



EUROCITIES STATEMENT ON THE ENERGY EFFICIENCY PLAN 2011

Turning the plan into effective action

Cities and energy efficiency

Cities are at the heart of Europe's endeavours for more sustainable energy provision and use, and energy efficiency is a core part of local energy action. To name just a few examples, cities continuously

- refurbish public buildings;
- incentivise renovation of private buildings where possible;
- improve public transport and overall urban transport management;
- invest in more energy efficient heat production and distribution, such as through district heating;
- increase energy efficiency of public lighting, for instance through the installation of LED lighting;
- support, develop and install renewable energy within their boundaries, such as energy from waste, biomass, solar, ground/air source and more.

Moreover, local policy makers use an integrated approach to ensure that higher energy efficiency supports goals that go beyond energy as well, such as local job creation or improving living conditions. Cities also bring into play their closeness to citizens in order to raise awareness and gain acceptance for energy efficiency measures. Both are vital for achieving behavioural change.

Cities and the Energy Efficiency Plan 2011

Cities are ready to continue making full use of their potential to contribute to the EU goal of raising energy efficiency by 20% until 2020. Effective cooperation between the different levels of governance will be indispensable in providing the framework that will empower the local level to deliver and ensure that all stakeholders do their share in improving efficiency.

Legally binding targets can help create planning certainty and in some cases increase momentum for improvement, but they need to be realistic. In times of severe budget cuts at the national, regional and local level, cities need support for achieving their goals, rather than too heavy a legal burden to carry. According to Commission data, the legal obligation to renovate 3% of the public building stock per year proposed in the Energy Efficiency Plan would mean a doubling of the current rate. In many cities, this would affect the overall budget significantly, reducing funds not only for other energy and environmental measures but also for other sectors, such as social services and efficient public transport. The net result for energy efficiency in cities may well be negative. This is why EUROCITIES believes that efforts for energy efficiency improvement at the local level should primarily be made on a voluntary basis. The EU should, in accordance with the principle of subsidiarity, focus on supporting voluntary reforms, using and building upon initiatives such as the Covenant of Mayors and the Smart Cities and Communities initiative.

Ensuring that action is taken at the local level will largely mean ensuring sufficient funding, both from the public sector and from the energy generation sector. This will not only be a question of the quantity of EU, national and regional funding available, but also of improvements in the design of funding instruments. The commission impact assessment

accompanying the Energy Efficiency Plan states that “with the economic crisis it cannot be expected that significant additional public funds would be dedicated to energy efficiency and it is therefore essential that [financing] instruments aim at better engagement of third party financing.” Cities are very interested in finding new ways of funding energy efficiency measures, and they have been exploring and using new models such as energy performance based contracting. However, until the overall potential of such financing instruments is not clear, legislative requirements should not risk overtaking the means of funding.

Public and private buildings

With 12%, public buildings represent a significant part of the building stock, and local policy makers are well aware of their responsibility to use their means to improve the energy efficiency of these buildings. However, with the remaining 88%, the much larger part are private buildings. Action on this sector is therefore much needed. The proposals of the Energy Efficiency Plan in this respect could be a useful starting point. More reflection will be needed to define effective measures, and cities are ready to contribute.

Historic buildings

Historic buildings are a particular challenge. Often, they are not only part of the local, but also of the national, or even world heritage. This and existing obligations for preservation need to be considered in any new legislation on the energy efficiency of buildings. Indeed what is needed is greater innovation in energy efficiency measures which provide for sympathetic application of technologies and techniques to historic buildings and which provide good practice examples for all building owners in the public and private sectors.

Public procurement

Public procurement can be significant to promoting a low-carbon economy and achieving best value for taxpayers' money. Cities support the idea of applying energy efficiency criteria in procurement where possible. This should be part of a general move in EU procurement rules to giving greater scope to specifying sustainability objectives in the tender process - i.e. valuing environmental and social criteria above cost and understanding that introducing these criteria can often mean better value in the longer term. At the same time, it will be important to ensure simplification of lengthy and complicated procedures that often impose a disproportionate burden on local authorities and discourage them from starting a tender procedure. Moreover, procurement rules should enable cities to support their local economy, especially SMEs and other small organisations, such as NGOs, mutuals, cooperatives and social enterprises, which also often innovate in energy efficiency measures. EUROCITIES has addressed these and further procurement issues in its response to the Green Paper on public procurement on 15 April 2011.

Empowering cities to act

An effective EU policy on energy efficiency needs to enable the local level to act, rather than burden it excessively. The EU should set realistic targets, mirror them by funding, and investigate more regarding future sources and ways of financing. The Commission should also support cities in securing new forms of cooperation with energy companies to ensure effective and efficient energy planning in cities. This will also enable the fulfilment of the intentions of the Covenant of Mayors and Sustainable Energy Action Plans.

Background: Cities are a crucial challenge and opportunity for EU energy policy

Already today, 75% of Europe's population lives in cities, where 80% of our energy is consumed. By 2050, 83% of Europeans will be living in cities, according to forecasts by the United Nations. The energy challenges in Europe will therefore continue to be located mainly in cities. However, cities, and in particular big cities, also offer large energy opportunities, as well-managed urban concentration reduces transport distances for people, goods and energy, and provides potential to increase the energy efficiency of heating and cooling.