

PRESS RELEASE

The Energy Efficiency Directive needs to promote growth

The Danish Presidency is pushing to achieve adoption of the Energy Efficiency Directive (EED). IFIEC Europe, which represents Federations of intensive energy users from a large number of member states, supports the importance given to energy efficiency. It could be the best lever for achieving targets to combat climate change and to save scarce resources. However, treating the issue as is proposed in the current draft EED, will give false signals and the wrong results for the following reasons.

Energy efficiency must not be set equal to absolute energy savings. An absolute cap on EU energy consumption, which is at the heart of the current draft EED, is not compatible with the EU growth strategy. It will harm the EU economy as it struggles to overcome the current financial and economic crisis. Energy efficiency, if seen as a restriction on active companies rather than as a key for future success, will reduce the ability of the EU economy to demonstrate its strength and potential in the global competitive environment.

Undifferentiated saving targets means punishing early movers. Most industrial sectors and companies within EU have been improving energy efficiency successfully for years for competitiveness reasons. For them, further improvement options are limited and certainly not at the proposed level of 1.5% annually. For these companies the only way to meet this EED target is by production decreases, which has nothing to do with better energy efficiency. In fact, it could mean weakening efficient EU businesses, if approved in the current form.

EED means double-regulation with opposing requirements and significant additional red tape. EU industries that need energy intensively for their production processes are already included in the Emissions Trading Scheme (EU-ETS) with strong and fixed CO2 reduction targets, which usually correspond to energy reduction. Duplication does not result in additional benefits. To the contrary, it divides objectives and increases bureaucracy without benefits. Therefore, installations involved in ETS must be excluded from the EED.

Without tackling these above three critical issues, the EED would go in the wrong direction. IFIEC Europe urges finalizing an EED that:

- is addressed to the sectors without existing comprehensive regulatory coverage and which offer efficiency potential;
- ensures that efficient players can grow and remain competitive internationally;
- avoids conflicting political signals and additional red tape.

Before being approved, EED should be amended in a way that will bring effective efficiency measures throughout the EU whilst promoting industrial growth and competitiveness.

For further information contact: Fernand Felzinger, President, IFIEC Europe: +33 619490189
Annette Loske, Chair, Climate WP: +49 1722340730

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IFIEC Europe represents energy intensive industrial consumers where energy is a major component of operating costs and directly affects competitiveness.