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EPPSA’s position on Art. 3(1) of the proposal for a Directive on Energy Efficiency – Primary Energy Consumption –

EPPSA supports the aim of the European Commission’s (EC) proposal to implement the Energy Union’s “Energy Efficiency First” principle and introduce an overarching energy efficiency target for 2030. EPPSA believes that in order to achieve energy savings, the efficiency measures should be applied across the entire energy value chain: generation, transmission, distribution and consumption. Once these savings are achieved, they will deliver important benefits to EU citizens, including GHG emission reductions and lower energy bills. EU policy-makers need to ensure a level playing field within the energy sector and promote a fair competition between all efficient solutions.

Article 3(1) setting indicative national energy efficiency targets

EC Proposal	ITRE Draft Report Proposed Amendments
<p>Each Member State shall set an indicative national energy efficiency target for 2020, based on <u>either primary or final energy consumption, primary or final energy savings, or energy intensity</u>. Member States shall notify those targets to the Commission in accordance with Article 24(1) and Annex XIV Part 1. Express those targets in terms of an absolute level of primary energy consumption and final energy consumption in 2020.</p>	<p>Amendment 53</p> <p>Each Member State shall set an indicative national energy efficiency target for 2020, based on <u>cumulative primary energy consumption</u>. Member States shall notify those targets to the Commission in accordance with Article 24(1) and Annex XIV Part 1. Express those targets in terms of an absolute level of primary energy consumption in 2020 in relation to final energy consumption in the same year.</p>
<p>EPPSA: Member States shall set indicative national energy efficiency targets based on <u>primary energy consumption</u>.</p> <p>Justification: There are different approaches Member States can use when setting their national energy efficiency targets. Some focus on primary energy consumption, others on final energy consumption or primary energy intensity. Usually, national targets take into consideration specific national circumstances, which lead to different ambitions. Some countries’ objectives are either to reduce energy consumption, stabilise energy consumption or introduce caps on how much energy consumption is allowed to increase compared to the reference year.</p> <p>EPPSA believes that expressing energy efficiency targets in primary energy consumption will enable the sector to better compare the efficiency of different energy mixes. Using multiple measures and definitions when setting efficiency targets complicate the conversion process of data reported by Member States. Also, using primary energy consumption as a metric allows a country to measure its total energy demand, as consumption of the energy sector itself, losses that occur during conversion, transmission and distribution of energy and final consumption by end-users are taken into account.</p>	

Improved energy efficiency plays a key role in the transition towards a competitive, secure and sustainable energy system. European industries, including thermal power generation are delivering significant contributions to make Europe one of the most energy efficient regions in the world.

For example, overall efficiency improvements of both coal-fired and gas combined cycle power plants have reduced CO₂ emissions per kWh of electricity produced. The efficiency of the newest coal-fired plants now exceed **46%** compared to 30–34% before 1990 and CCGTs have improved from below 50% to over **60%**.

The replacement of old generation capacity of 22GW with modern, more efficient and flexible capacity during 2000–2015 delivered the following benefits:

- Fuel savings: **37.2 million t/a**
Fuel cost savings until 2030: **EUR 28.6 billion**
- Reduction of CO₂ emissions: **31%**
At an avoidance cost of **EUR 24.34/t** based on CAPEX or **EUR -19.70/t** if fuel cost savings are taken into account.

So, there is a huge savings potential when focusing on the energy conversion.

Even a slight increase in efficiency can deliver significant reductions in CO₂ emissions and fuel consumption.

In addition, when defining detailed calculations for primary energy consumption at a later stage, efficiency increases through technological progress should be encouraged while higher consumption due to flue gas treatment and CO₂ abatement should not be penalised.

The European Power Plant Suppliers Association (EPPSA) is the voice, at European level, of companies supplying power plants, their components and related services. EPPSA members, located throughout Europe, represent a leading sector of technology with more than 100 000 highly-skilled employees.

EPPSA actively promotes awareness of the importance of flexible and efficient, state-of-the-art thermal power generation and its crucial contribution to ensuring a clean, secure and affordable energy supply.

Virtually all thermal power plants in the EU are built by members of EPPSA or equipped with their components, and provide around 50% of Europe's electricity. EPPSA members provide the most advanced thermal power technologies in the world.



Disclaimer:

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