



The "20-20-20" goals and energy efficiency in the EU

Speech by Ms. Androulla Kaminara,
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Dear Minister, Dear Commissioner for the environment,
Ladies and Gentlemen,

1. Climate change and energy efficiency

Energy efficiency is one of the declared goals in the "20-20-20 by 2020" strategy of the European Union. This plan, which in the following weeks will hopefully provide added value to the deliberations among negotiating countries in Copenhagen for a post-Kyoto climate policy, calls upon EU Member States to:

- Reduce their greenhouse gas (GHG) emissions by 20%
- Raise the share of renewables in overall EU energy consumption to 20%
- **And to save energy by 20%, all this by the year 2020.**

During the last European Council¹, EU leaders have once again reiterated their commitment for greater reductions in gas emissions, if other industrialized countries follow suit. They also pledged to contribute their fair share in financing the fight against climate change. The European Council recognises that

¹ October 29 and 30, 2009

the costs of mitigation and adaptation in developing countries could amount to around EUR 100 billion annually by 2020. We estimate that 22-50 billion Euros should come from international public support. The EU's share is subject to the outcome of the negotiations in Copenhagen.

For a Member State like Cyprus that depends enormously on oil imports, measures to enhance the efficient consumption of energy are vital for its economy, its sovereignty and its survival and for decreasing the impact of conventional energy consumption in the environment.

Obviously, energy saving is an important component in the fight against climate change. It supports and complements the nexus of measures that aim to:

- tackle climate change
- orient energy consumption to "greener" and more efficient sources
- reduce energy-related pollution
- diversify energy sources
- lessen EU's dependence on oil and gas
- enhance energy security for Europe, thus making it less dependent on suppliers
- help the EU achieve the Lisbon objectives
- and reduce costs within the Union

2. Energy efficiency and the Buildings' Directive

The European Commission presented in 2006 its Energy Efficiency Action Plan and a year ago the second Strategic Energy Review, a package of energy efficiency proposals that aim to make savings in key areas and introduce new rules and standards.

EU Energy Commissioner Andris Piebalgs while presenting the Action Plan had stressed that "Energy efficiency is crucial for Europe: if we take action now, the direct **cost of our energy consumption could be reduced by more than 100 billion Euros annually by 2020**; around 780 million tonnes of carbon dioxide (CO₂) will also be avoided yearly"².

We know that energy consumption continues to rise, along with our continent's dependence on fossil fuels. There is significant potential for reducing consumption, especially in energy-intensive sectors such as construction, manufacturing, energy conversion and transport.

When it comes to energy efficiency in buildings, EU legislation³ provides that the Member States must:

- **Apply minimum requirements as regards the energy performance of new and existing buildings that undergo major renovation,**
- **Ensure the certification of their energy performance**
- **And require the regular inspection of boilers and air conditioning systems in buildings.**

The buildings sector⁴ is the largest user of energy and carbon dioxide (CO₂) emitter in the EU and is responsible for about 40% of the EU's total final energy consumption and CO₂ emissions⁵. The sector has significant untapped potential for cost-effective energy savings.

We have to think what an impact it would make to implement energy performance requirements for buildings on an EU-wide

² European Commission Press Release, Saving 20% by 2020: European Commission unveils its Action Plan on Energy Efficiency, 19 October 2006 ([IP/06/1434](#))

³ Directive [2002/91/EC](#) of the European Parliament and of the Council of 16 December 2002 on the energy performance of buildings

⁴ Residential and commercial buildings

⁵ Proposal for a Recast of the Energy Performance of Buildings Directive 2002/91/EC, 13 November 2008 ([COM\(2008\) 780 final](#))

scale, to pay attention to the materials used during construction, insulation provisions and eco-friendly cooling and heating systems. It goes without saying that more energy efficient buildings provide better living conditions and save money to all citizens.

