

## FuelsEurope comments on the Energy Efficiency Communication published by the Commission.

**Brussels, 24 July 2014:** The Energy Efficiency Communication makes a number of practical and realistic proposals, and recognises the need for measures that keep the costs of the whole energy system affordable for consumers. FuelsEurope, representing European petroleum refiners, highlights that with energy representing 60% of their cash costs and in order to remain globally competitive, EU refiners have developed the most energy efficient refineries in the world without mandatory measures.

Improved energy efficiency in the EU has at least three significant benefits: it will help to conserve resources, to promote international competitiveness and to reduce EU GHG emissions.

The energy efficiency Communication makes a number of practical and realistic proposals, identifying those parts of the economy where there are cost effective savings opportunities. In particular, it stresses the need for measures that keep the costs of the whole energy system affordable for consumers – industrial and private.

It also recognises that the world class energy efficiency of much of European industry has been driven by price signals complemented by appropriate policies.

Director General Chris Beddoes commented *“The price signal - energy is about 60% of a EU refiners cash costs - has incentivised European refiners to develop the most energy efficient refineries in the world to remain competitive, even if they are not the youngest, by such practices as wide spread use of cogeneration and without mandatory measures. Additional legislation is not required to*

*continue progress: the energy price signal, complemented by ETS as the single emissions reduction driver and the measures in the existing energy efficiency Directive can continue to promote cost effective improvements”.*

But greater focus on those parts of the economy where more than the energy price signal alone is needed, in particular buildings representing about 40% of emissions, is appropriate; as is the distinction between what will generate progress in the ETS versus non ETS sectors. Whilst reducing energy use will of course play an important part in GHG reductions, any target which undermines the ETS as the principal instrument for GHG reductions in the industrial sectors risks repeating the same errors of the 20-20-20 package which has resulted in higher than necessary energy prices across the economy.

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FuelsEurope represents with the EU institutions the interest of 43 companies operating refineries in the EU. Members account for almost 100% of EU petroleum refining capacity and more than 75% of EU motor fuel retail sales.

FuelsEurope aims to promote economically and environmentally sustainable refining, supply and use of petroleum products in the EU, by providing input and expert advice to the EU institutions, Member State Governments and the wider community and thus contributing in a constructive and pro-active way to the development and implementation of EU policies and regulations.

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