

EPEE – EHPA – AREA Position on the Energy Efficiency Directive

17 April 2012

EPEE, EHPA and AREA represent the refrigeration, air-conditioning and heat pump industry in Europe. Both from a growth and from a climate protection perspective, our members are convinced that improving energy efficiency is necessary for a sustainable future. We therefore support the current actions at EU level in the shape of the Energy Efficiency Directive (EED), a successful and ambitious conclusion of which is crucial to meeting not only our 20-20-20 targets but also milestones beyond.

We continue to believe that binding measures are the way forward, allowing the EU to continue to lead by example. We also remain convinced that it is feasible to reach the targets of the proposed Directive **if all efficient technologies are considered.**

Concretely, this means that rather than solely focusing on large-scale applications, **efficient small-scale heating and cooling solutions should also specifically be included.** Examples of these are heat pumps. These innovative and energy efficient technologies can help reach the targets set out in the proposed Directive, such as in Article 6 §9, which gives the Member States the option to take other national policy measures to achieve the 20 % energy savings among final customers. In particular, a strong focus should be given on increasing (ideally doubling) the renovation rate of old buildings and of inefficient heating systems.

A broad and technology-neutral approach will make it easier for Member States to reach their targets in a way that is appropriate to their particular, national and geographical circumstances.

We suggest two main changes/deliberations:

- 1. Article 10:** The potential contribution of efficient small-scale heating solutions should be explicitly addressed in Article 10. They can help to reach the energy savings targets under the scope of Article 6 §9.
- 2. Annex IV (3):** The Primary Energy Factor should be revisited every year to adequately reflect reality, rather than be fixed at a static 2.5. This would also be in line with the calculation method in the RES Directive.

We encourage the Council of the European Union to acknowledge and support these points in the upcoming trilogue negotiations.

Art. 10 - Promotion of efficiency in heating and cooling

- **All efficient technologies should be included in national heating and cooling plans/ measures/ assessments**

EPEE / EHPA / AREA therefore recommend amending Article 10 as follows:

1. By 1 January 2014, MS shall establish and notify to the Commission a national heating and cooling plan for developing the **full potential of high energy efficient technologies**, containing the information set out in Annex VII. The plans, **which must take account of the measures prescribed in the RES Directive (2009/28/EC) and the minimum requirements prescribed in Directive 2009/125/EC**, shall be updated and notified to the Commission every five years. MS shall ensure by means of their regulatory framework that national heating and cooling plans are taken into account in local and regional development plans, including urban and rural spatial plans, and fulfil the design criteria in Annex VII.
2. **delete**

Justification

Increasing efficiency in heating and cooling provides benefits, independent of the size of the installation. We are convinced that in order to achieve the measures, set out in this Directive, small-scale efficient heating and cooling technologies (capacities of up to 400kW thermal output, e.g. heat pumps, recognised as a renewable energy technology according to Directive 2009/28/EC) can play a large role, e.g. in rural districts, where the primary energy required to distribute thermal energy must be kept at a minimum. Member States can include them in their National Renewable Energy Action Plans¹ and National Plans² for achieving the aimed targets.

Annex IV (3)- Energy content of selected fuels for end use

- **The primary energy factor shall reflect the actual values, replacing the factor of 2.5 with a variable figure, to be re-calculated annually, based on EUROSTAT data.**

EPEE / EHPA / AREA therefore recommend amending Annex IV (3) as follows:

- [3] Applicable when energy savings are calculated in primary energy terms using a bottom-up approach based on final energy consumption, as written down in the RES Directive 2009/28/EC. **For savings in kWh electricity Member States shall apply a default primary energy factor defined as $1/\eta$ ($1/\text{eta}$). $\eta(\text{eta})$ is the ratio between total gross production of electricity and the primary energy consumption for electricity production and shall be calculated as an EU average based on EUROSTAT data. The eta value shall be re-calculated on an annual basis by EUROSTAT.**

Justification

The primary energy input needed to produce 1 kWh of electricity (Primary Energy Factor, PEF) is forecast to decrease. Higher efficiency of electricity production in combination with an increased use of renewable sources leads to lower emissions. This could be acknowledged by replacing the fixed PEF of 2.5 with a number to be recalculated annually, taking into account the lifetime of the installation, and based on EUROSTAT data. Such an approach has been taken up in the RES Directive, where eta ($\text{eta} = 1/\text{PEF}$) is recalculated annually. Using the most current EUROSTAT data reveals an eta of 45,2% (2009). This results in a PEF of 2.21, an approximately 12% improvement over the suggested value of 2.5.

¹Reference to Directive 2009/28/EU

²Reference to Directive 2010/31/EU



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 and national associations across Europe realising a turnover of over 30 billion Euros and employing more than 200,000 people in Europe. 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. For more information please visit: www.epeeglobal.org.

About EHPA:

The European Heat Pump Association (EHPA) represents the majority of the European heat pump industry. Its members comprise of heat pump and component manufacturers, research institutes, universities, testing labs and energy agencies. Its key goal is to promote awareness and proper deployment of heat pump technology in the European market place for residential, commercial and industrial applications. For more information, please visit: www.ehpa.org.

About AREA:

AREA is the European organisation of refrigeration, air-conditioning and heat pump contractors. Established in 1988, AREA voices the interests of 21 national members from 19 European countries, representing more than 9,000 companies across Europe (mainly small to medium sized enterprises), employing some 125,000 people. For more information please visit: www.area-eur.be.