

Better implementation of Energy Efficiency Directive central to delivering secure, efficient EU heat supply



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As EU policymakers redirect their attention to primary energy savings and reducing EU's reliance on imported energy, a new policy report highlights the substantial energy losses along the energy supply chain before reaching the end user. The CODE 2 policy report emphasises the need for energy system-level savings in both heat and power and shows what policy changes are needed to develop wider system efficiency. It concludes that implementation of the Energy Efficiency Directive (EED) must be improved if efficient delivery of Europe's heat supply is to be secured.

CODE 2's European Roadmap, published on 27 January, estimates that in 2030 CHP could generate 1,264 TWh of heat in 2030 (an increase of around half on current levels¹) using a range of increasingly renewable fuels and further reduce total inland energy consumption by 870 TWh – more than the projected total gross inland energy consumption of the Czech Republic, Slovakia and Slovenia in 2030 (830 TWh)².

The policy report highlights that for real savings to be achieved, the EED must be fully implemented in both letter and spirit: particularly those articles which address member states' actions on heat. Additionally, the electricity market must evolve to create new ancillary service opportunities, including via changes to the Balancing and Demand Response markets.

The CODE 2 European Policy Report – published today – warns that EU policy is currently failing to sufficiently stimulate CHP take-up in the EU. The report calls on EU policymakers to renew their focus on primary energy savings as a means of reducing CO₂ emissions and reducing reliance on imported energy – and stresses that wider use of CHP helps the EU to achieve these objectives.

The majority of national CHP experts consulted for the CODE 2 European Policy Report believe that the EU's Energy Efficiency Directive – if properly implemented – can trigger expansion of cogeneration. But they warn that in many member states, implementation of the EED is currently poor. Unless EU-level governance of EED implementation improves, the European Union is at risk of failing to realise the tremendous potential for cogeneration to help deliver policy objectives.

[To read the CODE 2 European Policy Report, please click here.](#)

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¹ 15% of the EU's heat today comes from CHP (850 TWh) – Source: [EEA based on Eurostat](#)

² The new and upgraded CHP capacity beyond 2012 will deliver annual energy savings of 870 TWh in 2030, which amount to more than the projected inland consumption of Czech Republic, Slovakia and Slovenia combined in 2030 according to the most recent PRIMES Reference Scenario the <http://ec.europa.eu/transport/media/publications/doc/trends-to-2050-update-2013.pdf>

Note for Editors:

The CODE 2 project – jointly funded by the EU and industry under Intelligent Energy Europe (IEE) programme – developed 27 National Cogeneration Roadmaps and one European Cogeneration Roadmap.

Ahead of today's launch of the European report, individual roadmaps for 27 EU member states were simultaneously launched in national capitals on 4 December 2014. To read these reports, [please visit the CODE 2 website](#).

The roadmaps highlight the barriers still remaining for CHP in Europe. They look at the policy framework, market conditions and awareness regarding cogeneration in Europe and propose a way forward for the CHP sector that contributes to achieving the EU's 2020 and 2030 energy and climate policy goals. The project seeks to trigger policy improvement generating more rapid uptake of cogeneration in EU member states.

Additionally the CODE 2 project published the first-ever reports about the EU potential of micro-CHP and bio-energy CHP. CODE 2 also considers the potential for increased use of CHP by SMEs. It has produced a series of 'How To' guides targeting potential operators interested in assessing the business opportunities and risks of moving into cogeneration.

Paying special attention to the implementation of the EU's Energy Efficiency Directive, the project sets out a path towards realising the EU's cogeneration potential. It seeks to accelerate cogeneration's penetration into industry by highlighting key markets and policy interactions around cogeneration.

The Final Dissemination Workshop of the CODE 2 project, which was co-funded by the European Commission's Intelligent Energy Europe programme, took place on 11 December 2014 in Brussels.

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