

WHAT SHOULD BE PART OF AN:
“EU Strategy for Heating and Cooling”?
POSITION OF THE EUROPEAN HEAT PUMP INDUSTRY
(June 2015)

THE EU STRATEGY ON HEATING AND COOLING SHOULD ...

- **aim high.**
*An ambitious EU Heating and Cooling Strategy is **essential for a successful European Energy Union**. It can help meeting high and binding climate targets for 2030 and speeding up energy transition, it can reduce energy dependency and make Europe more competitive. **Europe's vision should be an ever more efficient and renewable-based thermal energy system, not relying anymore on fossil fuel imports and focussing on competitiveness and local jobs;***
- **be systematic, integrated and comprehensive.**
*The Strategy should look at the **integration with the electricity sector, synergies between renewable heating and cooling solutions, and energy efficiency and circular economy;***
- **activate the end-consumer.**
*The Strategy should promote **a revised energy market design (with a functioning carbon pricing mechanism for the heating and cooling sector) and sound building- and product-related policies** that would encourage citizens, businesses and industry to make choices in line with EU's vision for heating and cooling.*
- **look at facts (and thus collect them first).**
*The Strategy should **identify the heating and cooling needs of citizens, businesses and industries** of today and model their developments. It should include an infrastructure assessment to understand how the demand will develop (per building type and geographical region) as a consequence of the implementation of current legislation, in particular the European Performance of Buildings Directive (EPBD);*
- **dare to bet on best available technologies.**
*The Strategy should regularly **name and promote best available and promising solutions** that ensure a rapid transition in line with the EU's ambitious vision for the heating & cooling sector. **An objective and regular technological review should offer guidance to decision-makers** when reviewing relevant EU policies (EPBD, RES directive, etc.) as well as to **public and private financial institutions** when assessing possible investment opportunities;*
- **accelerate technology development & safeguard European know-how.**
*Decisions on R&D funding should be based on the identified needs of energy users and policy priorities. R&D should **prioritise development and deployment of technological and social innovation facilitating a quick energy transition, while measuring first the full potential of the currently available technologies.***

Specific requests to policy-makers:

- Heating and cooling should not be seen only in the context of improving the efficiency of the European building stock. It should be a comprehensive policy looking at all the dimensions of the Energy Union. Energy efficiency in industrial processes deserves more attention.
- The “Energy Efficiency First” principle should be applied in the EU Strategy to assess the various technological solutions and their impact on an increase in renewables/energy savings per euro spent for investment and operations. The Strategy should promote the best solutions and look at how to better channel private and public funds to heating and cooling projects to overcome high upfront costs, irrespectively of the projects’ size.
- A new market design should value micro- and decentralised storage (not only microgeneration). Flexible intraday energy prices are also needed to increase the benefits for the consumers. Until a carbon tax will reflect the total costs of all technologies, RES must be financially compensated.
- Existing legislation on both energy efficiency and renewable energy should be fully implemented and stricter building standards should be developed.
- Next to cogeneration, district heating and other renewables, heat pump technologies should be named and promoted in the EU Strategy on Heating and Cooling and all future Energy Union policies (Energy efficiency directive, EPBD, RES directive) since formal recognition by policy-makers is an important element of market uptake¹. The number of benefits from heat pump solutions does justify their position at the heart of the EU policy framework.
- The future building stock is likely to have different heating needs and increased cooling needs. This foreseeable evolution has to be accommodated for via the development of infrastructure development plans. Heat pumps offer flexible solutions for both heating and cooling and can act against overheating.
- In the assessment of the best available solutions, the ‘on site’ collection of heat should have privilege over solutions involving the transport of the energy sources.

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¹ Heat pumps were not mentioned at all in the Energy Efficiency Directive, once only in the related Staff working document on a minor issue and only three times in the EPBD (twice in the definition).

Background Information:

- Heating and cooling matters: around 45% of final energy consumption in the EU is used for heating and cooling our homes, stores, offices and factories. Around 70% of the energy used in buildings is used for heating and cooling.
- The EC adopted an Energy Union package² last February aimed at creating a secure, sustainable and competitive energy system and announced a Heating and Cooling Strategy for late 2015.
- EHPA adopted its position paper “Heat pumps at the heart of the Energy Union”³ in March 2015 calling for primary consideration to be given to heating and cooling and explaining how heat pumps will boost the five dimension of the Energy Union.

HEAT PUMPS: SMART INTEGRATIVE SOLUTIONS FOR EUROPE'S ENERGY SYSTEM!

- *Heat pumps provide heating, cooling and hot water for residential, commercial and industrial applications. They are **best in class in terms of energy-efficiency** and use energy from **renewable** sources. They **reduce the consumption** of gas and electricity from non-renewable sources and **improve air quality**. Heat pumps have proven their **reliability** and offer **mature solutions** for many of today's needs. They allow for **cheap thermal energy storage** and provide **demand response capacity** to balance the electricity grid.*
- *They can be **used in conjunction with other technologies** (renewable electricity and heat generation, as well as with CHP, district heating and even in dishwashers, dryers and electric cars!). They close the circle of a circular energy economy.*
- *Numerous studies⁴ report that **a future-proof, efficient and sustainable energy system requires faster deployment of heat pumps. Heat pumps are not just a single technology but a set of smart solutions for various needs.***

² http://ec.europa.eu/priorities/energy-union/index_en.htm

³ http://www.ehpa.org/homepage/?eID=dam_frontend_push&docID=2393

⁴ E.g. Fraunhofer Institute, University of Aalborg, Ecofys, IEA, UNEP