

Ladies and gentlemen,

Thank you for your invitation to provide a lecture on this very interesting conference.

I would like to point out on the ongoing discussion within the European Union, concerning the new climate and energy framework and targets for 2030.

Taking into account the timeline agreed in Warsaw for the conclusion of a global climate agreement at the 21st session of the Conference of the Parties in Paris in 2015, the European Council in March 2014 confirmed that the European Union will submit its contribution at the latest by the first quarter of 2015, as should all major economies. Such an agreed EU policy framework on greenhouse gas emissions, renewables and energy efficiency, to be elaborated on the basis of the Commission communication, will provide the necessary stability and predictability for its economic operators and confirm the EU's climate lead-in globally.

The European Commission adopted a Communication proposing a policy framework for climate and energy in the period from 2020 to 2030 on 22 January 2014. It proposes a reduction in GHG emissions by 40% below 1990 level, new ambitions regarding energy efficiency and a binding target for renewable energy of at least 27%. It also underlines that continued improvements of energy efficiency are of key importance and gives some first indications on its contribution to the 2030 Framework. The Energy Efficiency Directive review is expected to be ready in mid-2014. The Communication also stresses the importance of competitiveness and energy security in the 2030 perspective and proposes a series of key energy indicators in this regard. The Commission's Communication also envisages a new European governance system based on national plans for competitive, secure and sustainable energy and a system of key indicators, which should allow monitoring progress with regard to these aspects over time.

The European Parliament calls for more ambitious targets, namely 40% for greenhouse gas emission reductions, 30% for renewables and a 40% increase in energy efficiency.

The Member States are already elaborating their own position towards deciding the final EU targets at the forthcoming Energy Councils.

In the framework of the Commission Communication on the policy framework for climate and energy in 2030, Greece:

- agrees with the proposed 40% target at European level.
- in favour of exploring the possibility of setting the target at 30%, instead of the proposed 27%, at European level.
- is in favour of exploring the possibility of setting the target at 30% at European level.

Moreover, besides the targets for GHG reductions, Renewable energy and energy efficiency, Greece supports the following two extra targets:

- 100% of electricity consumers to have advanced smart meters by 2030
- 100% of electricity and gas consumers to be interconnected with the European Network of Transmission System Operators for Electricity and for Gas by 2030.

The European Council in March 2014, within the Greek Presidency, decided that the new framework should be based on the following principles:

- further improve coherence between greenhouse gas emissions reduction, energy efficiency and the use of renewables and deliver the objectives for 2030 in a cost-

effective manner, with a reformed Emissions Trading System playing a central role in this regard;

- develop a supportive EU framework for advancing renewable energies and ensure international competitiveness;
- ensure security of energy supply for households and businesses at affordable and competitive prices;
- provide flexibility for the Member States as to how they deliver their commitments in order to reflect national circumstances and respect their freedom to determine their energy mix.

Concerning energy efficiency, the political commitment (20% energy savings by 2020) has laid a basis for comprehensive regulatory framework necessary to induce the market reaction.

The Energy Efficiency Directive (EED) makes a significant contribution to meeting the EU's 2020 energy efficiency target and sets a common framework to promote energy efficiency, in a cost effective manner. However, the European Council invites for a review of the Energy Efficiency Directive in a timely manner. Complementary with the EED, the recast of the Energy Performance of Buildings Directive (EPBD) and the relevant measures under the Ecodesign and Energy Labelling Directives, are now in place, providing a comprehensive regulatory framework for energy efficiency.

Energy efficiency is an important investment opportunity. In 2011, according to the IEA global energy efficiency investments across all sectors totalled \$300bn representing a growing market opportunity for investors and businesses. In the EU, studies¹ suggest the scale of investment potential towards 2020 target is around EUR 85 – 120 billion per year across economic sectors, of which around EUR 60-100 billion in the buildings sector alone.

Although energy efficiency options are considered as no regret options, the scale of finance that is needed for the energy efficiency investments cannot be achieved, without a coordinated synergy between the public and the private sector.

To sum-up, energy efficiency and the Renewables are vital pillars within a coherent European energy and climate policy, in order to ensure affordable energy prices, industrial competitiveness, security of supply and achievement of climate and environmental objectives.

I wish you a fruitful conference.

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¹ COM (2012) Consultation Paper: "*Financial Support for Energy Efficiency in Buildings*"; and EURIMA (2012) Financing Mechanisms for Europe's Buildings Renovation.