

EDITO

FOCUS

ON

The future of energy and environment policies

**Being more ambitious**

It was in the 1970s that the notion of sustainable development appeared at a time when the idea of unlimited growth, sustained by technological progress had started to be questioned.

Sustainable development offers us a more structured and systemic world view by promoting new ways of thinking which have changed our perception of natural habitats, the economy and of society as a whole. In reaction to the two petroleum crises that destabilised the economies of industrialised countries, the development of a dynamic based on energy management generated new ideas, new activities and, finally, an awareness of the correlation between security of energy supply and economic stability.

That is how the regions of Europe, whether or not they had competence in energy matters, started to develop policies for the management of energy (energy efficiency and renewable sources of energy).

Even so, this electro-shock did not serve as a lesson. The opportunity to profoundly reorient policies and to take ad hoc measures was missed.

Nevertheless, the frantic growth of worldwide energy consumption, the variations in the price of a barrel of oil and even the most optimistic scenarios that announced the end of the cheap petroleum era in the following decades, were disturbing but did not question energy policies.

While the European Union was conscious of the growth of its energy dependence, despite the promising declarations of the politicians at national and European level, it seems that energy was never a priority and that the definition of an ambitious and innovative policy was always delayed.

I call on the European and national politicians to reconsider energy policy and to take into account both supply and demand, to develop a voluntary and ambitious policy for energy management and to allocate the necessary budgets. We can not count on regulation through the laws of the energy market.

The energy landscape is not just made up of producers but also of many players indirectly connect-



In view of Fedarene's 15th anniversary, a genuine demonstration of the milestone reached by regional and local energy and environment agencies, nine personalities have been invited to reflect on the direction that the EU and different players should undertake to improve the current situation of energy management and environmental protection.

Regional and local energy and environment agencies intend to play an active role in the development of these future policies.

Claude Turmes, Member of the European Parliament.



Mr. Turmes is Vice-President of the Green Group / European Free Alliance. He has been MEP since 1999. He is a Member of the Committee on Industry, Research, and Energy; Substitute for the Committee on Employment and Social Affairs; Substitute for the Committee on the Environment, Public Health, and Food Safety; Member of the Delegation for Relations with the People's Republic of China, and Substitute of the Delegation for Relations with the United States. He has also held various offices in the Luxembourg Ecology Movement since 1989.

POWER TO THE PEOPLE - there is no sustainable energy future without strong local and regional players.

With the planet in a climate crisis and with the first signs of the end of the "cheap oil" age, the energy question will be higher up on the political agenda than it was during the last 15 years. Large corporates from the car, oil, coal and electricity sectors will argue that it is 'business as usual' and propose top down, technology-fixed solutions like hydrogen from new nuclear reactors and carbon sequestration.

There is an alternative path - the sustainable path. This path is bottom up: building millions of new low-energy houses; refitting

millions of energy consuming buildings; modernising centralised district heating systems; using local and regional renewable resources such as biomass, geothermal, solar and wind; and reorganising our cities and favouring short distance mobility by walking, cycling and more attractive modes of public transport. In complement we will need European legislation on minimum efficiency standards for all kinds of consumption from the car to refrigerators and computers. This is the POWER TO THE PEOPLE scenario.

Local and regional agencies are key players in this second scenario. Who will train architects and investors; who will motivate policy makers and citizens if not the dedicated and professional workforce of FEDARENE members? The next 15 years will be decisive. Let's join forces.

Andris Piebalgs, EU Energy Commissioner.



During Mr. Piebalgs' extensive diplomatic career he has been Head of Cabinet of Commissioner Kalniete in 2004, and Ambassador Extraordinary and Plenipotentiary for Latvia and the European Union. He also has domestic experience in Latvia as Minister of Finance, Member of Parliament and Minister of Education of Latvia.

Energy Efficiency should be our first focus. A key priority for the Commission is energy demand management. My argument is

... / ... ed to the world of energy by their influence on the end-users. Consequently, the territorial authorities or their energy agencies, organisations involved in exchanges between various economic and associated institutional partners concerned by energy and environmental questions, close to citizens, contribute by their actions to the implementation of sustainable energy policies and to the emergence of projects. They participate in the implementation of national and European energy policies through their territorial application.

I would like to congratulate the European institutions who have, over the last five years, completed the legislative framework, taken a certain number of measures and adopted directives in favour of energy efficiency and the development of renewable energy sources, even if the will of the consensus attenuates the ambition of these texts. On the other hand, we are reticent about the recent decision of the Commission to include the programme "Intelligent Energy for Europe" in the framework programme "Competitiveness & Innovation". As this risks bringing about a transfer of the financial resources foreseen for sustainable energy towards other parts of the programme as well as minimising the link with directives related to energy. Finally, the current EIE programme has recognised the specific role played by the regional and local energy agencies in the process of transformation to sustainable energy production and supply. It is most unlikely that a programme tailored for the needs of SMEs would take a similar approach.

