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Saving 20% by 2020: European Commission unveils its Action Plan on Energy Efficiency

As a major step toward meeting the unprecedented energy challenges facing the EU, the European Commission presented its Energy Efficiency Action Plan in October 2006. The Plan contains a package of priority measures covering a wide range of cost-effective energy efficiency initiatives. These include actions to make energy appliances, buildings, transport and energy generation more efficient. Stringent new energy efficiency standards, promotion of energy services, specific financing mechanisms to support more energy efficient products are proposed. The Commission will furthermore set a Covenant of Mayors of the 20-30 most pioneering cities in Europe and will propose an international agreement on energy efficiency. Altogether, over 75 measures are set forth.

The Action Plan, which will be implemented over the next six years, comes in response to the urgent call from Heads of State and Government at the 2006 Spring European Council for a realistic Energy Efficiency strategy. The Plan underlines the importance of minimum energy performance standards for a wide range of appliances and equipment (from household goods such as fridges and air conditioners to industrial pumps and fans), and for buildings and energy services. In combination with performance ratings and labelling schemes minimum performance standards represent a powerful tool for removing inefficient products from the market, informing consumers of the most efficient products and transforming the market to make it more energy efficient. Minimum performance requirements for new and renovated buildings will be developed. Very low energy consumption buildings (or passive houses) will also be promoted.

The Plan emphasises the considerable potential for reducing losses in the generation, transmission and distribution of electricity. The Action Plan proposes targeted instruments to improve the efficiency of both new and existing generation capacity and to reduce transmission and distribution losses.

A comprehensive set of measures for improving energy efficiency in the area of transport is put forward. The Plan recognises that energy savings can be achieved, in particular, by ensuring fuel efficiency of cars, developing markets for cleaner vehicles, ensuring proper tyre pressure and by improving the efficiency of urban, rail, maritime and aviation transport systems. The Plan recognises the importance of changing transportation behaviour.

The Action Plan also calls for appropriate and predictable price signals, essential for improving energy efficiency and overall economic performance.

The Plan also contains a number of additional proposals to raise energy efficiency awareness, such as education and training. Finally, the Plan emphasises the urgent need for energy efficiency issues to be addressed on a global level through international partnerships.

The Action Plan on Energy Efficiency, when fully implemented, can thus improve the Union's competitiveness, improve the living standards of its citizens, boost employment and increase exports of new, energy-efficient technology. On an individual level, small changes in our energy consumption patterns will mean saving money, improving the environment and doing our share for our common European goals. If successful, this would mean that by 2020 the EU would use approximately 13% less energy than today, saving €100 bn and around 780 millions tonnes of CO₂ each year.