

Is Europe's growth strategy boosting energy efficiency? No response from Member States and European Commission

Europe 2020: The voluntary first step in setting national energy saving targets

In its 2011 Energy Efficiency Plan, the European Commission gave the National Reform Programmes (NRP) under the Europe 2020 growth strategy a central role in setting and monitoring energy saving targets. According to the Plan's two-step approach, Member States should set indicative national targets in the framework of Europe 2020 and in close dialogue with the Commission. These targets and their implementation would be monitored by the Commission in order to assess whether they will deliver the EU's 20% objective. If targets are insufficient to achieve the EU target of 20% saving by 2020, the Commission suggested to present legislation to set targets.

Inadequacy of the voluntary approach confirmed

Our evaluation of the 27 NRPs¹ from April this year showed that targets are missing, not comparable or far below the EU 20% savings ambition. Only 5 countries set targets which are a close to or above the 20%. This was confirmed by the Commission's own assessment from June 2011², which indicates that the energy saving targets declared by 23 Member States to this date amount to only 206 Mtoe, which means some 11% savings compared to the required 20%.

But Council and Commission not responding

In accordance with the Europe 2020 calendar, the Commission submitted to the European Council proposals for country-specific recommendations based on the assessment of the NRPs, which were adopted on the EU Summit on 23 June³.

The recommendations do not address targets at all, their absences or inadequacy. Only six country-specific recommendations mention energy efficiency and only four recommend specific efficiency measures (support building renovation, better use EU funds, see annex).

Effort sharing via EU legislation

This lack of a response does not go well with the repeated commitments to the EU's energy saving target from the Commission and Member States alike. It shows the weakness of an intergovernmental voluntary approach to energy saving.

The EU has actually the competence to legislate on energy savings and to set targets as it was done for limiting GHG emissions and promoting renewable energy sources.

It shows the importance of establishing national responsibility for achieving the EU 20% target. This means agreeing on how to share the energy saving effort so that each Member State contributes in a fair and ambitious way to the common objective.

After all saving energy reduces national energy bills, creates local jobs and increases national energy security.

¹ <http://www.stefanscheuer.eu/NRP%20EE%20targets%20analysis.pdf>

² http://ec.europa.eu/europe2020/pdf/targets_en.pdf

³ http://ec.europa.eu/europe2020/tools/monitoring/recommendations_2011/index_en.htm



Annex: Country specific recommendations on energy efficiency

BG (national target not comparable)

RECOMMENDATION for action 2011-2012:

(...) Abolish barriers to entry, guaranteed profits arrangements and price controls and ensure full independence of the Bulgarian Energy Regulator, in order to open up the electricity and gas markets to greater competition. Introduce incentives to upgrade the energy efficiency of buildings. (...)

EE (national target 11% final)

RECOMMENDATION for action 2011-2012:

(...) Ensure implementation of planned incentives to reduce energy intensity and improve the energy efficiency of the economy, targeted on the buildings and transportation sectors, including by ensuring better market functioning. (...)

LT (national target not comparable)

RECOMMENDATION for action 2011-2012:

(...) Improve the energy efficiency of buildings through a rapid implementation of the Holding Fund and take steps to shift taxation towards energy use, starting with taxes on registration and ownership of passenger transport vehicles. (...)

MT (national target 22%)

RECOMMENDATION for action 2011-2012:

(...) Strengthen efforts to reduce Malta's dependence on imported oil, by bringing forward investments in renewable energies and making full use of available EU funds to upgrade infrastructure and promote energy efficiency. (...)



Annex II: Commission's assessment of the countries without energy efficiency targets

UK (no national target)

The NRP does not contain the national targets foreseen under the Europe2020 framework, except for the target on renewable energies, in line with Directive 2009/28/EC. Instead it describes indicators of performance in areas connected to the Europe2020 headline targets and records their current level. (...) The lack of quantitative targets makes it difficult to assess reforms, in particular whether policy efforts are adequate and whether the speed of their implementation is sufficient.

NL (no national target)

General assessment:

The NRP does not contain a national target for energy efficiency as envisaged under the Europe2020 framework. The lack of a quantitative target for this domain makes it difficult to assess the reforms, in particular whether policy efforts are adequate and whether the speed of their implementation is sufficient.

Climate/Energy:

Regarding national energy and climate change policies, the NRP contains no quantitative energy efficiency target and does not propose more ambitious targets for renewable energy and CO2 emission reductions than those legally required. In view of the reported reliance on further analysis, research and expanding nuclear energy (all of which have a rather long lead time), the measures are most likely to be insufficient to reach the not overly ambitious policy goals and commitments mentioned in the programme.

In spite of the influence of the economic crisis, the recent evolution of the greenhouse gas emissions does not appear to be in line with the 2020 national target defined at the European level (-16% compared to 2005 levels). This means that additional emissions reduction measures and/or the use of flexibility mechanisms would be needed, especially in the road transportation sector given its weight in the national emissions and its current trend. The National Reform Programme does contain neither an assessment of the ability of the existing and proposed emissions reductions measures to reach the 2020 target nor any operational targets (such as domestic targets, intermediate targets and/or sectoral targets). These would contribute to efficient monitoring of the progress made towards the 2020 target.

SI (no national target)

Climate/Energy:

(...) In view of the energy and climate change goals, the NRP confirms Slovenia's commitments to greenhouse gas reduction and the use of renewable energy, but presents no national target for energy efficiency. The recent trend in greenhouse gas emissions does not appear to be in line with the 2020 national target defined at the European level, despite below-trend economic output. (...)



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Investments in renewables and energy efficiency have so far been minimal. By contrast, an estimated €1.2bn will be directed into a new coal-fired power plant, amounting to the entire investment potential of Slovenia's largest power company (67% of installed generation capacity). Meanwhile, the second power company (22 % of installed generation capacity) is considering building a new nuclear power plant. Such sizeable investments in non-renewable energy are likely to reduce the likelihood of large renewables projects finding finance for the foreseeable future.

CZ (no national target)

Climate/Energy:

(...) As regards energy efficiency, the NRP acknowledges the need to reduce the consumption of primary energy sources, but has not set any specific target for 2020. The NRP lists ongoing measures to improve energy intensity, although these are unlikely to bring about any substantial reduction in primary energy consumption. On the other hand, the European Regional Development Fund allocation in energy savings has increased substantially in this programming period. The current projections of Czech authorities do not envisage any decrease in primary energy consumption by 2020. (...)

