

Energy efficiency is the best way to improve EU energy security

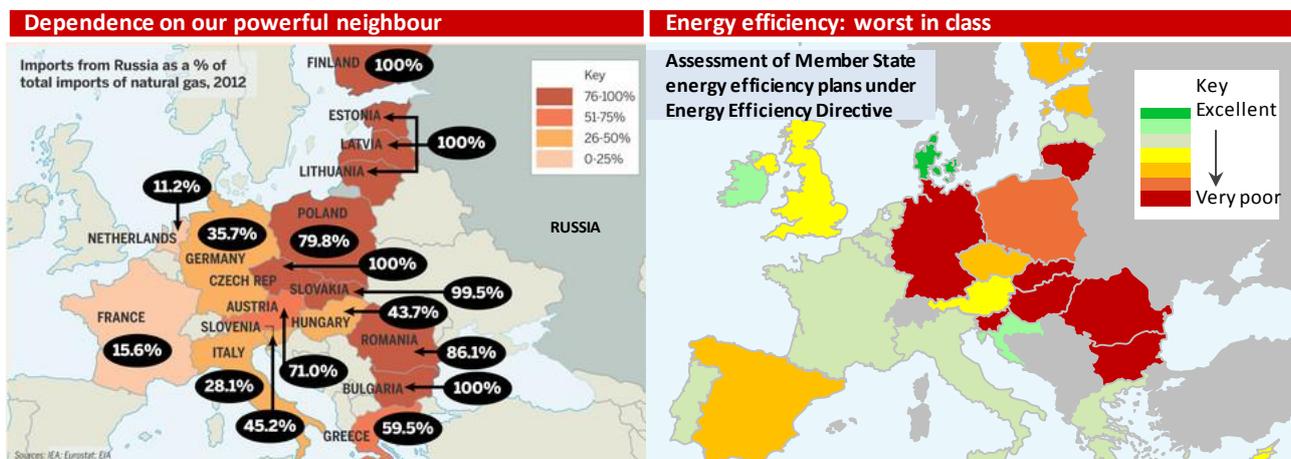
As the EU decides its 2030 climate and energy framework, the crisis in Ukraine has propelled energy security to the top of the agenda. EU leaders have called for energy solidarity and a comprehensive plan for reducing energy dependency.

Europe is the world's largest energy importer with an annual import bill of €545bn.¹ The EU imports 60% of the gas and 80% of the oil it consumes. Unless our import dependency is radically reduced, Europe's energy supplies will remain insecure and the EU economy dangerously vulnerable to oil and gas price shocks. Continuing with business as usual scenario will increase the EU's import dependency in the future: 56.5% in 2050, up from 52.6% in 2010.²

Energy efficiency has enormous potential

Europe has great energy efficiency potential – 41% final energy savings potential by 2030 – equivalent to the EU's total current gas imports from Russia.³

Moreover, it's the EU Member States with the highest gas imports that have the poorest plans to tackle energy efficiency.⁴ Investing in the EU's full energy efficiency potential would save the EU over €200 billion net savings per year by 2020, leading to €250 billion per year by 2030.⁵



Source: FT, Coalition for Energy Savings analysis of Article 7 Member State reports under the EED

¹ European Commission, 22 January 2014: Energy Economic Developments in Europe

² European Commission, 2050 Energy Roadmap.

³ http://www.stefanscheuer.eu/20140321_Stefan_Scheuer_Gas_Savings_Imports.pdf

⁴ Coalition for Energy Savings (2014), Implementing the EU Energy Efficiency Directive, Analysis of Article 7 Member States Reports.

⁵ Ecofys (2014), Saving Energy: Bringing Down Europe's Energy Prices for 2020 and beyond, <http://www.ecofys.com/en/news/energy-efficiency-will-trigger-250-billion-yearly-net-savings-by-2030/>.

Efficiency is the best solution to security of supply

The energy dependence crisis has opened a debate on a whole range of possible options to reduce energy imports, from energy efficiency and renewables to diversification of gas supply routes, nuclear and shale gas. Energy efficiency must be the first solution because the technology is already available to be deployed quickly across all sectors, at low cost and it can provide the scale needed to reduce gas imports. The less energy Europe uses, the less it needs to import, and the easier it becomes to reduce GHG emissions and meet EU climate targets.⁶

Diversification of gas supply routes may be part of the long-term measures but will be costly and dependent on the political relationships with our neighbours. Importing shale gas from the US will also not reduce EU energy dependency and exploiting it in the EU would only meet 2-3% of gas demand by 2030, according to the IEA.⁷

How to unlock the energy efficiency potential

Energy efficiency must be the first priority of the EU's energy dependency strategy. However, achieving these energy savings will not happen by continuing existing policies and measures alone. The current voluntary approaches have not achieved the scale of investment needed because market failures are multiple and systemic.

The full potential of energy efficiency can be achieved by a binding 2030 energy savings target, stronger implementation and enforcement of the Energy Efficiency Directive and establishing an 'Energy Efficiency Union' to strengthen energy security by actions such as earmarking EU funds and exchanging best practices on delivering energy savings between EU and neighbourhood countries.⁸

Three Stage Plan to Unlock Energy Efficiency Potential		
Action	Outcome	Timeframe
1. Binding 40% energy savings target in 2030 framework	<ul style="list-style-type: none"> • Unlocks the political momentum and sends a clear investment signal • GHG target achieved • EU energy imports reduced 	Decision in June/October EU Council 2014
2. Stronger implementation and enforcement of the Energy Efficiency Directive	<ul style="list-style-type: none"> • Improved National Energy Efficiency Action Plans • Long-term renovation roadmaps for buildings • 1.5% annual end-use energy savings achieved 	Proposals in Commission assessment report on EED from July onwards
3. Establish an 'Energy Efficiency Union' focused on improving EU energy security. Includes earmarking EU funds for energy efficiency, exchange on best practices	<ul style="list-style-type: none"> • EU funding used effectively to quickly deploy EE measures • Energy solidarity in EU and neighbourhood countries • Increased competitiveness 	Decision in June/October EU Council 2014

⁶ Coalition for Energy Savings research shows a 40% energy savings target would bring GHG emission reductions of between 49 and 61%.

⁷ IEA World Energy Outlook 2012.

⁸ Proposal by Energy Cities <http://www.euractiv.com/sections/energy/ukrainian-cities-unite-send-out-energy-efficiency-sos-301989>.