The second Strategic Energy Review of 2008, the European Commission has published proposals for a **revision** of the Energy Performance of Buildings Directive⁶. The purpose of the recast is to:

- extend the scope of the original Directive
- strengthen and clarify certain provisions and
- give the public sector a leading role in promoting energy efficiency

The Commission believes with this recasting of the Directive that it will give further impetus to a very sensitive time for the fight against climate change. It will also boost sustainable investments and job creation, often in SMEs, across Europe and hopefully in Cyprus as well.

I mentioned before the obligation of Member States for **Energy Performance Certificates**, which I think constitutes an interesting component of the Directive. It helps the end-user to know and to be able to assess the energy needs of the house he wants to rent or the building he wants to use as an office area. With the revision, the requirements are reformulated to ensure that the certificates are compulsory and are provided every time there is a property transaction and the prospective buyer or tenant is informed of the energy performance of the building at an early stage.

⁶ Proposal for a Recast of the Energy Performance of Buildings Directive 2002/91/EC

Furthermore, if the total useful area over is 250 m² of a building is occupied by public authorities, a certificate should be issued by 31 December 2010.

i) Impact assessment

Usually we focus only on the cost of taking new actions but do not consider the benefits of the action or the savings that will arise.

The investment requirements and the administrative costs introduced by the recast of the Directive are relatively low compared to the benefits and the returns.

- For example, enforcing the energy performance requirements in buildings with a surface less than **1000 m²**, which was the threshold so far in the current Directive, would lead by 2020 to **8 billion Euros/year additional capital investments**, but would trigger **25 billion Euros/year energy cost savings**, which also means considerable negative CO₂ abatement costs. These calculations have been made on the basis of conservative estimates about oil prices.
- Now, when it comes to **energy savings**, the estimated impact of the recast is of **60-80 Mtoe (Million Tons of Oil Equivalent) by 2020**, or in other words, the reduction of the total EU energy consumption **by 5-6%**. This equals the total current energy consumption of Belgium and Romania.
- **Emission reduction** will be significant. Savings are estimated at around 160 to 210 million tones CO₂/year by 2020, or **4-5% of EU total CO₂ emissions in 2020**.
- Finally, **280,000 to 450,000 potential new jobs** are projected by 2020, mainly in the construction sector, energy certifiers and auditors and inspectors of heating and air-conditioning systems. New jobs would also be

stimulated by the need for products, components and material used or installed in better performing buildings.

3. Awareness raising initiatives

The proposal for the redrafting of the Directive has been developed on the basis of a broad range of contributions from Member States and interested parties, provided on various occasions. For the transposition of the directive to national law, dates are adjusted so that Member States have sufficient time to fully implement the revised provisions by 31 January 2012. In other words by the Cyprus Presidency, this will be in effect. To reinforce the important role of the public sector to act as a leading example, the public authorities' deadline for the implementation of the provision is shorter, by 31 December 2010.

At the same time, the Commission will continue to help Member States implementing this Directive. In 2009 the Commission launched a major “Build-up” initiative to increase the awareness of the whole chain from authorities, to construction industry and citizens on the saving opportunities. The initiative includes an online information service⁷ that among others aims to promote the exchange of all best practices, tools and technologies available across Europe for an effective implementation of energy-saving measures in buildings.

4. Conclusion

Before concluding my speech, I would like to thank Green Growth Energy Services for the invitation and for organising

⁷ www.buildup.eu/

today's event. I hope that it will contribute in sparking a wider debate among the public and the private sector on how to proceed best to ensure energy efficiency in general and in buildings in particular.

I would like to stress that the EU is doing its best to develop the legal nexus and update existing provisions to better reflect today's needs. Actions are taken to link and connect the benefits from the various legal initiatives, keeping in mind the broader picture to which the "20-20-20" goals aim. As far as I am aware, the Republic of Cyprus does its best to transpose the relevant legal texts in its national legislation. I hope that their implementation will run just as smoothly and will result to the benefit of all Cypriots.

(1545 words)

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