The European Union should show an example and promote an energetic and coherent policy, a strong policy with adequate budgets. However, for several years, funding did not allow the achievement of the objectives and the budgets allocated to energy efficiency and to renewable sources of energy have been considerably reduced.

The solution could have come from the structural funds if the budgets had been increased, if energy had been registered as one of the first priorities and if all the regions of Europe could be beneficiaries. In a period of restricted budgets, it would be simpler to allocate the programmes destined to promote the efficient use of energy and the use of renewable energy sources with appropriate budgets.

I would like energy management to be finally placed at the heart of the European energy policy and I invite policy makers to rethink energy policy from another angle. In fact, it would be preferable to look at energy management from a "bottom up" approach that involves more flexibility, more simplicity and rapidity in the procedures, implemented by light, decentralised structures. This territorial approach applies to the responsibilities of the final players and all citizens.

Roger Léron
President of FEDARENE

clear: unless we have a truly sustainable approach to energy, we cannot have a stable economy and secure society. Reducing energy demand and improving energy efficiency must be central objectives.

Despite the good record of the EU regarding energy efficiency, it is estimated that one fifth of our energy is wasted. Simple changes in behaviour or small investments such as in energy-saving light bulbs can make a big difference to Europe's total energy demand bill.

Energy savings can serve multiple political objectives. It can save money for individuals and industry alike, save on imported fuels and improve our trade balance, create jobs in new energy-efficient technology and service sectors, reduce the environmental impact of energy (particularly CO2 emissions) and create export opportunities.

Next month, the Commission will issue a Green Paper on "Energy Efficiency". This paper will set the frame and broaden the consultation process. It will outline what measures might need to be taken to mitigate the continuing 1-2% growth in energy demand. The focus will be on helping industry and consumers to save energy, particularly in the areas of transport and the home, the least efficient sectors of our society.

Mechtild Rothe,
Member of the European Parliament.



Ms. Rothe has been a member of the European Parliament (PSE) since 1984; a member of the Committee on Industry, Research and Energy; and was the Rapporteur of the European Parliament for the Green and White Papers on renewable energy, as well as for the Directive on the Promotion of Electricity Produced from Renewable Energy Sources in the Internal Electricity Market. She is currently the Rapporteur for the proposed Directive on Energy End-Use Efficiency and Energy Services.

During the last ten years we successfully set the course for a European sustainable energy policy. Renewable energy and energy efficiency are the solution for tackling climate change and securing energy supply. By 2010, the European Union wants a 12% share of renewables in total energy consumption, a 21% share of electricity from renewables and 5.75% of bio-fuels. Major legislative and non-legislative

steps were taken but further action is necessary. We need to overcome national administrative barriers and reach a fair grid access for renewables. Furthermore, the development of heating and cooling from renewables has to be pushed forward. In Europe heating and cooling consume more energy than electricity generation or transportation. Geothermal, Solar Thermal and Biomass are able to replace large amounts of fossil fuels. Also in this sector, a European framework directive could help, exploiting this huge potential, which by far has not been used enough. Finally we have to look beyond 2010. A share of at least 20% from renewables and at least 20% of energy savings have to be our goal for 2020 - so, we have to adopt an ambitious energy efficiency directive with binding targets!

Joke Waller-Hunter,
Executive Secretary of the UNFCCC.



Ms. Waller-Hunter has been Director of the Environment Directorate of OECD (1998-2002) and Director of the Division for Sustainable Development, which supports the UNCSO (1994-1998). Prior to 1994, she worked for the Netherlands Ministry of Housing, Spatial Planning and the Environment where she was actively involved in the preparations for "Earth Summit", held in Rio de Janeiro in 1992. She was also Director for Strategic Planning, responsible for the preparation of the Second National Environmental Policy Plan of the Netherlands. She began her professional career with the Provincial Government of North Holland as Environmental Information Officer and Coordinator for Environmental Planning.

Development is sustainable if the planet's resources, its water, its land, its biodiversity, its energy sources, its atmosphere and its climate system are used in such a way that future generations in all parts of the world also have their opportunities to live and prosper. In the climate area this means that emissions of greenhouse gases must be kept within levels that allow the climate system to function properly.

The big challenge is to use energy, which is vital for all development activities but also responsible for most of the emissions, in a way that it does not negatively affect the climate system. As climate change is already happening and will continue to do

BOOSTING GREEN ELECTRICITY IN 11 EUROPEAN REGIONS

The project **Renewable Energy Sources - Electricity Regions (RES-e Regions)** aims at boosting electricity production from renewable energy sources and the use of green electricity in eleven European regions by defining concrete regional RES-electricity targets and developing and implementing regional RES-electricity strategies. The project will identify the main barriers (such as administrative obstacles, public opposition, grid access, lack of information and frequent changes in funding regimes) and address them all through well-targeted information and promotional activities, thereby significantly increasing regional RES-electricity shares.

