

German Ministry for Economic Affairs and Energy
Minster Sigmar Gabriel
State Secretary Rainer Baake
Thorsten Herdan and Stefan Besser

Brussels, 28 October 2016

Response to the Green Paper on Energy Efficiency ***Towards enacting energy efficiency first in all sectors***

Dear Minister Gabriel,

The Coalition for Energy Savings congratulates you and your Ministry for the Green Paper and its presentation to an EU audience on 7 October 2016 in Brussels. This is a timely and important contribution to the delivery of the EU Energy Union, which is attractive to people and business and ready for post Paris actions.

By making the reduction of energy demand the starting point for the Energiewende, the Green Paper applies the Energy Efficiency First Principle (EE1st Principle) as put forward by the EU's Energy Union.

Over the last two years energy efficiency has been moved to the forefront of climate and energy policy making. The European Commission praises the benefits for economic growth, jobs, security and our environment that the implementation of energy efficiency policies brings. The European Parliament asked for an EU 2030 target of 40% energy savings and to ensure it is binding for national governments. And now Germany is taking a leadership role for placing energy efficiency at the heart of the energy transition.

We agree with the propositions of the Green Paper that the EE1st Principle provides the compass for strategic energy system planning, reduces costs for energy users and strengthens the decarbonisation effect of renewable energy share.

Regarding the main questions of the BMWi Green Paper about how to enact and apply the EE1st Principle we have developed recommendations for the EU, which are outlined in the attached publications. We believe that many of those are also relevant for the national level. In particular, we recommend that Germany, in its work on EU legislation, calls for the EU to:

1. Enshrine a definition of the EE1st Principle in the EU's framework legislation, the Energy Efficiency Directive;
2. Set a binding 2030 energy efficiency target in line with the savings potentials across sectors considering what is cost-effective from a societal perspective;
3. Define a least cost planning / cost-effective energy system assessment framework to allow for a fair and robust comparison of supply and demand side measures, policies and scenarios. This requires complementing the current framework with a societal perspective and with considering multiple benefits; and

4. Carry out an evaluation of relevant policies to identify where energy efficiency and savings are overlooked or undervalued and revise those policies as necessary. For example at EU level we identified the following:
 - a. New Energy Union governance: Only if governance is robust and credible in securing EU targets will investors be mobilised;
 - b. National Energy and Climate Plans: Energy demand projections, which take into account energy efficiency targets, must become the starting point for all dimensions in the plans;
 - c. Eurostat and State Aid: Despite some political efforts Eurostat public deficit accounting rules still fail to recognise the reality of energy efficiency investments and energy performance contracts and prevents cities from investing in their buildings in order to reduce future energy costs. Similar State Aid guidelines put energy efficiency at an unfair disadvantage by applying the lowest aid intensity compared to other investments;
 - d. Energy Market Design: This is a great opportunity to improve consumer rights and to remove barriers to energy efficiency, in particular fixed charges and tariffs; and
 - e. Post Paris climate actions: Energy efficiency has to become the economic bottom line and be recognised as the enabler for more powerful climate protection.

Yours Sincerely



Stefan Scheuer

Secretary General of the Coalition for Energy Savings

References

[Progress on Energy Efficiency First, Briefing March 2016](#)

[Efficiency First: A New Paradigm for the European Energy System, June 2016](#)

[Putting Energy Efficiency First – the bedrock for designing EU climate and 2030 GHG effort sharing policies, July 2017](#)

The Coalition for Energy Savings unites businesses, professionals, local authorities, trade unions, consumer and civil society organisations to make energy efficiency the first consideration of the EU's energy and economic policies and to tap the cost-effective savings potential of 40% by 2030. Coalition members represent more than 500 associations and 200 companies, 15 million supporters and more than 2 million employees, 2,500 cities and towns in 30 countries in Europe.



Members of the Coalition are:

Architects' Council of Europe (ACE), BEUC (The European Consumer Organisation), CEE Bankwatch Network, ClientEarth, Climate Action Network Europe (CAN-Europe), Climate Alliance, COGEN Europe, E3G, Energy Cities, Euroheat & Power (EHP), European Alliance of Companies for Energy Efficiency in Buildings (EuroACE), European Alliance to Save Energy (EU-ASE), European Association for the Consumption-based Billing of Energy Costs (EVVE), European Association of Polyurethane Insulation Manufacturers (PU Europe), European Climate Foundation, European Committee of Domestic Equipment Manufacturers (CECED), European Copper Institute, European Council for an Energy Efficient Economy (eceee), European Environmental Bureau (EEB), European Federation of Intelligent Energy Efficiency Services (EFIEES), European Federation of Building and Woodworkers (EFBWW), European Insulation Manufacturers Association (Eurima), European Federation of Public, Cooperative & Social Housing (Housing Europe), European Partnership for Energy and the Environment (EPEE), Friends of the Earth Europe, Glass for Europe, Lighting Europe, Transport & Environment (T&E) and WWF, as well as advisory members Buildings Performance Institute Europe (BPIE) and Regulatory Assistance Project (RAP).