

European energy and climate targets

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About eceeee

- Promote, generate and analyse **evidence-based** knowledge on EE
- Membership-based non-profit association
 - 75 organisations
 - 100s of individuals
- Focus on end-use efficiency
- Five-day Summer Study every two years in the South of France
- Industrial efficiency
- Arranges workshops and publishes reports
- Popular web site www.eceeee.org

How much can energy efficiency deliver?



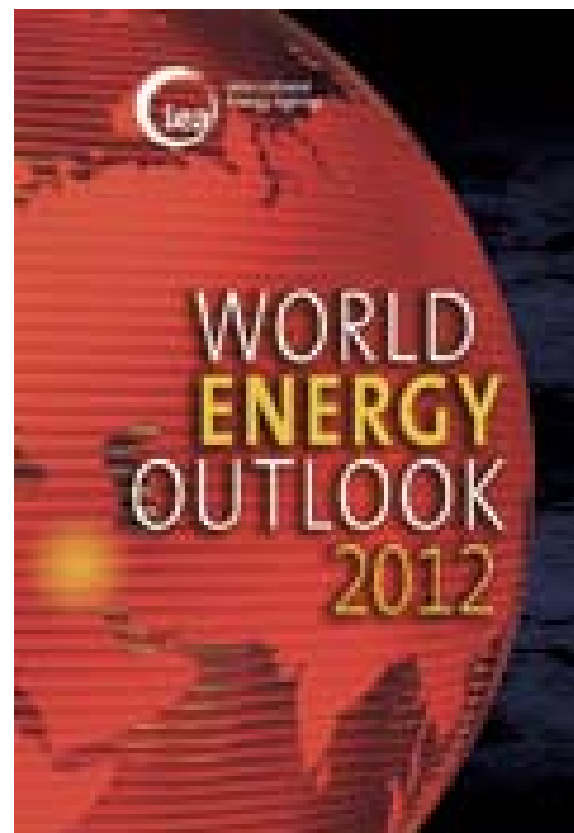
Much more than we think!

