



## Review of the Energy Efficiency Directive

### *Need to avoid capping energy consumption / industrial productivity*

Energy efficiency is at the core of the pulp and paper industry. With energy being the second largest cost after raw materials, energy efficiency improvements make the difference between a paper mill remaining competitive or going out of business.

As the pulp and paper industry, we are also investing in new products and business models, as we see opportunities for growing in Europe and to export our products outside Europe. We produce goods for local and global needs. More energy effective production in Europe for global needs is good for the climate. If our production is capped, then these products are simply produced outside the EU.

With this in mind, the proposed review raises the following concerns:

#### **1. Energy efficiency targets (art. 3)**

The Commission proposal requires the EU to remain within absolute primary and final energy consumption targets (art. 3, para. 4). These targets are based on a pre-determined scenario and are not subject to change, reflecting economic developments.

As a consequence, a growth in activity levels in industrial production could be halted, should the EU reach the pre-defined cap, hampering investment in manufacturing industries.

Energy efficiency is not about capping energy consumption. It is about improving energy intensity as a mean to reduce carbon emissions, improve competitiveness and security of supply.

This being said, we strongly support the flexibility given to Member States in setting their own national indicative targets, and the means of achieving them.

#### **2. Annual energy savings (arts. 7 and 7a)**

CEPI has strong reservations on the application of a flat rate, equally applied in all Member States:

- Costs and potentials for energy savings varies across Member States;
- Once the “low hanging fruits” have been harvested, additional energy savings will become more difficult and expensive;
- Compliance with legislation will not count towards the savings obligations. For intensive energy consumers using Best Available Technologies (BAT) and matured technologies, the remaining potential to economically improve energy efficiency is quite small and costly.

CEPI strongly supports the equal footing between energy efficiency obligations schemes and alternative policy measures as means for Member States to achieve energy savings.

### **3. Cogeneration to remain at the core of the Energy Efficiency Directive**

Combined Heat and Power (CHP) is a technology designed to improve energy efficiency, both at installation and at energy system level. With the proposed changes, the role of CHP will be only assessed from an electricity generation perspective, with all other energy efficiency benefits being largely disregarded.