

Demand-side measures are just as important in meeting our energy goals

By Andrew Warren, director of the European Alliance of Companies for Energy Efficiency in Buildings (EuroACE)

The adoption of the Energy Performance of Buildings Directive is to be strongly welcomed. However, EuroACE are the first to recognise that under subsidiarity there is enormous scope as to how effectively or ineffectively it is delivered.

Governments are urged to implement its requirements swiftly and in full. Research undertaken for EuroACE by management consultants CALEB reveals that, to date, few governments have ensured that even a fraction of the potential for energy saving in buildings is achieved.

Yet this is what the Commission's Green Paper, *Towards a European Strategy for the Security of Energy Supply*, acknowledges to be the first pillar of any effective energy policy. It states: "The Union must rebalance its supply policy by clear action in favour of a demand policy. Energy saving is also the quickest, most cost-effective and most politically acceptable way of meeting the EU's CO₂ reduction targets.

The CALEB research demonstrates that 450m tonnes of CO₂ could be saved annually through practical energy-saving measures in buildings. This has been accepted by the **European Commission**. This is around one-eighth of Europe's current emissions. According to the Environment Commissioner, implementation would create over three million job-years of employment.

EuroACE members believe that a major part of the EU's Kyoto commitment can be met through practical energy-saving measures in buildings, where over 40% of Europe's energy is consumed.

Energy efficiency measures in buildings are the most cost-effective of the available technologies and can result in cost savings per tonne of CO₂ saved. This is in contrast to any supply side option, which inevitably has overall costs to the economy.

Cost effective

Such cost-effective measures will increase the viability of emerging renewable energy generation technologies.

This is because these tend to be expressed in percentage terms of the total electricity market. If the overall amount of consumption can be held down, then reaching the required percentage becomes less challenging in absolute terms.

Unlike other carbon-saving options, all the technologies needed to deliver 450m tonnes of CO₂ are ready and proven.

The merits

Energy efficiency improvement measures for buildings have nine easily identifiable merits. They:

- are immediately available
- rely on proven technology
- offer a wide spectrum of technologies
- are suitable for existing and new buildings
- are suitable for buildings of all sizes and functions
- have a strong linkage to sustainable development
- create employment, with consequent reductions in benefit payments
- are highly appropriate to an enlarged EU
- offer a massive contribution to the EU's commitment to greenhouse gas reduction

Obstacles

So what are the current obstacles to progress? Why are current rates of energy intensity improvements across Europe less than half those achieved two decades ago? The reasons can be listed just as effectively:

- a fragmented policy approach by European institutions
- conflict with other, powerful lobby groups
- a lack of financial incentives
- a lack of minimum regulations for existing buildings
- it is not seen as a core investment
- a lack of consumer knowledge
- VAT on energy-saving materials is often higher than on the energy they are designed to save
- with falling fuel prices, payback periods are being extended for many energy efficiency investments
- in the rental sector, different parties pay for energy usage and for the building's capital cost
- measures are focused at local level
- little recognition that energy efficiency improvement is poor

It was that lack of recognition that drew 20 multinational companies together in 1998 to form the EuroACE project. Between them, EuroACE companies have a turnover of €70bn per annum and employ 438 000 people.

EuroACE is a unique project, designed both to help the EU to meet its Kyoto commitments, and to benefit the construction industry across Europe. Our first goal has been to ensure that the Energy Performance of Buildings Directive became law. Our next goal must be to ensure that its proposals are made effective practice in all 25 Member States.