IEA World Energy Outlook 2012

Yearly assessment of energy status in the world

For the first time, energy efficiency is featured as main strategy

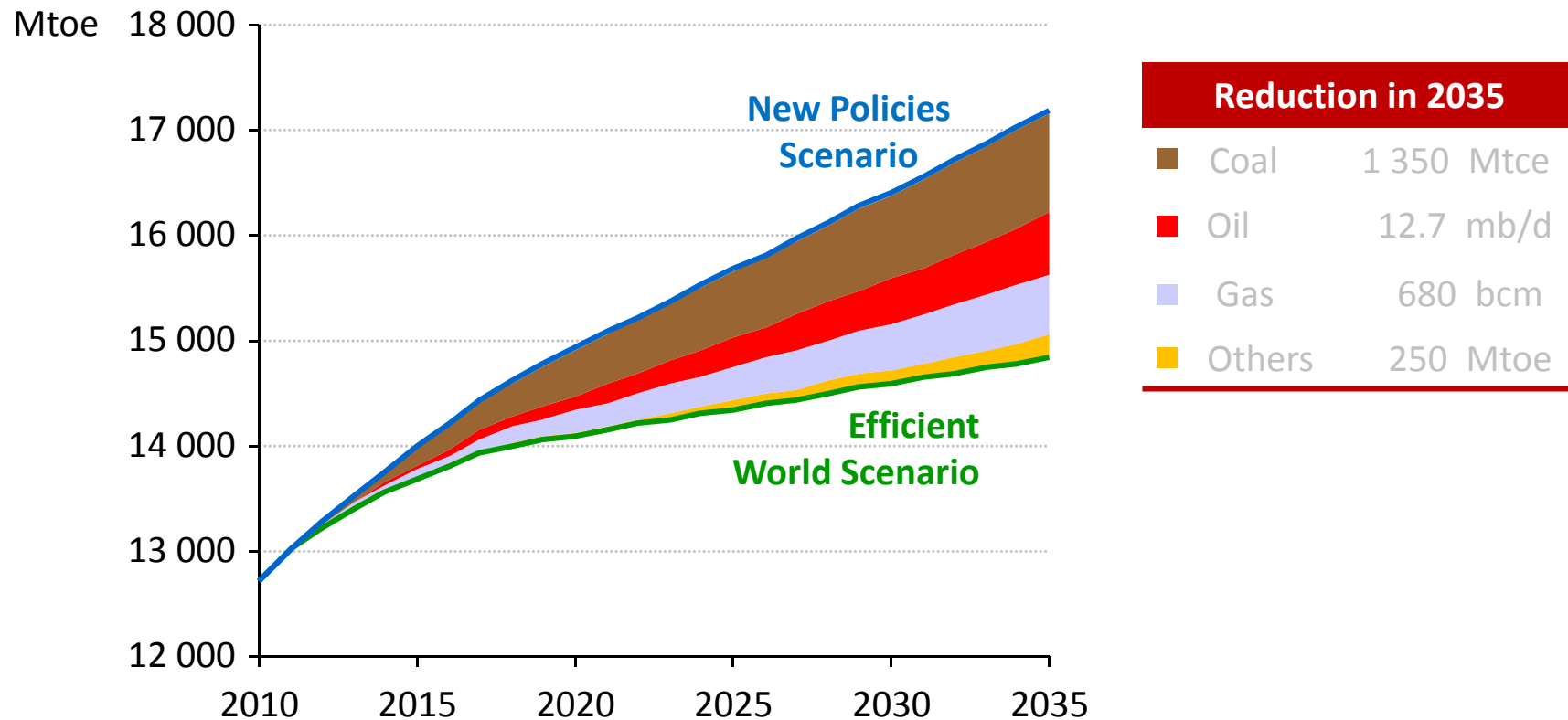
Nothing new, but now it is official!





The Efficient World Scenario: a blueprint for an efficient world

Total primary energy demand



IEA World Energy Outlook 2012

Targets or goals?



“something that you are trying to do or achieve” (m-w.com)



Setting targets for EC energy and climate policy is not easy

- All EU or per member state?
- Indicative or legally binding?
- Targets for absolute use, for intensity etc, or for measures?
- How do we evaluate them?
- Grandfathering (early actions)
- One target (GHG) or multiple targets?

- In the end it is about how you see energy efficiency (cf growth, education, health etc)

Burden sharing? Opportunity sharing?





EC 2030 policy framework

- 27% energy efficiency (indicative, all-EU)
 - 25% first proposal
 - 30% second proposal
 - 27% Council decision October 2014
- 27% renewables
- 40% GHG reductions (binding)



Key issue: one or many targets?

- Economistic view point that setting a GHG targets is enough
 - “Let market forces and programmes work it out”
 - Too much faith in ETS to deliver...
- But is it the case?
- Germany was very pro “one target”
- Three recent individual studies for German government show multiple targets is a more cost effective approach
- Sub-targets are set in en EPBD, EED etc!



Example: EED article 7

- All MSs must deliver one way or the other 1,5%/year
- Not necessary to go for EEOs (white certificates etc)
- Freedom to create alternative measures
- Good practice for larger and bolder targets!

