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## **Review of the Primary Energy Factor: Driving energy efficiency and the uptake of renewable energies**

EPEE, representing the heating, cooling and refrigeration industry in Europe, is a strong supporter of both, the “energy efficiency first” principle and the transition of the energy market towards the use of renewable energies. We believe that ultimately, the European energy system needs to be fully based on renewable energies to achieve the EU’s climate and energy goals but clearly this transition needs to go hand in hand with reducing the energy demand if we want to be successful.

EPEE members provide a broad range of technologies in that sense: From solutions using waste heat, for example generated by refrigeration applications in supermarkets, centralised solutions such as district heating and cooling through to decentralised technologies based on renewable energies such as heat pumps, etc. **For a broad based association like ours, the Primary Energy Factor (PEF) plays a key role which needs to strike the right balance between promoting renewable energies, and the “energy efficiency first” principle.** Indeed, we see it as a solid and coherent bond between the Energy Efficiency Directive, the Ecodesign and Energy labelling framework and the Directive promoting renewable energy sources (RES).

**EPEE supports a PEF of 2.0. We believe it will achieve this goal as we need a PEF that:**

✓ **...allows for comparability and promotes renewable energies**

EPEE strongly supports the principle of a PEF as it allows achieving comparability of technologies providing the same function. For example, in the case of space heaters, it allows for a direct comparison between technologies using different energy sources (electricity, gas and oil) and therefore plays a key role in helping consumers choose the most energy efficient products, such as heat pumps, while fostering the uptake of renewable energies.

✓ **...promotes the “energy efficiency first” principle**

There is broad consensus that Europe’s energy system and supply needs to become more secure and more sustainable. Energy efficiency is a key pillar to achieve this goal and it can be achieved in many different ways. For example, ecodesign and energy labelling have proven extremely successful in driving down the energy consumption of products in the use phase. Other examples include regular inspections, service & maintenance of heating and cooling equipment. However, despite these and many other excellent opportunities, there is still a lack of momentum in driving the market towards higher energy efficiency. Therefore, we must continue promoting energy efficiency across the board and a PEF of 2.0 takes this necessity into account.

✓ **...provides a robust, transparent and up to date bond between energy policies**

A regular update of the PEF based on a sound and scientific methodology is required to reflect the true average energy mix in the EU. The current PEF of 2.5 is outdated as it does neither take into account the progress in the generation efficiency of the market nor the increasing share of renewables. Moreover, it needs to be taken into account that the PEF considerably impacts product-specific Ecodesign and Energy labelling measures. It is therefore critical to first carefully assess the impact of the revised PEF on Ecodesign and Energy labelling measures and on consumers’ behaviours before changing it in product specific legislation.



### **About EPEE:**

The European Partnership for Energy and the Environment (EPEE) represents the refrigeration, air-conditioning and heat pump industry in Europe. Founded in the year 2000, EPEE's membership is composed of 40 member companies, national and international associations.

EPEE member companies realize a turnover of over 30 billion Euros, employ more than 200,000 people in Europe and also create indirect employment through a vast network of small and medium-sized enterprises such as contractors who install, service and maintain equipment.

EPEE member companies have manufacturing sites and research and development facilities across the EU, which innovate for the global market.

As an expert association, EPEE is supporting safe, environmentally and economically viable technologies with the objective of promoting a better understanding of the sector in the EU and contributing to the development of effective European policies. Please see our website ([www.epeeglobal.org](http://www.epeeglobal.org)) for further information.