see other measures that should be taken to stimulate renewables and energy efficiency solutions?

Self-producing and storage of clean energy combined with the electrification of consumption delivers optimal savings for customers.

Nowadays, customers who install photovoltaic panels are far more likely to electrify their consumption and adopt energy efficiency solutions, because they want to take full advantage of the self-generated energy. This virtuous circle allows them to cut down on their consumption of gas.

For people living in a flat, we have designed a solution called 'PV Sun Plug&Play', a technology that brings renewable energy production to the city and boosts the optimisation of household consumption. It is a 0,34 kWp photovoltaic system that is easy to install on a balcony, a terrace or under a window and capable of offsetting the electricity consumed by power appliances and other domestic equipment. The adoption of this solution can be boosted thanks to the alignment of rules for condominiums and municipalities regarding buildings' facades.

The demand for PV panels from businesses and municipalities can be boosted trough the easing of permitting activities regarding small-scale, off-site PV systems.

The European Union is currently reviewing its Energy Efficiency Directive (EED) and its Energy

Performance of Buildings Directive (EPBD), with a focus on insulation and electrification, among other priorities. What are the key measures for you in this ongoing revision process?

Improving the energy efficiency of end-use sectors is key to lowering Europe's emissions, reducing people's exposure to peaking energy prices as well as supporting economic growth and job creation.

Reinforcing the requirements on private and public charging infrastructure, the 'right to plug-in' for EU citizens and reach an efficient and decarbonised EU building stock are a must in order to unlock efficiency synergies across sectors, reduce our energy demand, cut our addiction to fossil fuels and secure Europe's energy supply.

The Commission's proposed revision of the EED and EPBD goes exactly in this direction.

As Enel, we welcome the strengthening of the collective European energy efficiency target as well as the reinforcement of the annual renovation obligation for public buildings – since it can be an example not only for the public sector in general but also for other building segments –, as public buildings are a major consumer of energy.

In addition, we believe policies that promote energy savings related to direct fossil fuel combustion must be excluded from eligible measures to achieve Members States' energy savings obligations.

Excluding oil and gas from those measures is urgently needed in order to avoid lock-in effects from investments in fossil fuel-based technologies and achieve the goal of reducing GHG gas emissions by 55% by 2030.

PROMOTED CONTENT

DISCLAIMER: All opinions in this column reflect the views of the author(s), not of EURACTIV Media network.

Investing in energy efficiency: if not now when?

By Monica Frassoni | EU-ASE

[EU-ASE]

Today, the pressing question everyone is asking is: how can we make it through the next winter and how can we reduce quickly energy prices? But the real question should be: how can we make it through the next four-five winters and burning summers, and at the same time accelerate carbon emissions reduction.

Monica Frassoni is the President of the European Alliance to Save Energy (EU-ASE).

More than two hundred days have passed since Russia launched a full-scale invasion of Ukraine, starting a tragic conflict in Europe with no clear end in sight. The use of energy as a weapon by Vladimir Putin shows that by delaying plans for a clean energy transition the EU is more vulnerable and insecure.

While emergency plans are underway to respond to the crisis,

skyrocketing prices of wholesale fossil gas and electricity pose a real challenge to struggling citizens and businesses and put at great risk the post-pandemic recovery.

Today, the pressing question everyone is asking is: how can we make it through the next winter and how can we reduce quickly energy prices? But the real question should be: how can we make it through the next four-five winters and burning summers, and at the same time accelerate carbon emissions reduction.

Because the cheapest and cleanest energy is the one we do not need, rapidly increasing energy savings is of outmost importance. By mainly focusing on diversification of gas supply many governments are underestimating the massive savings potential that is currently untapped at end-use and system levels via retrofitting, demand-side flexibility and by accelerating the digital transition.

The International Energy Agency's Net Zero by 2050 report shows that globally we need to push the average rate of energy efficiency improvements in the period 2020-2030 to about three times the average of the last two decades to achieve climate neutrality by 2050. The IEA explains that this can be done through massively scaling up energy-efficient solutions for buildings, vehicles, home appliances and industry, all solutions available today.

Our catalogue of short to mid-term efficiency solutions confirms that energy savings can be rapidly scaled up in a cost-effective manner. These are also socially-just investments, since often it is vulnerable people that are most affected by higher energy prices. Every euro that goes into improving energy efficiency does not need to be spent on increasing energy production capacities and transmission infrastructure, with lower costs for member states and taxpayers

To turn this vision into a reality and ensure Europe is on the right path, everybody must play their part: policymakers, businesses and citizens.

The EU legislative framework is key in this respect. The European Parliament has recently adopted a strong position on the ongoing revision of the Energy Efficiency Directive (EED). Sadly this is not the case of the common position of the Council. Negotiations between the two co-legislators are likely to be difficult and some of the most important innovations brought by the Commission and the EP are at risk. The introduction of minimum energy performance standards in the revision of the Energy Performance of Buildings Directive (EPBD) is for example a key opportunity for the EU to show the way and modernise its old and inefficient building stock.

As European Alliance to Save Energy (EU-ASE), for more than 10 years we have been joining forces with progressive businesses and civil society organisations to work together towards a more energy efficient Europe.

This October we are hosting the first edition of the European Energy Efficiency Day, a high-level policy conference to discuss the present and future of energy in our continent, through the lenses of energy efficiency, innovation and long-term sustainability.

The event will bring together leading policymakers and business players, civil society organisations and energy experts. Our aim is to give more visibility and focus to energy savings solutions and discuss their implementation in the framework of the Green Deal.

Today Europe faces the urgent challenge to achieve very quickly energy independence and accelerate the transition to a climate-neutral, efficient economy. We must find the resources and set the rules to help the EU move away from fossil fuel dependency and accelerate investments in energy efficiency, and renewables. It is the only way to go, if we are not to waste other precious years with unsustainable and ineffective solutions. If not now, when?

To continue this conversation I hope you can join us on 13 October and help us draw the future of energy and of Europe.

For information on

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