Local action is essential to achieve the targets set by the RES-electricity Directive (2001 / 77 / EC): not only are many initiatives for new RES-electricity installations started on local level but also some of the main obstacles can only be overcome regionally and locally. The project will ideally complement the legal action taken by the Member States in implementing the RES-electricity Directive.

The consortium covers the following eleven regions, from nine countries, with over 28 mio inhabitants: Andalusia, Castilla y Leon, Copenhagen, Liguria, Navarra, Rhône-Alpes, Saarland, Slovenia, Upper Austria, Västra Götaland and Wales, and two European federations: Fedarene - the European Federation of Regional Energy and Environment Agencies - and Eref - the European Renewable Energies Federation.

The project which is co-ordinated by the O.Ö. Energiesparverband from Austria is supported by the "Intelligent Energy - Europe" Programme of the Directorate General Energy and Transport of the European Commission.

<http://www.res-regions.info>

Contact: Christiane Egger
O.Ö. Energiesparverband
christiane.egger@esv.or.at



so in the decades to come, despite the measures we take today, we must also get ready to adapt to the impacts, such as sea level rise, extreme weather events like hurricanes, floods and droughts and an increase in tropical diseases.

These goals can only be achieved through co-operation between developed and developing countries. As developed countries have been the main emitters of greenhouse gases over the past few decades, they have to take the lead in reducing their emissions. They must also support developing countries in dealing with climate change.

Catherine Day, Director General of DG Environment.



Prior to taking up her current position in 2002, Ms. Day was Deputy Director-General for DG External Relations, responsible for relations with the Western Balkans, Newly Independent States, and Mediterranean countries including the Middle East. From 1996 to 2000, she was a Director responsible for relations with candidate countries for Central and Eastern Europe, as well as the Balkans, Turkey, Cyprus, Malta and EEA/EFTA countries. From 1982 to 1996 Ms. Day served in the cabinets of Commissioners Brittan, Sutherland and Burke.

There are many factors that are driving EU decision-makers to see more clearly the links between energy use and the environment. Our concern about climate change is prompting us to move away from dependence on fossil fuels at the same time as high oil prices and concerns about security of supply are leading us to look more seriously at alternatives. To tackle climate change, we need to use energy more efficiently and reduce its carbon intensity. This will also improve air quality, reduce our dependence on imports, and create new jobs in innovative technologies.

The EU is already taking action. We have measures to improve the energy efficiency of buildings and products, energy labelling of consumer goods and a voluntary commitment from industry to improve the CO2 performance of new cars. On the supply side, we support renewables, biofuels and combined heat and power.

Better energy management requires effort by everyone. Large corporations can reduce consumption by participating in the new EU emissions trading system. Smaller companies can use voluntary instruments

like eco-labelling or the Eco-Management and Audit Scheme, which now includes a "Toolkit" showing small firms easy ways to improve consumption. Citizens and public authorities are key players too and are increasingly aware of how they can save energy in their daily activities and through their purchasing policies.

Our analysis shows that the necessary changes are affordable and should yield benefits by giving the EU a competitive edge, once greenhouse gas emissions are restricted across the globe. We are using our environmental policies to bring about those changes.

Michael Geißler, Managing Director of Berlin Energy Agency GmbH.



Mr. Geißler is the Managing Director of Berliner Energieagentur GmbH, President of the Association of Energy Agencies in Germany - eaD e.V., and Member of the Energy Advisory Committee of the Land of Berlin. He pursued his university education in Process and Environmental Engineering and later in Industrial Engineering and Management. He has been honorary Secretary General of FEDARENE since 2000.

The EU is on its way to become a leading region in the world in terms of competitiveness, expertise and innovation as laid down in the Lisbon Agenda 2000. One important precondition for reaching this ambitious target is the security of energy supply and, therefore, the reduction of the EU's import dependence through the intelligent and innovative use of energy. The introduction and dissemination of services and renewable energy will play a major role.

With climate change becoming more and more obvious, climate protection will be intensified both on the generation and on the demand side by the political framework and action such as the modernisation of power plants and buildings. Due to an increasing volume of traffic, transport will become one of the main challenges in addition to energy consumption requiring more efficient technologies.

