

Energy savings, a bright idea...



**Why we need an EU-wide
binding target for energy savings.**



**Friends of
the Earth
Europe**

Don't be dim, David

**An EU-wide binding target
for energy savings would
cut our greenhouse gas
emissions**

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An EU-wide binding target for energy savings would cut our greenhouse gas emissions

The latest climate science makes for disturbing reading. The EU's current emission reduction target of 20% by 2020 is clearly inadequate. Even an EU-wide emission reduction target of 30% only gives a 50:50 chance of keeping global temperature increases under 2°C. We need to stay well below that level if we are going to avoid catastrophic climate change. This means that climate policies need to be urgently revised.

Irreversible climate change can and must be avoided, but we need a plan that adds up. Europe must commit to domestic emission reductions of at least 40% by 2020, and promote simple, attractive solutions that make sure that people and businesses will act.

Enter energy savings. Because four fifths of the EU's energy comes from CO₂ emitting fossil fuels, the fastest way to counter climate change is to reduce energy use. The EU already has a 2020 energy savings target, but it is voluntary, and has been largely ignored. Making the target mandatory is the first priority – and it's worth meeting: 800 million tons of CO₂ reductions (equivalent to 20% cuts below 2005 levels) between now and 2020.

This is not enough on its own to solve the climate crisis, but it sets the right trend and gives us a higher chance of stopping the worst impacts of climate change. The first step: pass EU legislation setting a binding energy savings target.

Facts and figures

- Research from Stockholm Environment Institute and Friends of the Earth Europe has shown that emission reductions within Europe of at least 40% by 2020 are possible and affordable. This translates into a 25% cut in energy use compared to 2005¹ - a recommendation taken up the EU Parliament's environment committee.
- The EU's policy of using carbon markets and pollution permits to reduce emissions is not delivering. 17 out of 27 Member States in the current Emissions Trading System phase have 2012 emission caps that are higher than measured emissions in 2005².
- Fossil fuels account for 81% of global energy use – and consumption has increased by almost 20% since 2000³. At present rates of fossil fuel use, the EU's pledge of keeping below a 2°C temperature ceiling will be broken in the next 15 years.

¹ *The 40% study: Stockholm Environmental Institute and Friends of the Earth Europe.*

² *European Commission press release 2007: Emissions trading: EU-wide cap for 2008-2012 set at 2.08 billion allowances after assessment of national plans for Bulgaria. See also Friends of the Earth "EU Emissions Trading System: failing to deliver".*

³ *European Commission: EU energy and transport in figures (2000 and 2010).*



Act now, Angela

**An EU-wide binding target
for energy savings would
create over a million
new jobs**

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An EU-wide binding target for energy savings would create over a million new green jobs

Energy savings have superb potential to create employment: up to a million new jobs across Europe in the next ten years, according to the European Commission and independent studies.

The biggest job potential is the buildings sector: tens of millions of homes across the continent need better insulation and more efficient heating and cooling systems. The result will be lower bills for consumers, and millions of new jobs. Or take electricity: Using fossil fuels to produce electricity is very inefficient. Barely a third of the raw resource (such as coal or oil) is actually transformed into electricity. So a target to reduce energy use means switching to high efficiency renewables – and creating the skilled and well-paid jobs to get there.

Prioritising energy savings is a plan that adds up. The Polish government, for example, has concluded that laws to reduce energy use would create more jobs and bring in more tax revenues than the traditional policy of supporting high electricity sales. Denmark offers tax incentives to encourage companies to carry out energy saving investments. The result: more efficient businesses and new jobs.

But successful EU wide action calls for strong political commitment. A binding energy savings target is the crucial first step. This is because certainty reassures investors, lowering interest rates for house loans or industrial upgrades. It also stimulates government subsidies to finance energy savings. In short, an obligation to deliver results is what gets companies hiring new people.

Facts and figures

- Energy savings measures in Germany provided 220,000 jobs in 2006 alone⁴. Meeting the EU's 2020 energy savings target translates into over a million new jobs⁵.
- A large-scale housing renovation programme in EU Presidency holder Hungary could create up to 131,000 net new jobs by 2020⁶.

⁴ European Commission: COM(2008) 772: Energy efficiency: delivering the 20% target.

⁵ European Commission COM(2005) 265 final: Green Paper on Energy Efficiency or Doing More with Less.