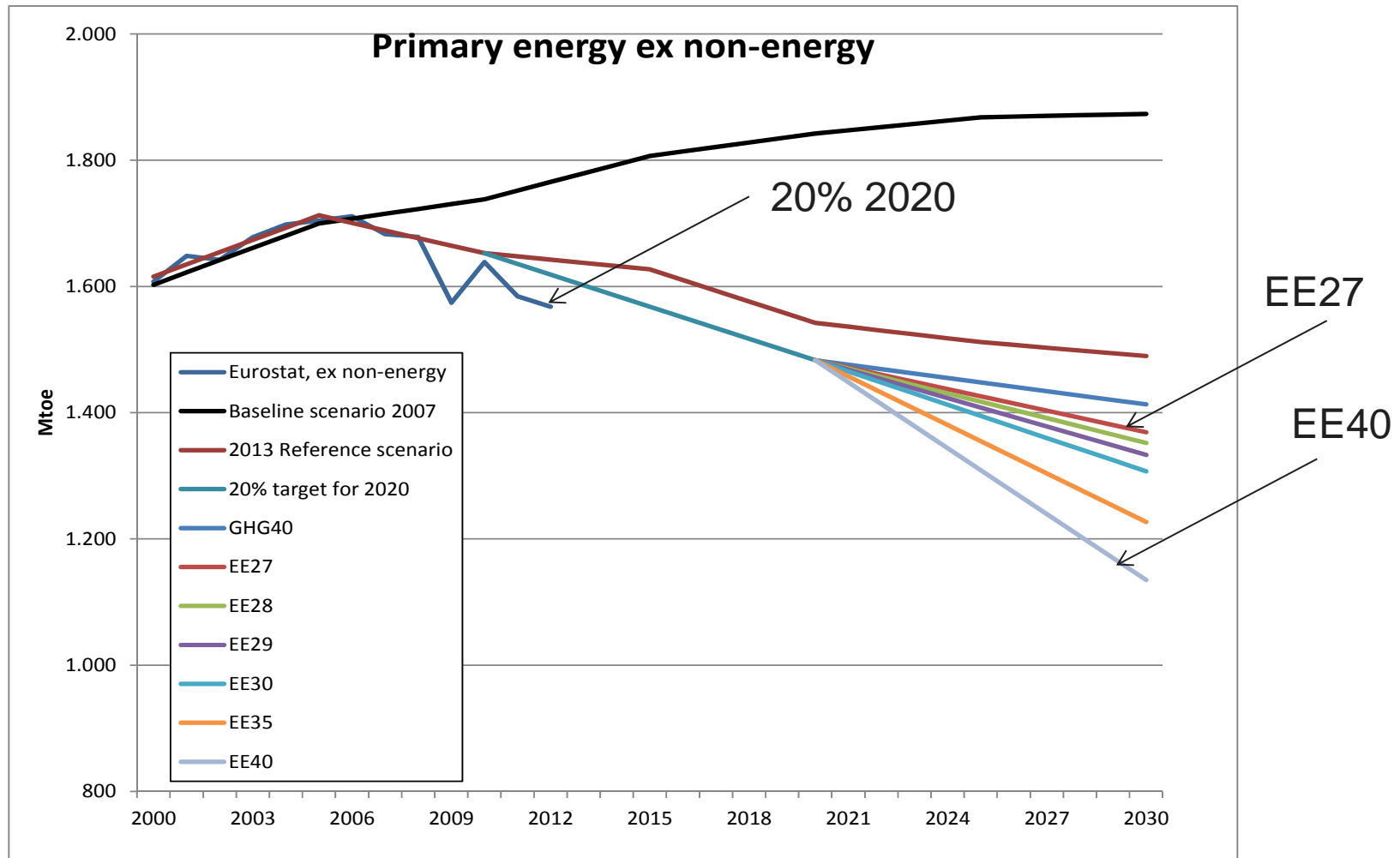


2014 Impact assessment on 2030 Energy and climate policy

- Criticised for using high discount rates (17,5%)
- But even with high discount rates higher ambitions it was very appealing
 - Growth, employment, multiple benefits
- However, ambitions were scaled down

