

EuPC focus on Energy



EUROPEAN PLASTICS CONVERTERS NEWSLETTER
PROVIDING EUPC MEMBERS WITH A BRIEF OVERVIEW
OF EUPC PACKAGING ACTIVITIES AND ISSUES

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Climate Action: Energy for a Changing World

Climate change is one of the greatest environmental, social and economic threats facing the planet.

Acting as a sustainable stakeholder, **EuPC** has started a project to become highly involved with energy efficiency on the level of **EUPC**, NPAs (National Plastics Association) and plastics converting companies.

2007 marked a turning point for the European Union's climate and energy policy. Europe showed itself ready to give global leadership: to tackle climate change, to face up to the challenge of secure, sustainable and competitive energy, and to make the European economy a model for sustainable development in the 21st century. Public opinion has shifted decisively towards the imperative of addressing climate change, to adapting Europe to the new realities of cutting greenhouse gas emissions and developing our renewable, sustainable energy resources. A political consensus has crystallised to put this issue at the heart of the European Union's political programme: a guiding theme for the Union, central to the Lisbon strategy for growth and jobs, and of primary importance in Europe's relations with partners worldwide. It won the support of both the European Parliament and the European Council.

The agreement by the March 2007 European Council to set precise, legally binding targets was a symbol of Europe's determination. This decision was not taken lightly. There is much at stake, with the prosperity of the European economy reliant on finding the right way forward. There is compelling evidence now available that the costs of inaction would be crippling for the world economy: 5%-20% of global GDP, according to the Stern Report. In parallel, recent price rises for oil and gas have brought home how competition for energy resources is

becoming more intense every year; and how energy efficiency and renewable sources of energy can be profitable investments. This was the background to EU leaders' readiness to commit to a transformation of the European economy requiring a major political, social, and economic effort. At the same time, change offers a stepping stone to modernise the European economy, orientating it towards a future where technology and society will be attuned to new needs and where innovation will create new opportunities to feed growth and jobs.

The potential to save energy



Energy efficiency has improved considerably in recent years, but it is still expected to be technically and economically feasible to save at least one fifth of the EU's total primary energy by 2020. This is on top of what would be achieved anyway through price effects and structural changes in the economy, along with natural replacement of technology and measures already in place.

Partly because of its large share of total energy consumption, the biggest cost-effective savings potential lies in the residential (households) and commercial buildings (tertiary) sector. The full savings potential in these areas is estimated to be around 27 % and 30 % of energy use respectively.

Based on the savings potential scenarios for the various end-use sectors (see table), it is estimated that the additional savings arising from new policies and measures and from strengthening existing ones could re-

alistically be up to 20 % by 2020. These savings are in addition to prospective improvements in energy intensity (energy consumption relative to economic output) of 1.8 % (or 470 Mtoe per year) due to factors including expected structural changes, the effects of previous policies and changes brought about by natural replacement of technology, as well as changes in energy prices.

In the context of "better governance" the Commission welcomes alternative courses of actions such as self-regulation (voluntary agreements) by the industry where such actions are likely to deliver the policy objectives faster or more cost-effectively than mandatory requirements. Voluntary agreements can present advantages compared with regulation. They can provide for quick progress due to rapid and cost-effective implementation. They allow for flexible and adjusted adaptation to technological options and market sensitivities.

However self-regulation is not always a feasible option, in particular in sectors where the market is very fragmented. There are also drawbacks: self-regulation is not binding on all industry members and cannot, like legislation, be enforced in the courts; compliance consequently cannot be guaranteed.

Voluntary agreements however can be particularly successful in the area of energy efficiency: three agreements, the first one covering stand-by losses of Televisions and Videocassette Recorders, the second covering domestic washing machines, and the third covering refrigerators and freezers have been implemented successfully as unilateral commitments by industry. They have now been upgraded for Televisions and DVD players, for refrigerators/freezers and for washing machines.

EuPC for energy efficient

In its March 2007 conclusions, the European Council identified energy efficiency as an essential part of the comprehensive strategy on climate change and energy, and stressed the need to achieve the objective of a 20% saving of EU energy consumption by 2020. The European Council added that good use should be made of National Energy Efficiency Action Plans for this purpose. This was also already underlined in 2005 by the European Parliament.



