

# Implementing the EED: Finding The Finance

A Presentation to the:

## **Informal Meeting of Energy Ministers**

Dublin Castle

24<sup>th</sup> April 2013



Uachtaránacht na hÉireann ar  
Chomhairle an Aontais Eorpaigh  
Irish Presidency of the Council  
of the European Union  
[eu2013.ie](http://eu2013.ie)

**Adrian Joyce**  
Secretary General

**EuroACE**

THE EUROPEAN ALLIANCE OF COMPANIES  
FOR ENERGY EFFICIENCY IN BUILDINGS

# Context & Opportunity

## Stability, Jobs and Growth

Irish Presidency Focus as Response to Economic and Financial Crisis

## European Commission Roadmaps

Energy Roadmap 2050, Low-Carbon Economy 2050, Resource Efficiency 2050

## Energy Efficiency Directive

A Directive for Growth and Jobs!

Most Advanced Regional Legislation in the World



# EU Energy Use Characteristics

## EU Relies on Energy Imports

25 of 27 Member States are Net Energy Importers

Source: IEA

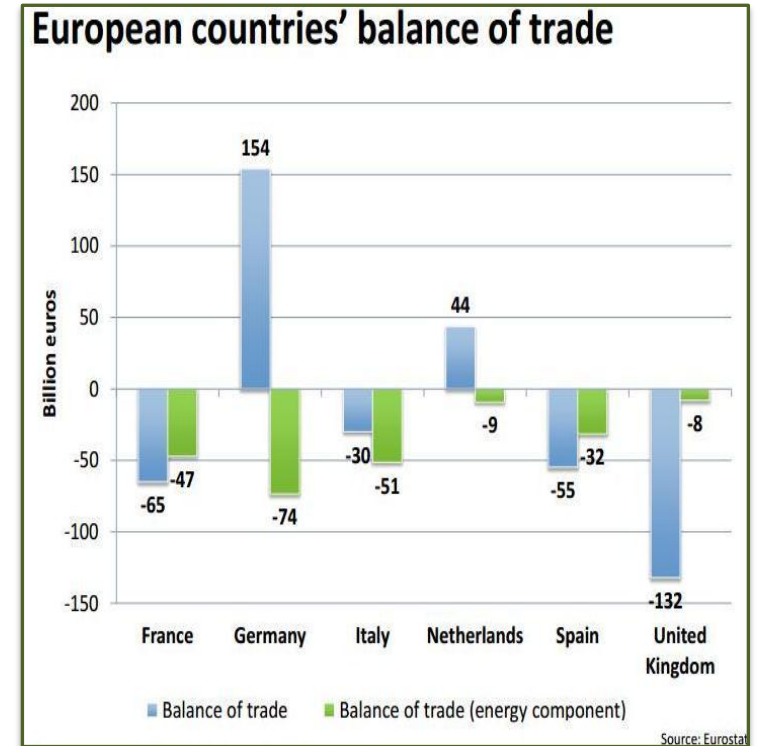
## Negative Effect on Trade Balances

€450 billion Spent on Energy Imports in 2011

Source: Eurostat

## Energy Efficiency - Untapped

Avoided Energy Use is the Cheapest “Source” of Energy and it Increases Energy Independence



# EU Buildings Sector

## Scale of the Opportunity

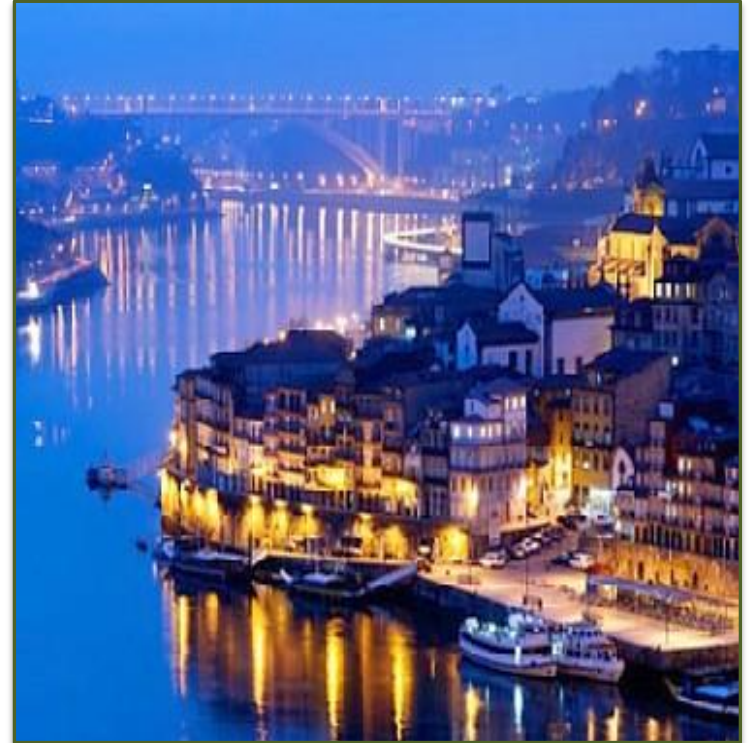
210 Million Buildings; Area of Occupied Space  
Equivalent to Size of Belgium; 90% Still Used in 2050

## Impact on Energy Use

40% of EU Primary Energy Use  
36% of Energy-Related CO<sub>2</sub> Emissions

## Technologies Exist Today

Reduction of 80% in Energy Use is Possible With  
Current Technologies and Processes



# Multiple Benefits of EE Renovation

## Public Finances: €39bn per year

Boost to Public Finances in 2020  
Rising to €78bn per year by 2030

## New Direct Net Jobs: 1.1 million

Local, Permanent Jobs in Construction;  
This Leads to over 2 million Total New Jobs

