



EUROPEAN ALLIANCE TO
SAVE ENERGY
Creating an Energy-Efficient Europe

EU STRATEGY FOR LONG-TERM EMISSIONS REDUCTION

Stakeholder consultation high level event

Cost-efficient ways for achieving a post-carbon European economy

Energy Efficiency is the Answer

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EUROPEAN ALLIANCE TO SAVE ENERGY (EU-ASE)

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Université Libre de Bruxelles - ULB

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MEMBERSHIP: Join the front line in the campaign for an energy efficient Europe

LONG-TERM STRATEGY

WELL BELOW 1.5°C

NET 0 BY 2050



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- The **Paris Agreement** established twin goals to hold temperature rise from pre-industrial times: well below **2°C** and **strive for 1.5°C**
- The latest [UN science report](#) shows that upper temperature goal (**2°C**) of the Paris Agreement does **not represent a climate safe zone**.
- **Difference between** warming of **1.5°C and 2°C** would be **“substantial”**:
 - A new [study](#) in Nature estimates that keeping global warming **to 1.5°C will prevent 20 trillion dollars** (worldwide) of cumulative economic **losses, compared to a 2°C** scenario.

European Commission needs to ensure that the long-term strategy sets **Europe** on a pathway that delivers on **the 1.5°C objective** of the Paris Agreement, which must include **a net 0** emissions target **by 2050**. This highlights even further the **vital role of energy efficiency** -it will not be possible to get there unless actions and investments are stepped up!



Warming of 2C 'substantially' more harmful than 1.5C – draft UN report

By Karl Mathiesen, Megan Darby and Soila Apparicio | Climate Home News Jun 28, 2018 (updated: © 12:24)





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EU STATE OF PLAY:

NO SINGLE EU COUNTRY ON TRACK TO ACHIEVE PARIS AGREEMENT OBJECTIVES

- Member States **contributions proposed** in Paris Agreement are **not enough** to keep temperature rise below 1.5°C. **The current policies would take us to 3.1-3.7 °C!**
- According to the IEA modelling, **energy efficiency** makes the **largest contribution** to the **global emissions reduction**, despite that:
 - After the crisis emissions are rising again, World economy will triple between 2016-2050
 - Global population will increase by nearly 2.3 billion by 2050
- **IEA: In the EU, energy efficiency can deliver 76% of emission reductions needed to achieve Paris Agreement objectives. HOWEVER:**
 - IEA's EE Progress Index 2017 : **slowdown** in the **coverage & implementation** of new **policies** in 2016.
 - Recently adopted **energy efficiency 2030 target (non-binding 32,5%) falls short of what is needed** to realize the cost-effective potential of energy efficiency and should be seen **only as a stepping stone for long-term strategy.**

THIS MEANS: EU needs to INCREASE ITS ACTION because without good **implementation of current EE policies**, and more adequate energy efficiency policies (**higher EE target**) **to be adopted in 2023**, the EU will not be on track with Paris Agreement objectives.

INVESTMENTS IN ENERGY EFFICIENCY ARE NEEDED



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- **Decarbonisation of EU economy cannot be achieved without EE investments:**
 - **Significant emissions reduction from EE measures:** Annual greenhouse gas emissions reduction of 15.4 billion tonnes of CO₂ by 2030 (equivalent to almost 50% of global CO₂ emissions from fuel combustion in 2013); Source: Fraunhofer Study ISI
- **Businesses are prepared to invest, because energy efficiency investment pays back:**
 - **Fuel cost savings over the lifetime of most technologies are larger than the demand-side investment required** (resulting in cumulative savings of USD 2.5-2.8 trillion and annual savings of USD 440-480 billion by 2030) Source: Fraunhofer Study ISI
- **EU LTS as an opportunity & a clear signal to investors:**
 - LTS to become basis for the new & more adequate policies (2023) for the EU to be ready for 2050 (as 2011 Roadmap);
 - LTS to create the impetus needed to drive the EE actions and investments;
- **NO PUBLIC FINANCING TO FOSSIL FUELS (including non-renewable gas)**
 - **Fin.Institutions (EIB, EBRD) to phase out ALL fossil fuels from investment portfolios (only few did)**
 - **Inconsistency** between EU leaders/EU institutions and financial decisions;
 - Under **MFF proposal Connecting Europe Facility gas counts for climate action twice:**
 - under 'alternative fuels' (gasification of transport sector') it counts for 100% climate action
 - a 40% climate action value for gas infrastructure

