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EUROPEAN PARLIAMENT BREAKFAST ON ENERGY INTENSITY ORGANISED BY MEP PIEPER, MEP HERCZOG AND BUSINESSEUROPE 6 DECEMBER 2011

WELCOME AND INTRODUCTORY REMARKS BY PHILIPPE DE BUCK **BUSINESSEUROPE DIRECTOR GENERAL**

Members of the European Parliament,
Ladies and Gentlemen,

- The proposal for a directive on energy efficiency has aroused much interest and triggered lively debates, in particular at the present time in the European Parliament. If proof were needed, look at the 1,800 amendments submitted in the ITRE Committee!
- This shows that we are dealing with a central issue, at the crossroads of major challenges for the EU and for its industry: combating climate change, security of energy supply and climbing energy costs.

BUSINESSEUROPE on the energy efficiency directive:

- We have been urging European policy-makers to pay more attention to energy efficiency for many years. We therefore welcome the fresh momentum given to energy efficiency through the Commission's proposal.
- This directive is an opportunity which must not be missed. It will play a key role in encouraging action in important sectors, especially for renovation of buildings which account for 40% of EU's energy consumption. But also in the deployment of technologies which can make our energy system much more efficient through:



- capturing waste heat,
 - smart grids, or
 - a better match between supply and demand of energy.
- If these major challenges are well known, the regulatory toolbox for creating the conditions for action still has to be defined. The directive can only be effective and fair if it meets the following four conditions:
 - 1) Allow companies to apply cost-effective and economically feasible solutions
 - 2) Complement effective programmes and policies in Member States
 - 3) Avoid an excessive increase in administrative burden
 - 4) Ensure consistency with existing energy, climate and industrial policies.

Context and objective of the event:

- With MEPs Pieper and Herczog, whom I thank for their cooperation, we wanted to discuss with you today the issue of energy intensity (i.e. relative vs. absolute energy efficiency targets). This is one of the themes at the heart of the debate in industry and which undoubtedly has its place in the framework of a proposal for a directive on energy efficiency.
- The way in which the Commission's proposal interprets the concept of energy efficiency, in particular the 20% target, gives rise to serious concerns:
 - There is a risk that definition of an absolute cap on energy consumption in the EU by 2020 (i.e. 368 million tonnes of oil equivalent energy savings by 2020 compared with 2007 projections) will compromise the growth trajectory that the EU must rediscover.
 - Our companies must be in a position to grow to develop technologies and products which will enable the EU to be competitive on the markets of the future. For a number of industrial sectors, this will not be possible if they are confronted with absolute energy consumption reduction targets.



- We therefore believe that any energy efficiency targets – at European, national or sectoral level – should include elements which appropriately express energy consumption as a function of economic parameters.
- Those are a few key issues that we must address. After the hearing last week in the ITRE Committee, I hope that our discussion this morning will feed into that debate so that a good compromise emerges at the other end.

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