Regional Energy Agencies will remain indispensable as a link between politics and society, preparing political decision processes and translating them into local

TELEX

EUROCONTRACT - GUARANTEED ENERGY PERFORMANCE

The market for energy services in the European Union is estimated to be worth 5 or 10 billion Euro per year but still is nowhere near as developed as its estimated potential. The project Eurocontract, supported under the European Commissions "Intelligent Energy - Europe" programme, aims to contribute substantially to market development for energy services in Europe by further developing and promoting the model of Energy Performance Contracting (EPC). Eurocontract thus also supports the European Commission in its efforts to develop the immense potential for cost savings and CO2 reduction.

The objectives to be reached together with partners from Austria, Great Britain, Sweden, Finland, France, Norway, Italy and Greece, by the end of 2007 are ambitious: set-up of a European platform for energy services, standardization of contract models and award procedures, development of quality standards for energy services and development of new energy service models and financing schemes. The integration of all relevant market actors in the energy services business, as well as from the building and financial sector, is crucial to achieve these objectives.

<http://www.eurocontract.net/>

Contact:

Contact: Alexandra Waldmann
Berliner Energieagentur GmbH
waldmann@berliner-e-agentur.de

FEDARENE

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Chief editor: Roger Leron

Editorial Board:

Michael Geißler, Secretary General
Dominique Bourges - Zen Nasser - Ralf Goldmann

With the support of
Fedarene's member agencies

Rue du Beau-Site 11, B-1000 Brussels
T + 32 2 646 82 10 - F + 32 2 646 89 75

E-mail: fedarene@fedarene.org

French and German versions are available on
www.fedarene.org

realities. The need for their promotional and implementation services in the fields of energy efficiency, renewable energy and transport will even grow. Their pan-European networking will remain crucial.

Danuta Hübner, EU Regional Policy Commissioner.



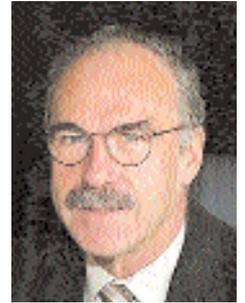
Ms. Hubner is Poland's first European Commissioner. Her most recent positions have been: Minister for European Affairs (2003-2004); Head of Office of the Committee for European Integration, and Deputy Foreign Minister (2001-2003); and Minister-Head of the Chancellery of the President of the Republic of Poland (1997-1998). She has also occupied the post of United Nations Under-Secretary General and Executive Secretary at the United Nations Economic Commission for Europe (2000-2001). She is a prominent economist and policymaker and has played a key role in the enlargement of the EU.

First I would like to stress that the European Union promotes growth that is economically, socially and environmentally sustainable. The recently re-launched 'Agenda for Growth and Jobs' states it very clearly and it underpins the current and future action of the regional and cohesion policy. Sustainable growth and risk prevention have become main priorities in this framework.

This orientation includes promoting innovations and environmental technologies as well as more sustainable and eco-efficient production patterns. It means fostering the multiple opportunities offered by energy efficiency and renewable energies through support from the European Regional Development Fund and the Cohesion Fund. Given the fact that renewable energies are closely related to the regional and local level, the policy I am in charge of is particularly well placed to develop such an approach. Renewable energies can certainly play a bigger part in regional economic development strategies. As a result, regional policy would improve the EU security of energy supply and would contribute to the EU strategy to combat climate change. In return, as well as a better quality of life for our citizens, these efforts can lead to new outlets, in particular for our SMEs, new jobs and a leading position in clean and resource efficient technologies - so enhancing EU cohesion.

I am confident that Member States will make the best use of available funds to improve the situation in the environment friendly energy sector.

Josep Isern I Sitja, Director General of Energy, Mines and Industrial Safety and Director of the Institut Català d'Energia.



Mr. Isern has also been Technical Director of Catalana de Gas; Corporate Technical Director of Gas Natural SDG; President of SERENSA, Gas Rioja and Kromschroeder, Advisor of Gas Natural BAN (Buenos Aires) and President of the Asociación Técnica Española de la Industria del Gas (SEDIGAS). He holds a PHD In Industrial Engineering and a business degree in Executive Development Programme from IESE.

Due to their advantageous position, local and regional energy agencies, play a fundamental role in the development of programmes and activities to promote the sensible use of energy, including renewable energies. These agencies are large enough to develop global projects that involve all levels of society, while at the same time they are sufficiently local to know the real opportunities and obstacles.

Consequently, the local and regional energy agencies have the capacity to involve stakeholders and enable them to launch effective initiatives and projects in the field of information and training as well as investment projects and proposals for legal regulation.

It goes without saying that these initiatives have to be co-ordinated in a wider geographical framework to increase their efficiency. The relationship between local and regional agencies with national and European bodies therefore has to be promoted.

It is essential to establish a framework for direct multilateral co-operation between energy agencies (whether national, regional or local) and the European Union. This structure should allow the participation of all actors in the task of defining priorities, action plans and strategies in the fields of energy conservation, energy efficiency and renewable energies.