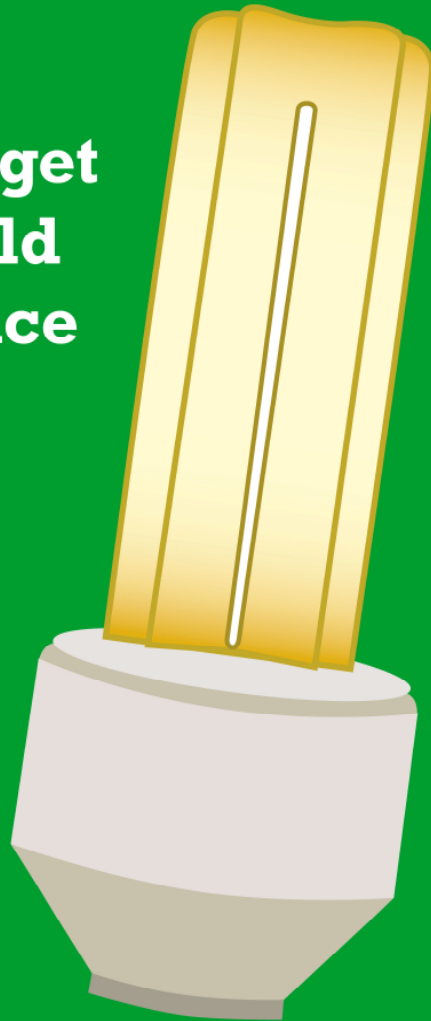
⁶ Employment Impacts of a Large-Scale Deep Building Energy Retrofit Programme in Hungary: Central European University, European Climate foundation.



Bright ideas Barroso?

**An EU-wide binding target
for energy savings would
decrease our dependence
on energy imports**

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An EU-wide binding target for energy savings would decrease our dependency on energy imports

The EU is one of the most energy dependent regions of the world, currently importing close to 60% of its gas, over 80% of its oil and 97% of its uranium. This comes with a heavy burden: import dependency on such a scale means dealing with political situations over which Brussels and the member states have little or no control. Supplies can be suddenly redirected or even switched off. Europe learnt this to its expense in 2009, when gas supplies from Russia were shut down in mid winter.

How do we deal with such energy *insecurity*? The hard truth is that building new pipelines to bypass Russia and scrambling for alternate suppliers simply locks the EU into ongoing fossil fuel dependence. And consider that this is at a time when even major oil companies are admitting that oil is running out.

So rather than planning new pipelines, the EU should simply solve its import dependency issues by using less energy. After all, the cheapest and most secure energy is that which a country doesn't need to use. Cutting energy use means opting out of the no-win game of competing in an ever tougher market for dwindling resources. Reducing energy use is the solution to Europe's energy security problems - but we need a legally binding target if we're going to put energy savings before new pipelines.

Facts and figures

- Meeting the EU's 2020 energy savings target would be the equivalent of 15 Nabucco gas pipelines – Europe's bogged down pipeline project to bypass Russia by importing gas from the Caspian Sea.
- Meeting the EU's 2020 energy savings target would reduce Europe's fuel import bill by at least €40 billion every year. Every year, each EU citizen pays around €700 for foreign fuel imports⁷.

⁷ European Commission (COM(2008) 781 final): Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. Second Strategic Energy Review. An EU Energy Security and Solidarity Action Plan. 2008.



Vas-y, Sarkozy

**An EU-wide binding target
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An EU-wide binding target for energy savings would generate financial savings of over €1000 per household every year

Bringing the EU's energy consumption back down to 1990 levels would save over €1000 per year per household in reduced energy bills, according to the European Commission. Across Europe, this adds up to savings of over €200 billion every year between now and 2020.

Reducing energy use helps fix longstanding social inequalities: millions of poorer households across Europe currently spend far too much of their income on energy, mostly for heating and transport. We need to stop spending more and more on imported energy and power plants, and use the money to pay for what people really need: better and more sustainable living standards. But how do we get there?

Energy saving initiatives may pay for themselves through reduced energy bills, but upfront investment is needed which many households can't afford. One really potent idea that's gaining ground is to use third party financing: A company or local authority measures a house's energy use; it then signs a deal to reduce - at its own expense - monthly energy bills through installing better insulation, or more efficient heating systems. The household gains from a higher standard of living, and

the investor can use some of the money saved to cover its costs over a mid to long term contract period. A win-win situation.

It sounds simple, and it works. After all, how would anyone not wish to spend less on energy bills? But the truth is that for bright ideas like third party financing to take off, there must be an EU-level mandatory target to reassure investors that savings will actually take place. Time for a binding target!

Facts and figures

- Energy savings need up-front investment from the EU budget. Yet only 1.2% of the European Union's structural funds are currently allocated for energy saving measures⁸.
- Buildings offer the biggest energy savings potential. Results from France show that insulating the roof of an average house will save so much heating oil that the measure is paid back in 3 years⁹.

⁸ Directorate-General for Regional Policy: total energy budget for 2007-13 = €10.8 billion of which 39% for energy efficiency.

⁹ European Commission: COM(2008) 772: Energy efficiency: delivering the 20% target.



Wise up, Van Rompuy

**An EU-wide binding target
for energy savings would
reduce our reliance on
nuclear and fossil fuels**

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An EU-wide binding target for energy savings would reduce our reliance on nuclear and fossil fuels

There is an intense debate in Europe over the right energy sources for the next decade. With aging power plants, pipelines and electricity networks, everyone agrees that billions will need to be spent on something new. But the simplest solution is to avoid having to replace existing generation capacity at all.

All it takes is a shift in focus. Coal is simply too dirty. Gas and oil are extremely vulnerable to price hikes. Meanwhile, no long term solution for nuclear waste has been found. Wind, solar and other renewables are the cleanest, most efficient and safest solution for generating electricity, but the best choice is to work towards cutting demand. And this doesn't mean that people will be left in the dark: it's cheaper to invest in energy saving measures than to build new power plants.

