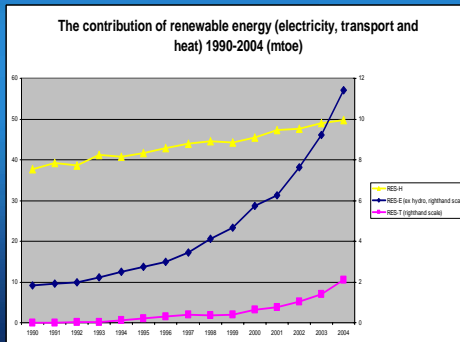






Sectoral trends

Differences in legislative framework for electricity, biofuels, and heating and cooling established at EU level are reflected in the development of the three sectors:



- ✓ Clear growth in electricity
- ✓ The recent start of solid growth in biofuels
- ✓ The slow growth rate for heating and cooling



Status of heating and cooling

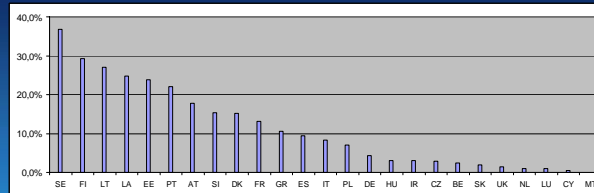
almost 9% (~50mtoe)

- ✓ slow growth rate
- ✓ absence of EU legislation
- ✓ no coordinated approach
- ✓ no consistency of support mechanisms
- ✓ lack of appropriate policy and targets
- ✓ administrative barriers

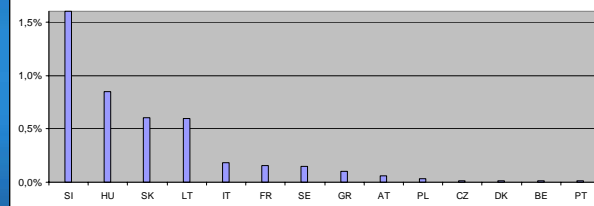


National variations across Europe

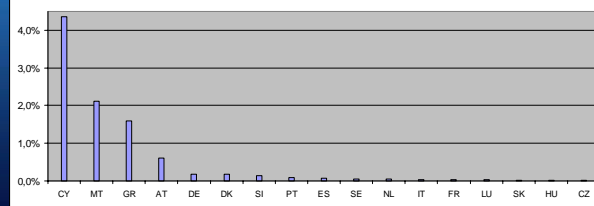
Biomass share of heating in MS



Geothermal share of heating in MS



Solar thermal share of heating in MS



Source: Eurostat (Member States not shown have zero or near zero shares)



The way forward: An energy policy for Europe

- The completion of the single market
- Greater Community solidarity in managing energy supply risks
- Major reductions in CO₂ emissions
- A 20% improvement in energy efficiency by 2020
- A 20% renewable energy share of energy consumption by 2020
- A low carbon fossil fuel strategy
- An international energy policy

New Renewables Policy

- Increase share of renewables in EU energy mix to address the three pillars of energy policy
 - from 7% today to 20% by 2020;
- Binding overall renewables target for each Member State;
 - Member State National Action Plans, setting share of electricity, heating & cooling and biofuels and policy measures;
 - Minimum 10% biofuels in each Member State.



The impacts

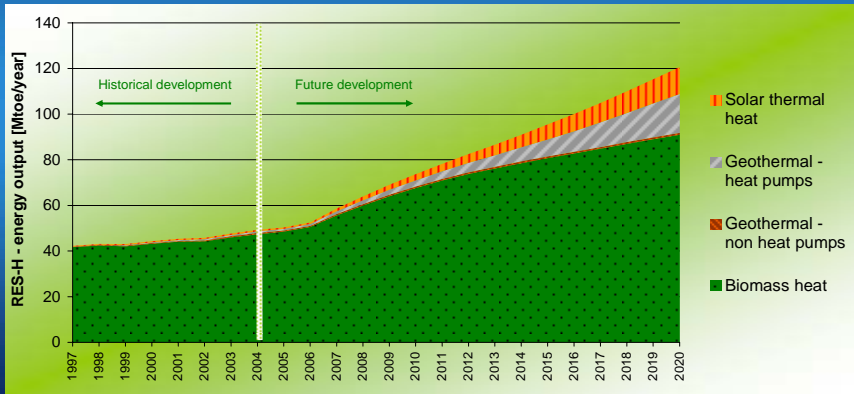
- + Reduce annual CO₂ emissions by between 600-900 Mt,
- + reduce annual fossil fuel demand by 250 Mtoe and
- + promote Europe's leading industrial and technological role (€20 billion turnover and 300.000 jobs)
- costs range from €10.6bn - €18bn p.a. for the EU depending on oil price assumptions, financing, technology mix, and competition in the market

The costs of renewable energy technology continue to fall substantially



How do we get there?

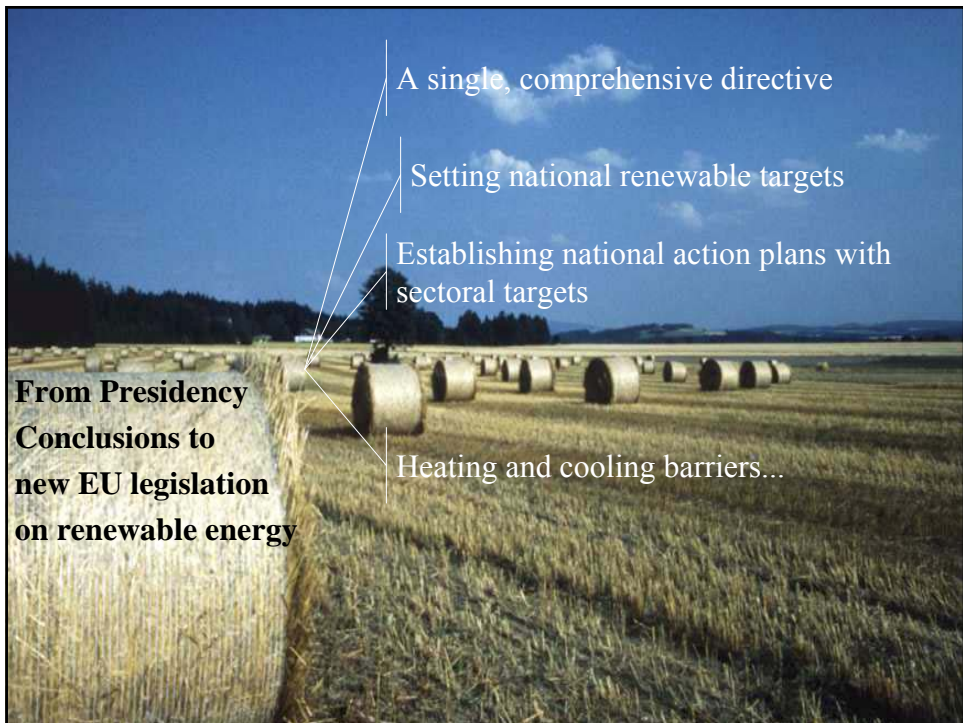
Projections of renewable heating technology growth



And the Member States?

European Council conclusions of 9 March endorse the call for:

- a strong renewable energy policy
- the 20% binding renewables target and a binding 10% minimum biofuels target
- nationally set sectoral targets and a comprehensive renewables directive
- a biofuels sustainability regime





Thank you for your attention

