

Press Release

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Electricity & Gas strategies: Will the EU put Energy Efficiency First?

Brussels, 30 September 2015 – The Coalition for Energy Savings submitted its responses to two public consultations related to the EU Energy Union. The stakeholder group encourages the Commission to enable the 'energy efficiency first' principle when rolling out its electricity market design and LNG and storage strategies, and provides ways forward.

Re-designing the electricity market and setting a European LNG and storage strategy offer an opportunity for the European Commission to enact 'energy efficiency first', the principle of considering the potential for energy efficiency first in all decision-making related to energy.

"Applying the 'energy efficiency first' principle in redesigning the energy market must ensure adequate valuation of energy efficiency benefits and access to those benefits by energy users", said Stefan Scheuer, Secretary General of the Coalition for Energy Savings. "Without coherence and integration of whole sale and retail markets and removing detrimental incentives in transmission and distribution tariffs, this cannot be reached".

More specifically, three prerequisites are missing from the Commission's papers to start redressing the historic bias of increasing supply over increasing energy efficiency.

First, projections should accurately assess the amount of energy which will be needed in the future, taking into account expected energy efficiency improvements. Energy planners regularly overestimate energy demand, such as projections by ENTSO-E and ENTSO-G in planning large-scale infrastructure, and projections used for allocating funding to Projects of Common Interest. For example, the gas demand projections used by the Commission to allocate funding for gas infrastructure projects under the Connecting Europe Facility are 30% higher than the Commission's reference scenario for gas demand by 2030¹.

Secondly, an 'energy savings' scenario should be considered in the context of all decisions related to energy, in particular when it comes to extending the supply capacity. The comparison between energy efficiency and energy supply solutions should consider benefits in terms of job creation, economic growth, energy security and climate change mitigation. The benefits of energy efficiency are well-known and yet untapped: research shows that tapping the cost effective potential for energy savings could reduce overall energy demand by 40%², thus accelerating already falling gas demand³.

Finally, energy efficiency improvements should be prioritised over the extension of the energy supply capacity, when they are shown to be more cost effective. By reducing the need for energy production, storage and distribution capacity, energy savings will address the risk of stranded assets and lock-in that could prevent the transition to a safe, secure and sustainable energy system.

¹ E3G, 2014, Energy Security and the Connecting Europe Facility, September 2014.

² Fraunhofer ISI et al, 2014, Study for the European Commission evaluating the current energy efficiency policy framework in the EU and providing orientation on policy options for realising the cost-effective energy efficiency/saving potential until 2020 and beyond.

³ European Commission, 2013, EU Energy, transport and GHG emissions trends to 2050 reference scenario 2013.

As a multi-stakeholder Coalition, uniting 29 European business, civil society, consumer, professional, trade union and local government organisations, the Coalition for Energy Savings calls on the European Commission to enable the 'energy efficiency first' principle to help unlock the EU's full cost-effective potential for energy savings.

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The Coalition for Energy Savings brings together business, professionals, local authorities, trade unions and civil society associations. The Coalition's purpose is to make the case for a European energy policy that places a much greater, more meaningful emphasis on energy efficiency and savings. Coalition members represent more than 400 associations, 150 companies, 15 million supporters, more than 2 million employees, 1,000 cities and towns in 30 countries in Europe. energycoalition.eu

Notes for editors

- The responses to the consultation are available here: [EU Strategy for LNG and gas storage consultation, Consultation on a new Energy Market Design](#)
- Consultation on a new Energy Market Design on European Commission's [website](#)
- Consultation on an EU strategy for liquefied natural gas and gas storage on European Commission's [website](#)
- Coalition for Energy Savings [Briefing](#): Energy Efficiency First: How to make it happen