The anticipated activities targeted to achieve a substantial contribution from industry to this goal also have to support the ambition to strengthening the competitiveness of the EU economy and facilitating the creation of as many as one million jobs in Europe.

EuPC Steering Committee and the Committee for Trade & Competitiveness identified the relevance of these EU goals for the survival of the European plastics and recycling industries sector.

They decided to take advantage of the EU energy efficiency and environmental challenge to reduce costs of the industries and to implement environmental innovation. It is proposed that **EuPC**, the NPAs and their member companies contribute to the common goals of the EU and the sector by setting up an EU wide energy saving program which will be built upon the best practices of successful policy mechanisms and knowledge on energy efficiency and

innovation opportunities in the sector. Since the plastics converting and recycling industry mainly consists of SMEs which lack knowledge and financial & human resources, the implementation of energy efficiency and environmental innovation needs a strategy on both EU and on national levels: a strategy which will build on existing initiatives and support mechanisms created by the EU and by national governments.

EuPC energy savings program will be based on the following strategy:

- The establishment in 2010 of a commitment on EU level with transparent energy efficiency goals and monitoring procedures (a negotiated voluntary agreement of **EuPC** based on realistic saving potentials and actions). A proposal for partly funding by the EU of the preparation and initial implementation of this agreement will be submitted within the framework of the Intelligent Energy Europe programme.
- Active participation of **EuPC** and their member and companies in the existing EU knowledge transfer project BESS (Benchmarking and Energy management Systems for SMEs) which provides individual companies with energy efficiency tools including benchmarking and specific sector related information from projects like RECIPE and ENER-plast. This participation should preferably be based on in-kind contributions from the sector and (partly) funding via EU and governments of the NPAs.
- Implementation of the required actions by the members on national level imbedded in national programs which will lead to national targets. Though participation of the NPAs is voluntarily and based on a supporting decision of each individual NPA, a high degree of participation of the members is needed for an agreement on EU level. Each NPA will seek structural coopera-

tion within each country with the competent governmental energy organizations/agencies in order to create optimal conditions. Possible national mechanisms are energy efficiency programs and subsidy schemes and the establishment of a national Long Term Agreement on energy efficiency for the plastics sector which would contain national targets for the sector complementary to the EU voluntary agreement and national facilitation. The Dutch LTA 2001-2020 is an example of a successful national LTA. Participation of representatives of the **EuPC** in the existing EU project EU LTA Uptake would stimulate the replication of LTAs for the plastics sector in other EU countries.

- To intensify cooperation within the sector on EU energy/innovation R&D, demonstration projects based on **EuPC** priority agenda and on EU and national innovation/energy support programs.

There is now a good basis and agreement for starting the activities but a definite mandate to **EuPC** to conclude a European voluntary agreement is expected to be formalised via a resolution at the **EUPC** General assembly on the 23/05/08 in Athens.

Therefore, NPAs should put energy efficiency on their agendas, support this initiative and come in Athens with a common position on a voluntary commitment.

A steering committee has been established consisting of A. Dangis (Chairman), E. de Ruijter, P. Lexcelent, M. Tajthy-Carmelitano (SenterNovem) and A. Furfari.

A working group "BESS" has been established consisting of E. de Ruijter (Chairman), P. Lexcelent, C. Bornholm, E. Gallego, M. Tajthy-Carmelitano (SenterNovem) and A. Furfari.

Interested parties are invited to contact: Erik de Ruijter (deruijter@nrk.nl) or Antonino Furfari (antonino.furfari@eupc.org)

EuPC Upcoming events

21-24 May 2008	EuPC Annual Meeting	Athens, Greece
22 May 2008	Abu Dhabi Polymers Park Workshop	Athens, Greece
16 June 2008	Communications Committee Meeting	Brussels, EuPC offices
16 June 2008	Trade Committee Meeting	Brussels, EuPC offices
24 June 2008	Innovative Polymers Conference	Brussels, EuPC offices
16 September 2008	Steering Committee Meeting	Brussels, EuPC offices