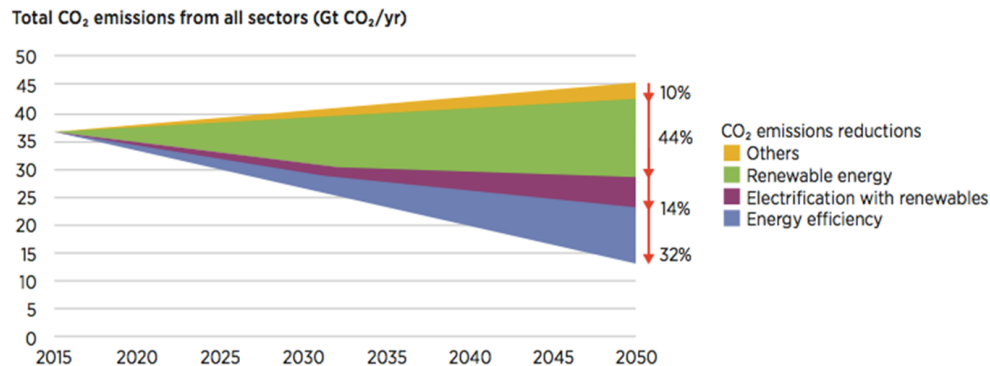


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ENERGY EFFICIENCY & RENEWABLES NEED TO WORK IN SYNERGY

- IRENA Report: **Renewable energy** and **energy efficiency** can provide over **94% of the reduction** in energy-related CO₂ emissions. Efficiency First aims to make the most of these i



- How does it work? Synergies exist on a technical level:**

- Accelerated deployment of renewables can increase energy efficiency

- 25% of EE improvement is the result of RE technologies (in the transport through electrification, and building sectors)
- Solar, wind, hydropower, marine – efficiency gain factor 1.5-3 compared to conventional fossil and nuclear power generation

- Accelerated deployment of energy efficiency means energy demand is reduced so the same amount of renewable energy results in a higher share of renewables.

- In general, the effect that energy efficiency has on the share of renewables is greater than the effect renewables have on energy intensity*;

RECOMMENDATIONS TO THE EUROPEAN COMMISSION



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APPLY ENERGY EFFICIENCY FIRST in the LTS

EU LTS MUST FACILITATE THE REVISION OF CURRENT INADEQUATE 2030 TARGET

MODELLING MUST VALUE EE FOR ITS ACTUAL CONTRIBUTION

PRESENT COSTS AND BENEFITS IN A FAIR MANNER

As recognized in the **GOV Regulation** to ensure that energy efficiency measures are put on a equal footing with supply side options. LTS shall contribute to: **Phasing out of fossil fuels** and reach EE& RES based energy system

New EU targets for EE (32,5%) and RES (32%) translate into **46% GHG cuts**. This is a springboard for further action: to achieve net 0 by 2050, EC should propose a **55-60% GHG emission reduction by 2030. Net 0 to be achieved by 2050!**

PRIMES model is inadequate to address EE and demand-side policies. Several data points were available for supply-side technologies, **only a few parameters** were presented for **building renovation** and **no parameter** was available to model changes in **transport sector**.

In previous IA the investment costs and financial savings of EE were not presented in a fair way. EC should:

- (i) **Use a discount rate of 4% for EE** (not 10% as previously used) OR (ii) use a 0% rate to present and compare costs of today's investments with long-term benefits
- **Compare costs** and benefits of **action** with total cost of **inaction**

ENERGY EFFICIENCY AT THE CENTER OF THE LONG-TERM STRATEGY

- Decarbonisation of EU economy cannot be achieved unless investments and actions in EE are stepped up;
- Clear EU commitment = clear signal to investors;
- Good implementation of existing policies is needed;
- LTS as basis for new & more adequate policies (2023) for EU to be ready for 2050;



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THANK YOU!

Monica Frassoni

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