Breaking Barriers

Sensible policy mechanisms that industry could embrace

ECEEE Industrial Efficiency 2016

Eva Hoos

Yeen Chan

Agenda

- EU’s vision and interacting initiatives
- Investigating the landscape of persisting challenges
- Sensible mechanisms

EU's Energy Efficiency Vision

- The Energy Union, 2020/2030 Energy and Climate Framework, 2015 Paris Agreement
- EU's heating and cooling strategy
- Legislative framework and review of this framwork
- Horizon 2020 and Strategic Energy Technology Plan

Concrete actions

- Strengthen regulatory framework:
  - Revised Emissions Trading Scheme, Effort Sharing Decision
  - Review of the Energy Efficiency Directive and Energy Performance of Buildings Directive
  - New Renewable Energy Directive and bio-sustainability policy
  - New Electricity Market design
- Aims:
  - Carbon markets and carbon price
  - EE targets and extending Energy Efficiency Obligation Schemes
  - Stronger integration of EE and renewable energy
  - Facilitate demand response

The Energy Union

Where we want to go:

A secure, sustainable, competitive, affordable energy for every European

What this means:

Energy security, solidarity and trust

A fully integrated internal energy market

Energy efficiency first

Transition to a long-lasting low-carbon society

An Energy Union for Research, Innovation and Competiveness

How we want to reach it:

Persisting challenges on Industry

- Energy saving potentials are not realised
- EE is not the mainstreamed in business operations
- Information and expertise
- Internal barriers
- Regulatory barriers and business models
- Financial instruments
- Innovation, R&D, capacity building

Solutions

ear policy objectives — Energy Union, 2030 Framework, Paris agreement Heating and cooling strategy

Well-functioning markets — Internal energy market, carbon market

E policies — Energy Efficiency Directive, Eco-design/Energy Labelling

Innovation — Horizon 2020, SET Plan

Facilitate access to finance — ESIF, ESTIF, EIB, ETS and EU Funds

Industrial engagement — Industrial round-tables, dialogues with industry, sharing of best practice

Driving EE through regulatory measures

- Energy audits and energy management system (EED; Article 8)
- Waste heat recovery and cogeneration (EED; Article 14)
- Energy Efficiency Obligation schemes (EED; Article 7)
- Demand response, decentralised generation (EED; Article 15)

Internal perspective of barriers

conomics

Strategic moves to stay ahead of competition

Further values to shareholders

Business survival in the following years

ganisational behaviour

Current issues affecting the business

Employee visibility to management

We are a bunch of accountants trying to run our business

mpetencies

Energy is a complex subject

Awareness

What energy?

Sensible Mechanisms

Strike for WIN-WIN

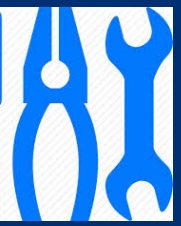
Ease of application and supporting tools

Generates added value

Shift towards energy intensity indicators

Policy goals should be communicated based on sector specific energy intensity indicators

Encourages industry to achieve true energy performance improvement



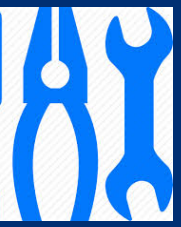
Widely available tools, however it is resource intensive

Could be index linked to allow for economic swing

Report sector-specific energy saving

Energy intensive enterprises are encouraged to report energy savings

Not just a checklist, encourages industry to achieve continual improvement



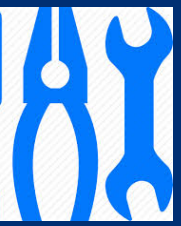
EED, ISO50K, energy audits, energy managers, EE financing instruments, benchmarking

Economic boost for the supply chain

Metering and sub-metering for energy intensive users and processes

Push metering as industrial norm for all new qualified installations, extended time frame for existing installations.

Energy savings are verified



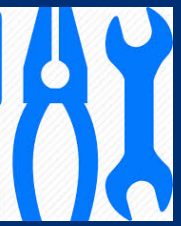
Highly established supply chain

Tangible savings = higher investment opportunities

Insurance for energy saving projects

Insurance for energy savings projects becomes widely available

Addresses residual risk



Early development stages

Complements financial instruments and creation o a new market product