So rather than locking us into another generation of fossil fuels and nuclear, the EU needs to get serious about doing more with less. Instead of pouring public money into new energy infrastructure, it makes much more sense to invest in more efficient (and competitive) industries, and warmer yet cheaper to run homes. So Europe needs to promote energy savings. And to set the right trend, savings must become mandatory – not just a voluntary policy that governments have so far turned their backs on.

Facts and figures

- Fossil fuel and nuclear power generation is extremely inefficient. Barely 30% of the primary resource (coal, uranium) is converted into electricity. Yet over 82% of energy subsidies in the richer EU member states go to fossil fuels and nuclear¹⁰.
- Out of a total of €3.98 billion in the European Energy Recovery Plan, only €146 million is destined for energy saving measures¹¹.
- Keeping fossil fuels in the energy mix is not an option. In a business as usual scenario fossil fuel-related CO₂ emissions “leave the world on course for [...] a global temperature rise of around 6°C”¹².
- Simple measures to save energy in transport will prevent European countries turning to biofuels which threaten biodiversity and will emit on average 81% to 167% more greenhouse gases than fossil fuels¹³.

¹⁰ European Environmental Agency: *Energy Subsidies in the European Union: a brief overview*. 2004. Figures for EU-15.

¹¹ Regulation (EU) No 1233/2010 of the European Parliament and of the Council of 15 December 2010 amending Regulation (EC) No 663/2009.

¹² OECD/ International Energy Agency, 2009.

¹³ IEEP 2010 http://www.foeeurope.org/agrofuels/ILUC_report_November2010.pdf



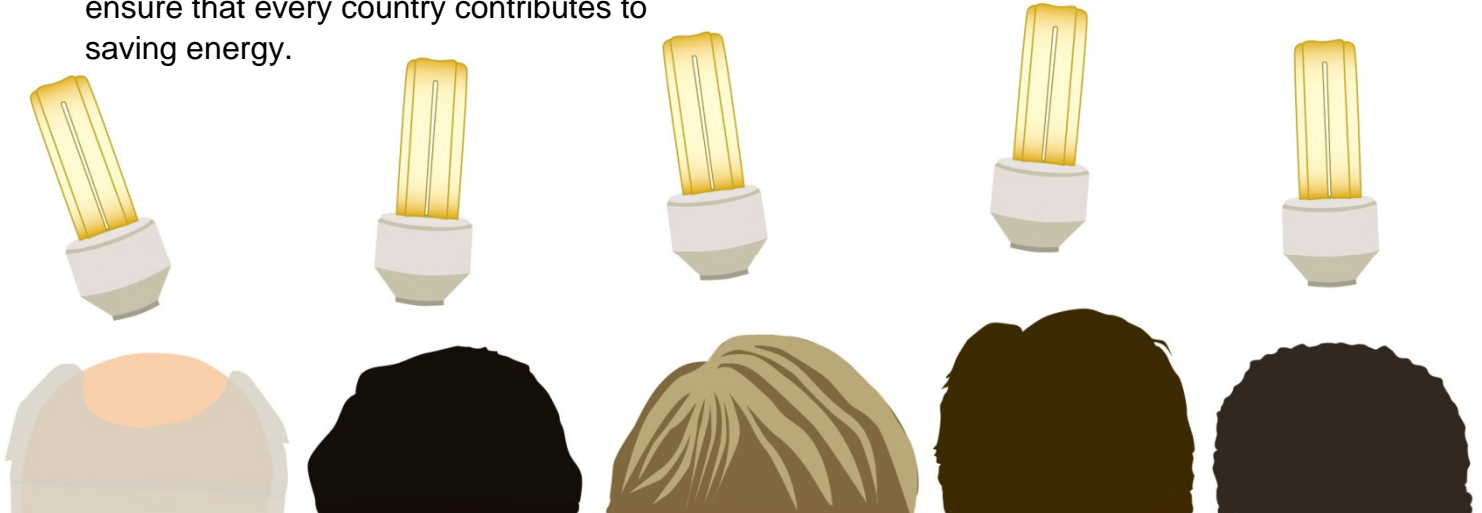
Energy savings, a bright idea...

Today, energy savings is a purely voluntary policy that European countries have largely ignored.

Friends of the Earth groups around Europe are calling for binding EU energy saving targets, and strong and social policies at the local and national level to ensure that every country contributes to saving energy.

An EU-wide binding target for energy savings would:

- ✓ cut our greenhouse gas emissions
- ✓ create millions of new green jobs
- ✓ decrease our dependency on energy imports
- ✓ generate financial savings of over **€1000 per household every year**
- ✓ reduce our reliance on nuclear and fossil fuels



For more information on the campaign and the benefits of energy saving, visit:

www.foeeurope.org/energy

Friends of the Earth Europe campaigns for sustainable and just societies and for the protection of the environment, unites 30 national organisations with thousands of local groups and is part of the world's largest grassroots environmental network, Friends of the Earth International.



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