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**Block 1:** *EU Energy Policy and Objectives*



**Module 1.4. Role of Industry**



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The module points out the industry as an important energy sector in reaching the EU targets



# CONTENT

- Industry sector energy consumption
- Industry role in the EU energy policy

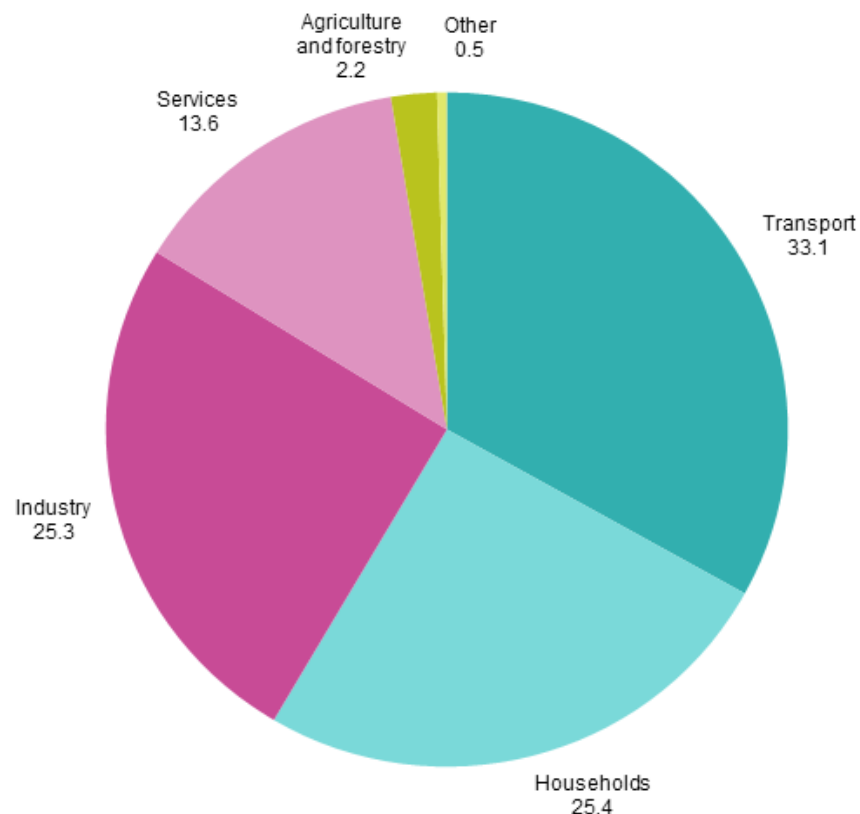


# INDUSTRY SECTOR

The industry sector is responsible for consumption of more than 25% of the total energy consumption in the EU-28, reaching the same consumption as households.

Great potential for energy savings and reduction of primary energy consumption and GHG emissions still exists in industry sector.

Thus, energy improvements in industry sector can contribute to achieving the EU energy targets.



Final Energy Consumption in EU 28, 2015.  
Source: Eurostat, [http://ec.europa.eu/eurostat/statistics-explained/index.php/Consumption\\_of\\_energy](http://ec.europa.eu/eurostat/statistics-explained/index.php/Consumption_of_energy)



Businesses in industry but also in other sectors are subject to the legislation and regulations set by national governments and the EU. As such, they have a role in energy and climate policies as followers of government policy and implementers of relevant measures.

However at the same time, there exist examples of bottom-up initiatives, which industrial businesses implement based on their corporate policies. Examples of such initiatives include voluntary carbon markets, initiatives that focus on transparency, and investor-driven initiatives.<sup>1</sup>



The **EU 2020 Energy Strategy**<sup>1</sup> recognizes an importance of industry sector for the EU economy, and points out that since energy remains an important cost factor for industry sector, it needs to incorporate energy-efficiency objectives and energy technology innovation into its business model.

The priority „Achieving an energy-efficient Europe“ calls for wider use of energy management schemes and voluntary agreements with industry as well as for further use of regulatory schemes such as eco-design and energy labelling of products.



The strategy foresees tools to be developed to encourage new investments in energy-efficient technologies and practices, highlighting EU financing as an important instrument that can have a high leverage factor.

Among financing schemes, the EU funding programmes should play a key role and make energy efficiency a strong condition for allocation of financial support. Moreover, a wider use of other schemes, including energy service companies and innovative financial instruments, is also preferred.

A targeted support to SMEs is supported; dedicated support mechanisms should be established for these businesses.



The **EU 2030 Energy Strategy**<sup>1,2</sup> confirms an important role of industry in reaching EU energy and climate targets. It points out that enterprises are becoming more aware of energy-saving possibilities, and that industry energy intensity has been improving.

While the energy intensity of the EU economy has reduced by 24% between 1995 and 2011, the improvement by industry was about 30%. Moreover, EU industry uses energy more efficiently than its US counterpart.

Energy efficiency in industry also has an important role to play in augmenting jobs.





The strategy stresses the role of financing as well as the Emissions Trading system to drive energy efficiency improvements in the industrial sector and to ensure synergies between energy efficiency and climate policies.

Energy-related improvements shall be supported by EU financial programmes with increasingly greater use of financial instruments.

It is also essential that public funds act to leverage private capital and help boosting a market for energy efficiency improvements.



As Europe has a strong industrial base, **the EU 2050 Energy Strategy<sup>1</sup>** further points out the significance of energy efficiency for the industry as energy remains an important cost factor for this sector.

It stresses an importance of moving towards more tailored financing via public financial institutions and mobilisation of the commercial banking sector in the financing of energy investments.

Regarding new, highly efficient energy technologies, support should be given to research and demonstration at industrial level. As technologies mature and are deployed in a large scale, costs will decrease and financial support can be reduced.



<sup>1</sup> Energy Roadmap 205 (COM(2011) 885)

Text



# Thank you for your attention

