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IMAGE UNSPLASH/ALEXANDRE LALLEMAND

Europe forges ahead with energy efficiency

Britain's 'hands-off' approach to cutting energy use is in stark contrast to the high-spending governments of other major European economies

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The International Monetary Fund has a new pin-up country on energy policy. Very loudly it is warning European Governments against intervening in the region's worsening energy crisis by just offering broad-based financial support. Saying instead that consumers should be bearing the brunt of higher prices, in order to encourage energy saving and the wider shift to green power.

That is very much not the way the 27 member governments of the European Union have been approaching the unprecedented escalation of fuel prices. But at the time of going to press, that hands off approach seemed to be very much how the UK's new Prime Minister is inclining. Preferring some limited

broad based financial support to voters, rather than anything more targeted or sophisticated to encourage longer-term energy saving.

Continent-wide drive

Elsewhere in Europe, there is a continent-wide drive to create innovative policies designed to reduce the overall demand for fuel. These initiatives have been stimulated by the tenfold increase in the wholesale trading price of natural gas, prompted in part by extra demand following the bounce-back from COVID 19. But

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Germany is trying to avoid providing too many subsidies to fuel bills

also due to the departure of Russia's Gazprom from practically all the European trading market, exacerbated by outrage at that country's invasion of neighbouring Ukraine.

This summer it was agreed by the 27 EU governments that, between August 2022 and March 2023, collectively the EU would reduce natural gas consumption overall by 30bn/m³. This equates to a drop of around 15 per cent. Such a collective decision is surely the first time that EU members have ever agreed to undertake such a major collective short-term energy policy objective which has such an overt impact upon its citizens.

Limit on air conditioning

Strikingly, some of the more radical measures have been taken in countries where not much Russian gas has been consumed. Like Spain, where the government has ordered businesses to limit air conditioning to 27°C in summer, and heating to 19°C in winter. Both shops and public buildings are to ensure doors are not left open when heating or A/C systems are operating, and must go dark at night. Electricity savings are deemed just as important, because 31 per cent of Spain's power has been gas-generated. Within one week, energy use fell by 6 per cent, according to energy minister Teresa Ribera, who states that households are following these well-publicised examples.

Indeed, throughout Europe it seems that governments are quite deliberately opting to promote energy-saving measures that catch the eye of voters, either as employees or as customers, to increase awareness of the potential for, as it were, turning home thermostats down.

Similar requirements on maximum and minimum temperatures are being required both in Italy and in France, where an "energy sobriety" plan is being issued this month, intended to slash French energy consumption by 10 percent compared to 2019 by 2024.

Energy Transition Minister Agnès Pannier-Runacher intends to ban illuminated advertising in all cities during the night. Italy, where 70 per cent of homes are heated by gas, is marketing heavily its arrangements to refund 110 per cent of the costs of installing certain agreed energy-saving measures, a scheme that is also helping to eliminate cash-in-hand

black-market transactions.

Like Latvia and Bulgaria, the Czech Republic has been almost entirely dependent upon Russian gas. Average gas consumption per Czech resident is also 20 percent higher than the EU average, meaning demand reductions could have a significant impact.

There has long been pressure upon former-Comecon countries to use structural and other funds provided overtly for "levelling up" purposes from the European Commission, to improve the building stock. The Prague Government is planning a windfall tax upon energy purveyors, to ensure that no household this winter will pay more than 30 per cent of disposable income on housing and fuel.

But it is Germany that has been the most dependent country upon natural gas from Russia. Now it has been purposefully building LNG bases and restocking its gas storage facilities—which unlike in Britain have not been closed down:

Britain will long rue the approval given by the then-Chief Secretary of the Treasury, Liz Truss, in 2017, to closing Centrica's Rough storage facility. But most of all Germany is setting about reducing the most wasteful gas usage, still to be found in its older buildings particularly in the east of the country.

Renovation in Germany

The present federal government is setting aside the colossal sum of €56.3bn entirely devoted to the energy renovation of buildings between 2023 and 2026, concentrating upon the 40 per cent of homes heated by gas. That is the equivalent of spending £14.5bn every single year upon retrofitting energy efficiency. Elsewhere it is reckoned that support packages for households are set to be around €49.5bn in Italy, €44.7bn in France, even €27.3bn in Spain.

Above all, it is Germany that is trying to avoid concentrating upon providing too many subsidies to fuel bills, other than for key industries. It is determined to try to address the real long-term problem, with elderly buildings simply requiring too much fuel to operate efficiently.

As one prominent commentator put it, "there is little point in trying to fill the bath with hot water, if you fail to put the bath plug in properly." A sentiment echoed all too often in the UK. But as yet, seldom acted upon. ■