

The European Climate Change Programme: EuroACE Review

The Buildings Sector Identified As Providing The Largest Potential For CO₂ Reduction, by the European Climate Change Programme

The European Climate Change Programme (ECCP) was established in June 2000 to help identify the most environmentally cost-effective additional measures enabling the EU to meet its target under the Kyoto Protocol, namely an 8% reduction in greenhouse gas emissions from 1990 levels by 2012.

The Programme was set up as a multi-stakeholder consultative process. It culminated this summer in the presentation of a Programme report, which in turn will lead to a strategy based on concrete policy proposals.

The Programme identified cost-effective options totalling 664-765 mtCO₂ equivalent. The emissions reductions necessary to reach the EU minus 8% Kyoto target amounts to 336 mtCO₂.

According to the Programme's report the potential for the buildings sector is "estimated to be between 220 mtCO₂ and 247 mtCO₂ ... Options in the entire buildings sector with negative or zero costs represent over 50% of the identified reduction potential for the sector, using a 4% rate of return. Zero and negative cost options are defined as investments which generate savings but pay back capital costs and cover maintenance, operating and interest costs within the normal accepted technical life of the technology in question".

It continues, "Around 150 mtCO₂ of this potential can be realised at negative or zero lifetime costs by 2010".

For the buildings sector the Programme also concluded that "an additional 70 million tonne is estimated to cost up to 20 Euros per tonne." Again, this is amongst the most cost-effective options available. According to the ECCP conclusions: "an energy saving potential of between 22% and 40% of energy consumption in the sector has been identified". The Programme also called for further activities. The ECCP also sets out certain immediate priorities in its first category. This includes the current proposal for a directive on the energy performance of buildings. This provides:

- A framework for an integrated methodology for measuring energy performance.
- Application of minimum standards in new buildings and certain renovated buildings, and regular updating of these.
- Energy certification and advice for new and existing buildings and public display of certificates in certain cases.
- Inspection and assessment of boilers and heating/cooling systems.

An initiative for Best Practice in EU institution buildings has also been introduced. It is estimated that this measure could deliver additionally up to 45 mtCO₂ savings per year by 2010.

Other pertinent proposals:

- Proposal for an amended Directive 93/76 (the SAVE Directive). Potential savings up to 20 mtCO₂ per year by 2010.
- Energy Efficient Public Procurement Initiative and proposed Directive. Savings of up to 40 mtCO₂ per year by 2010.
- Energy Services Directive proposal. Savings of up to 55 mtCO₂ per year by 2010.
- Audit Schemes, Best Practice Initiatives and Voluntary Agreements. Savings of up to 35 mtCO₂ per year by 2010.
- Technology procurement Initiative. Savings of up to 25 mtCO₂ per year by 2010.
- CHP Directive. Savings of up to 65 mtCO₂ per year by 2010.

New organisational and supporting measures:

- The European Sustainable Energy Agency, and framework support for national, regional and local energy networks.

Monitoring/Informative/Educational Training:

- A public awareness campaign and a parallel campaign for take-off on energy efficiency will start in 2002. New initiatives will also be required on training and education.

Other cost-cutting measures:

Labelling, minimum standards and certification for measures. Important elements will be:

- Revision and extension of the EU labelling system to cover installed equipment and processes.
- Support for internet based labelling information including databases.
- Promotion labelling incentive schemes, including home financing, property taxation, green certification, voluntary agreements.
- Measures to increase compliance in Member States.
- Rules to ensure regular updates.

In addition, a number of institutional, financial and other changes will be required. EU measures include:

- Promotion of VAT differentiation and accelerated depreciation to promote energy efficient products and practices.
- Promotion of energy services with low interest loans and third party financing.
- Increased consumer information on payback periods and real costs.
- Studies on Member State tax (including VAT) levels on proficient technologies.
- Further harmonisation of areas such as state aid and structural fund rules.