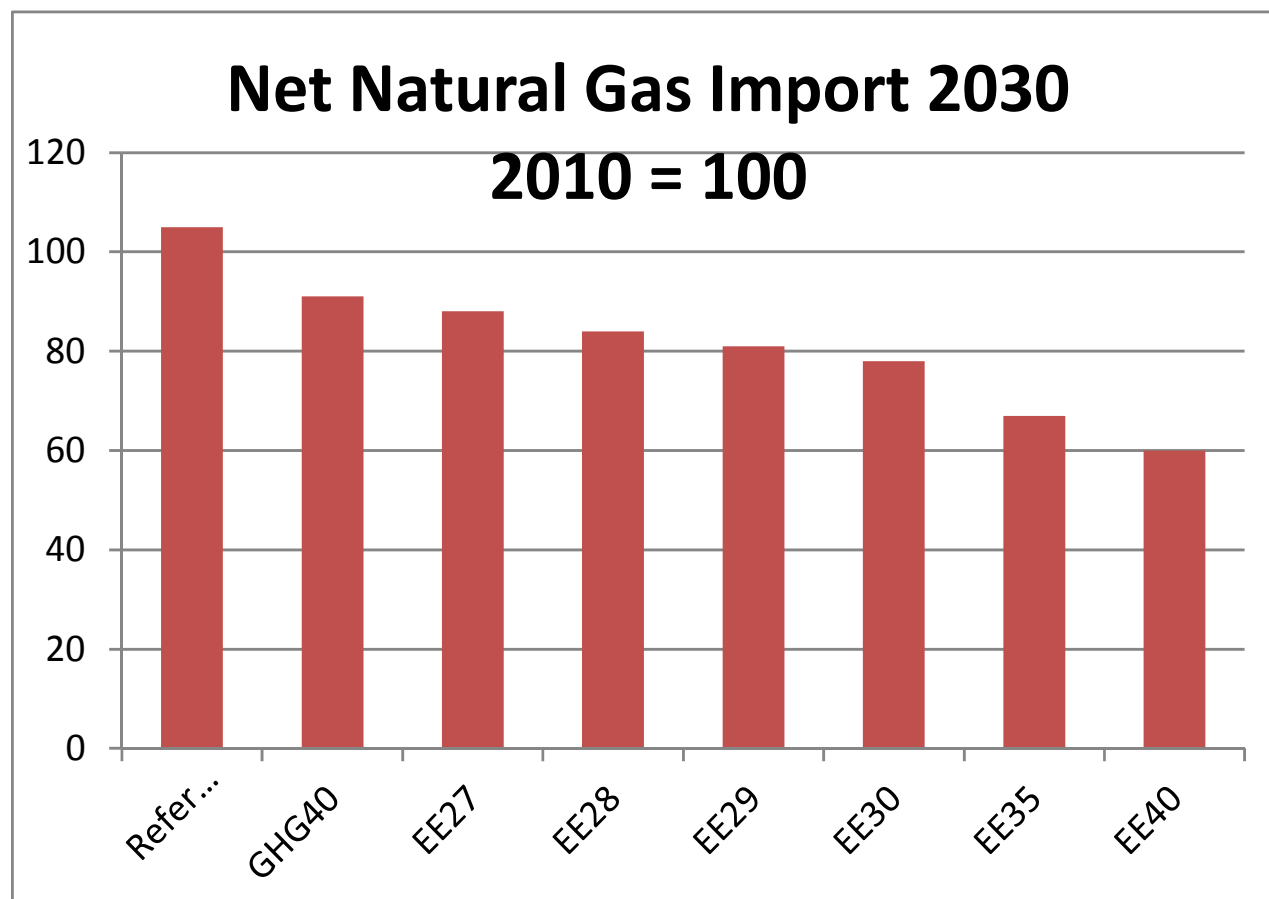


2014 Impact assessment: Primary energy/energy system

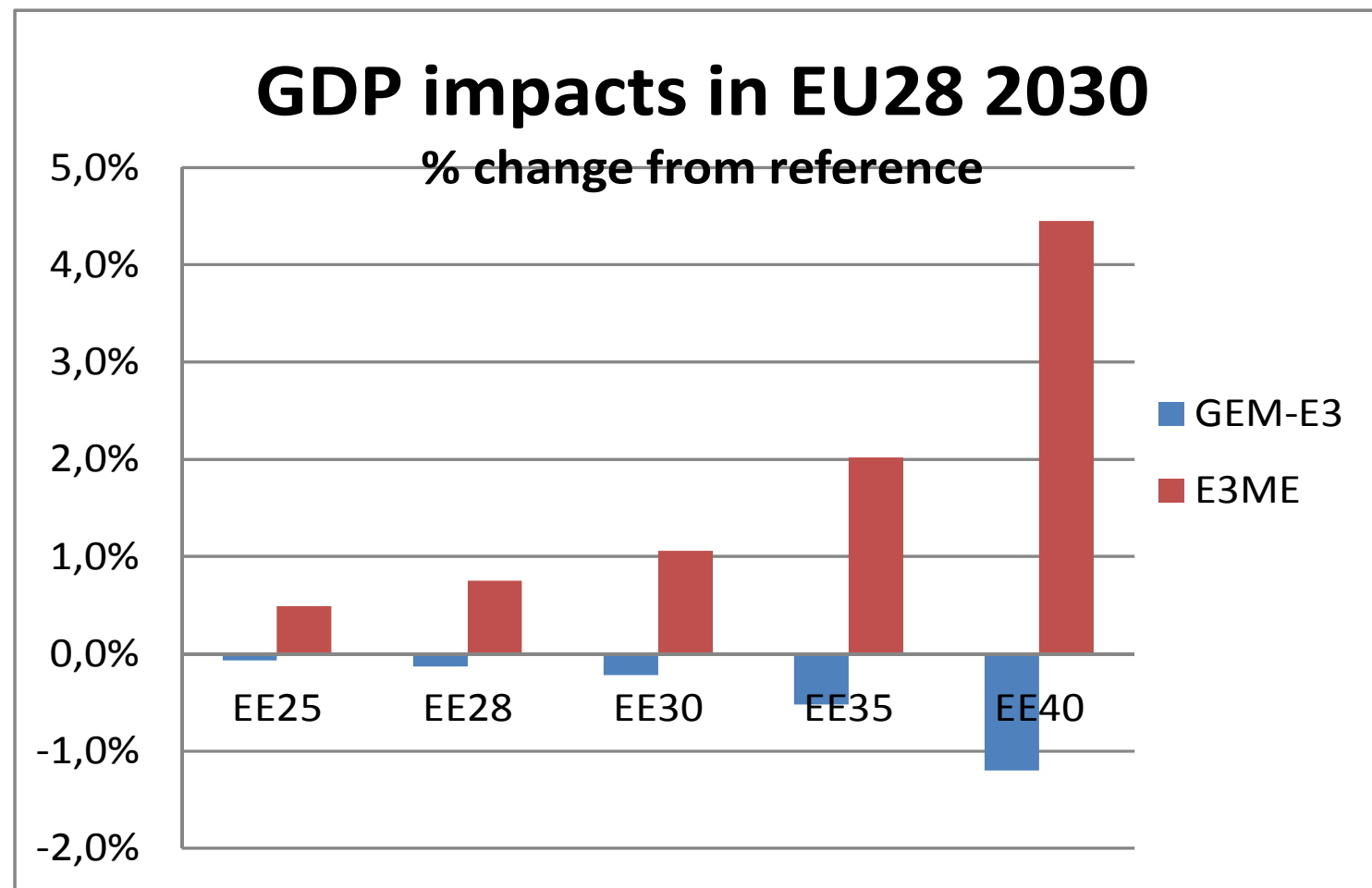




2014 Impact assessment: Energy Security (gas imports)

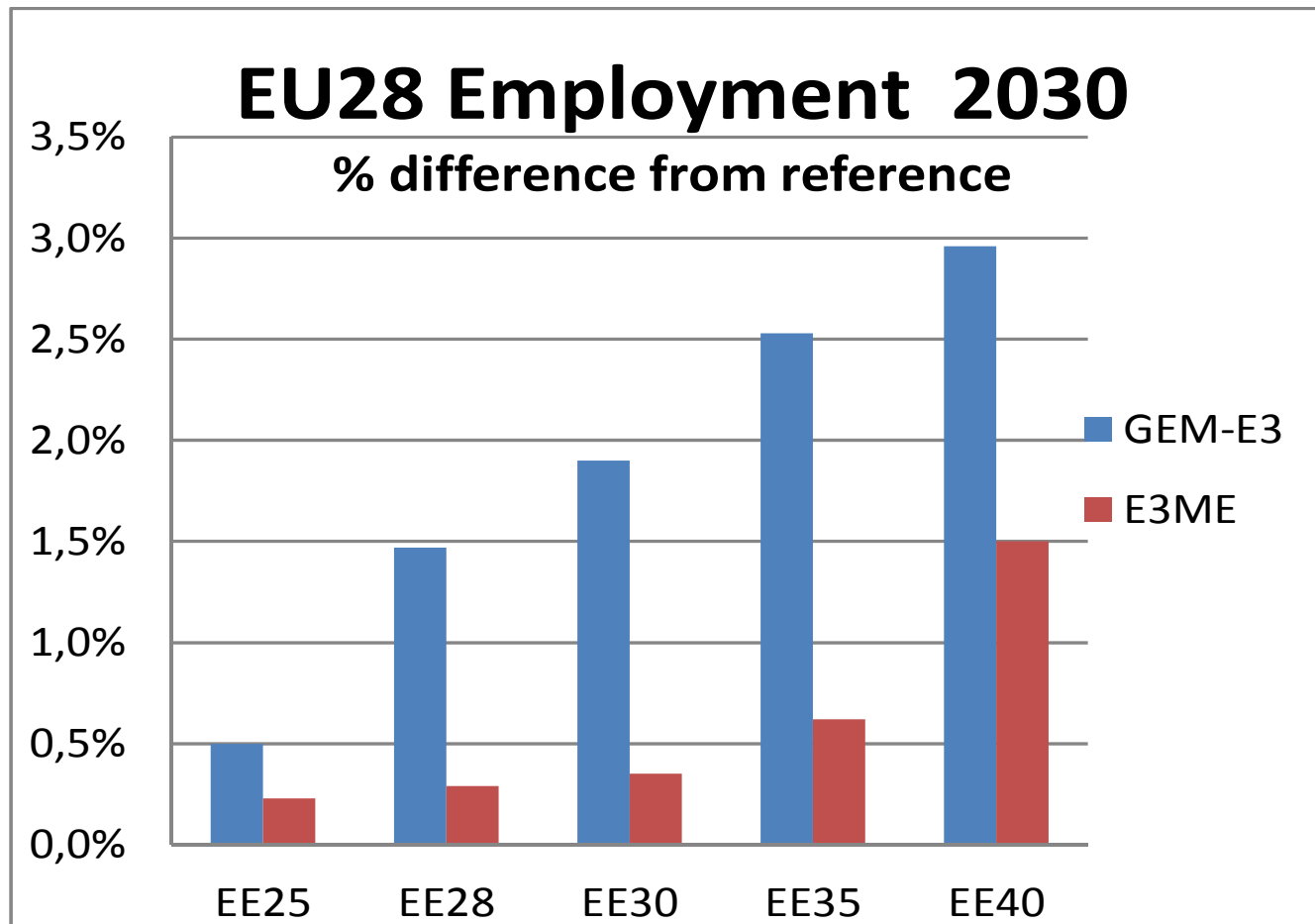


2014 Impact assessment: GDP impacts



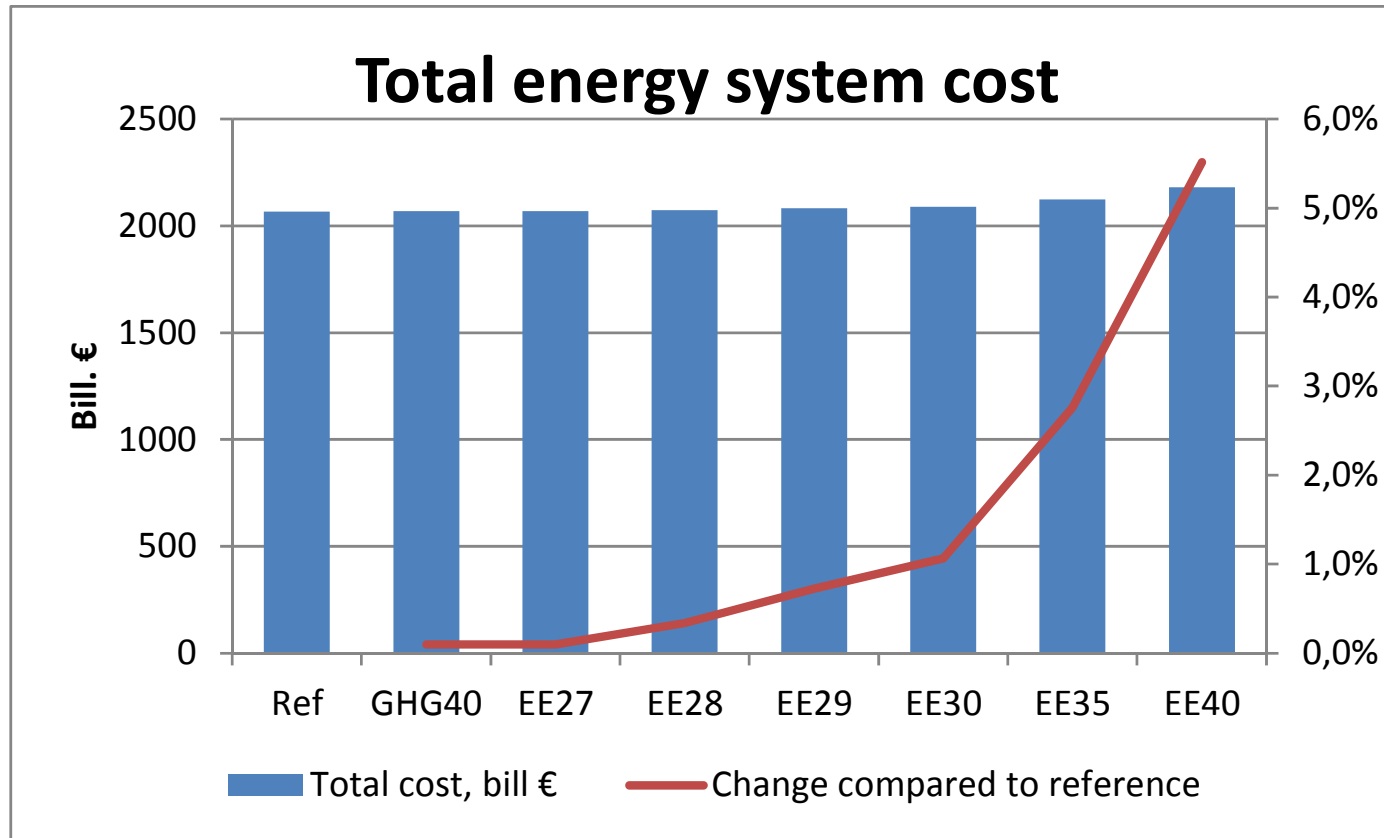


2014 Impact assessment: Employment





2014 Impact assessment: Energy system cost





Discount rates in the impact assessment

- Criticised for using high discount rates (17,5%)
- Yes – I agree
- Problem with PRIMES
- Only one model
- Same rate for predicting investment behaviour (implicit rates) as for societal energy system cost analysis



PRIMES not transparent – and process is not good

- No one understands how the rates have come in place
- Policy makers don't understand the models
- Modelling replaces policy – do we want that?
- No test of PRIMES against other models to see if results are realistic
- Much higher than Member states apply (2–6% vs 17,5%)
- Why did Commission apply so high rates compared to their own guide → MSs (4%)?



Conclusions

- Targets are needed
- Multisector is good
- We need to break them down in manageable units (such as requirements for buildings codes, EED article 7, etc)
- We should share opportunities, not avoid burdens
- We should – and can – do much more