## Boost to EU GDP: 0.7% per year

Estimate Increase in Construction Output is in the  
Range €670 to €830bn per year (from 2020)



# Releasing the Potential

## Binding EE Target for 2030

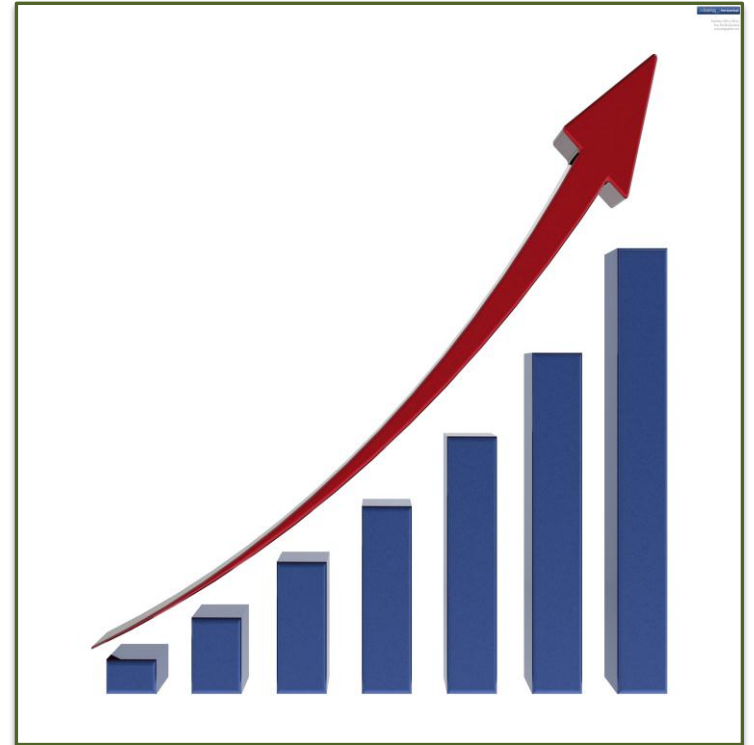
Provides Policy Predictability and Investor Confidence; Construction Sector Needs Certainty

## Building Sector Contribution

Achievable Target: 36% Reduction in Energy Demand in 2030 as Compared to 2005

## Innovative Financing Models

Banking and Pensions Sectors; Energy Performance Contracting; EU Structural Funds



# Implementing the EED

## Governments as Exemplars

Renovation of Central Government Buildings  
Assistance to Local and Regional Authorities

## Long-Term Strategies

Inventory of Existing Building Stock; Quantification of Potential; Calculation of Multiple Benefits

## National Energy Efficiency Funds

Arising From Energy Suppliers Obligation Schemes  
Address Worst Performing Buildings First



# Renovate Europe – Towards a Solution

## An Achievable Vision

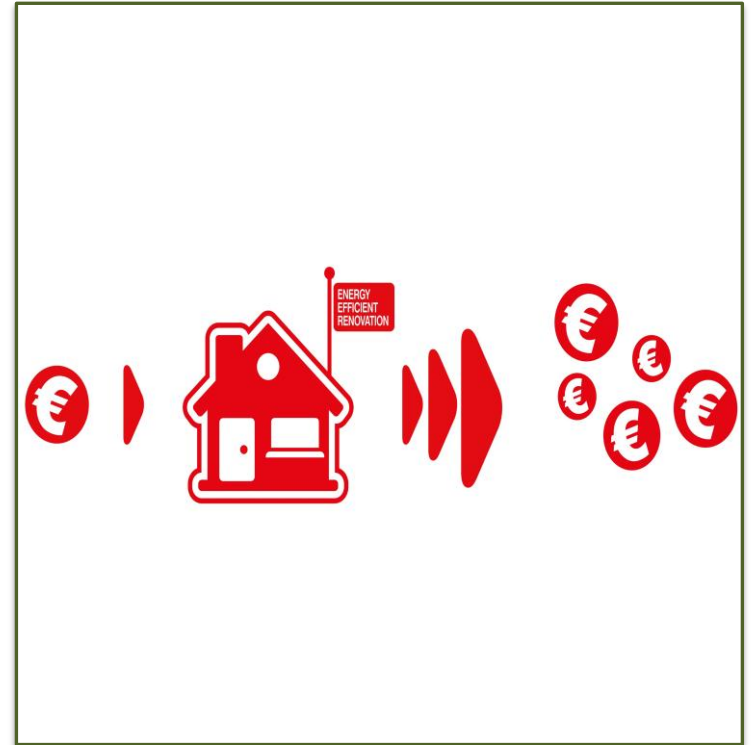
80% Reduction in Energy Demand of Existing Buildings by 2050; Supported by European Parliament

## Pathway to 80%

Requires Coherent Long-Term Planning; High Level of Investment; High Level of Continuous Returns

## Measurement and Verification

e.g. KfW Scheme in Germany €5 Return on Every €1 Invested; Good Ex-Ante Conditions





# Final Recommendations

## **Ambitious 2030 Policy**

Binding Targets Work – Energy Efficiency Delivers  
Business Ready for the Challenge

## **Remove Structural Barriers**

Rent Regulation; Public Accounting Rules; Subsidies  
for Fossil Fuels; Risk Management for Investors

## **Ambitious EE Renovation Schemes**

Now is the Best Moment; Construction Industry Has  
the Capacity; Medium and Long-Term Schemes Only



# Conclusion

## Energy Efficiency is a **MUST-DO** Option

*Avoiding dangerous climate change is impossible – dangerous climate change is already here. The question is, can we avoid **catastrophic** climate change?*

David King, UK Chief Scientist, 2007

# Thank You for Your Attention!

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