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Commission 2030

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Unser Zeichen: bk

Ihr Zeichen Ihre Nachricht vom

Karlsruhe,
15. June 2007

Comments on the draft conclusions and recommendations of the Commission 2030 Report (Version 13 June 2007) and on the draft version of the final report (8 June 2007)

Dear Professor d'Haeseleer,

I would like to make some summary comments on the draft conclusions and recommendations of the Commission 2030 Report in the version from 13 June 2007 as well as on the draft version of the final report as sent on 8 June 2007.

I acknowledge once again the prominent role that is given to energy efficiency in the recommendations and support fully this emphasis. Nevertheless, I would like to make the following remarks because fundamentally the treatment of the energy efficiency option and the messages conveyed for this option have not been modified substantially since the original draft of the report, although the report and the conclusions have been reworked quite considerably. In particular I would like to emphasis once again the following issues:

- The energy efficiency chapter in the report (Chapter 4) still gives clearly the impression that the writer of the chapter is carefully enumerating all kind of arguments that energy efficiency is too costly for larger savings which is in clear contradiction to the main recommendation to consider energy efficiency the top priority in the Belgium energy policy. Also in contradiction with this objective are the supposedly high costs of the scenarios with considerable reduction of the demand in the range of 500-2000 Euro/t CO_2. Although there is some wording of precaution in the report on the difficulties of the model used in the projections concerning this issue, the conclusions still rely very heavily on these values. As pointed out earlier, there is empirical evidence that the costs of energy efficient options are considerably overestimated. For your convenience I am attaching to this letter a paper from the recent ECEEE 2007 summer study. This paper is entitled "*Do energy efficient appliances cost more*?" and deal with this issue from the perspective of electric appliances. Some key sentences from this paper are: "*It is also apparent that actual market prices for energy efficient equipment are considerably less than had been predicted prior to the implementations of measures to stimulate growth in the market for efficient*

technologies. The most likely explanation is that costs have reduced as the market share has grown, and companies have found innovative means to reduce energy consumption." …"*Similarly, there appears no correlation between price and energy efficiency in the Australian refrigerator market, except for the very highest efficiency models when they enter the market*." …"*This paper recommends that while engineering analysis still provides a useful indication of future costs, experience suggests that this method alone may tend to overestimate prices. It may be appropriate to apply techniques used in other technology fields, such as 'learning-by-doing', to mimic the relationship between the reduction of costs and market growth, in order to better estimate the future cost of appliances*." The discussion in this paper is surely also relevant for the cost aspects of other mass-produced energy efficiency technologies. There is further similar evidence also from ongoing energy saving obligations such as the Energy Efficiency Commitment in the UK, mentioned already earlier, which has also shown dramatic decreases in the cost of energy efficient options when energy efficiency was dealt with on a larger scale. I have previously already pointed to literature investigating the cost decreases of efficient technologies in the building sector. So it is wrong to state as is done in the chapter on energy efficiency in the report that there is no empirical evidence for the hypothesis that the cost of energy efficient technologies will in general be considerably reduced when entering the market to a larger share. I would like to recommend that more literature of this type is investigated for the chapter on energy efficiency which in my view does not objectively deal with these issues. I suggest integrating to a larger degree the knowledge of conferences on energy efficiency like the ECEEE of the European Council for an Energy Efficient Economy (www.eceee.org) or to collect more direct information from the staff responsible for running energy efficiency obligations. There is also a number of literature on the "Non-energy benefits (NEB)" of energy efficiency options which can be comparable in size to the energy benefits alone, which needs to be taken into account when considering efficiency options.

- My restated concerns are also about the projected development of important drivers such as the mobility in the transport sector which is in my view increasing in a way that is not compatible with the observations. The report now simply states that with different drivers the outcome is different, which is self-evident. However, the impact in terms of CO_2-emissions is important as can be judged from the "*Informative Box: Impact of lower transport activity on energy consumption and energy-related CO_2-emissions of the transport sector*" in the draft report which shows that the difference might be close to 10 million t CO_2 which is important to consider in the overall picture of CO_2 increase in Belgium. These alternative assumptions are based on the "Extended scenario" of the European ASSESS study based on the SCENES transport network model and show the importance of a very careful consideration about the underlying assumptions. In my previous reply I have also stated that similar high projections of the mobility with the Primes model have raised considerable doubts in Germany.
- I have also still problems with the very strong emphasis put on the electricity sector in the report, although electricity savings are clearly important. But the larger part of the GHG emissions clearly stem from the demand sectors which might have deserved a more thorough investigation with respect to their possibilities to reduce greenhouse gases.
- Concerning the conclusions my note is that the recommendation "*In line with the current EU directives, Public Service Obligations regarding an energy savings (and not only electricity-savings) target should be put, based on market-compatible measures, implemented by e.g., distribution grid operators, and the results must be closely monitored. A comprehensive impact analysis of a net energy-savings target of …1.5…% per year requirement (compared to*

business as usual projections) must be studied as part of the strategy" is far too weak given the importance of energy efficiency for the country. The conclusions are not stressing the fact that the European Directive on Energy Efficiency and Energy Services to be implemented by every Member State is asking for savings of 1% per year up to 2016 beyond the baseline anyhow. This Directive is likely to continue after 2016 or is to be enhanced. It is therefore not enough to STUDY the impacts but the conclusions should clearly recommend to IMPLEMENT such an obligation rapidly including a corresponding monitoring procedure because it would support right now the implementation of the Directive. I would appreciate, if this change could still be taken up in the conclusions.

I attach once again previously made comments updated with additional material prepared afterwards which I still feel is relevant for the present draft of the report. I would appreciate if this material could be made further available for the outside world together with this commenting letter.

I wish you a good success with the finalisation of this difficult report.

Best regards

Wolfgang Eichhammer

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