

European Heat Pump Association AISBL

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Proposed amendments to the [draft European Parliaments Own Initiative Report on the EU Strategy for Energy System Integration](#)

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1) EHPA proposed Amendments

Amendment 1

<i>Draft INI Report</i>	<i>Amendment</i>
5. Calls on the Commission to extend the principle of energy efficiency to the entire value chain and to all end-uses; underlines the potential of circularity and reuse of waste, energy and waste heat from industrial processes, buildings and data centres; draws attention to the modernisation of heat networks, which can play a significant role in heat decarbonisation; stresses the potential of digital tools for smart energy management;	5. Calls on the Commission to extend the principle of energy efficiency to the entire value chain and to all end-uses; underlines the potential of circularity and reuse of waste, energy and waste heat from industrial processes, buildings and data centres; draws attention to the modernisation of heat networks and the promotion of efficient and renewable heating and cooling technologies, such as heat pumps, which play a significant role in heat decarbonisation, energy efficiency, improved air quality and grid flexibility; stresses the potential of digital tools for smart energy management;

Justification

Heating and cooling are responsible for 50% of EU final energy demand, and most of that heat is generated by burning fossil fuels. Green, digital and cost-efficient technologies such as heat pump technologies are three to five times more energy efficient today than traditional fossil fuels boilers, and have lower running and maintenance costs for consumers. They bridge power and thermal needs, while contributing to improved air quality and grid flexibility.

Amendment 2

<i>Draft INI Report</i>	<i>Amendment</i>
25. Welcomes the initiatives undertaken for strategic value chains; calls for the establishment of an alliance for decarbonised energy technologies; calls on the Commission to encourage the participation of SMEs in these alliances in order to involve more Member States;	25. Welcomes the initiatives undertaken for strategic value chains; calls for the establishment of an alliances for decarbonised energy technologies including on heating and cooling; calls on the Commission to encourage the participation of SMEs in these alliances in order to involve more Member States;

Justification

In the EU Energy System Integration Strategy, the European Commission presents an optimistic outlook for the electrification of the building sector. About 40% of residential buildings and 65% of all buildings in the service sector are foreseen to be heated by electricity by 2030. Assuming that the “energy efficiency first” principle is applied, most of these buildings should be equipped with one or several heat pumps. With an estimated building stock of 120 million buildings, the number of needed appliances will be around 48 million units, higher, if the deployment of more than one unit in multi-family and commercial buildings is considered. The installed base in heating heat pumps is estimated to reach about 13,5 million units at the end of 2020.

Comparing both figures makes it obvious, that the gap cannot be closed in a business as usual scenario but needs decided and concerted action along the value chain.

Using a linear projection, an annual growth rate of 15% pa over the next 10 years would be necessary to achieve the target. Such growth would require dedicated government support via decarbonisation strategy and an implementation agenda on the EU, national and regional/city level to remove existing obstacles in the market place and thus to encourage all stakeholders in the value chain to consider heat pump technologies in all application areas (residential and commercial heating and cooling, industrial applications up to about 150°C, district energy for heating and cooling).

2) Amendments proposed in the framework of the Electrification Alliance

Amendment 3

<i>Draft INI Report</i>	<i>Amendment</i>
10. Welcomes the adoption of the European Hydrogen Strategy; is convinced that renewable and decarbonised hydrogen can help reduce persistent emissions from industrial processes and heavy transport which cannot be decarbonised through the use of zero-carbon electricity; recalls also the need to decarbonise existing hydrogen production;	10 Welcomes the adoption of the European Hydrogen Strategy, to help reducing persistent emissions from hard to abate sectors which cannot be decarbonised through the use of zero-carbon electricity; recalls that direct electrification of end-use sectors like buildings, heating and cooling, transport and industry combined with energy demand reduction and the deployment of renewable electricity sources should be prioritised, as it is the most cost-effective way to decarbonise the EU; highlights the value of active buildings as flexible assets in the interconnected energy system that can adapt their energy consumption in response to external signals to the benefit of both occupants and the power system.

Justification

Direct electrification of end-use sectors like buildings, heating and cooling, transport and industry can bring huge macroeconomic benefits in terms of economic growth and employment. Up to €23 billion could be saved on energy bills with breakthrough levels of smart electrification and deep buildings efficiency, leading to the net creation of potentially 1.8 million jobs in Europe. A recent report by IRENA also shows that scaling up the deployment of renewables and boosting direct electrification would already generate 1.5 million new jobs in the EU's energy sector.

Direct electrification with cost-effective technologies can accelerate today. Heating and cooling are responsible for 50% of EU final energy demand, and most of that heat is generated by burning fossil fuels. Green, digital and cost-efficient technologies such as heat pumps (electric and hybrid) are three to five times more energy efficient today than traditional fossil fuels boilers and have lower running and maintenance costs for consumers. They bridge power and thermal needs, while contributing to improved air quality and grid flexibility. In the transport sector, electric vehicles (EVs) have an efficiency of 80-90% from tank to wheel today compared to 20-30% for internal combustion engines (ICE). Integrating the zero-emission transport and the energy sectors brings substantial benefits for the decarbonisation of both sectors, specifically with the development of smart charging. The further integration of all sectors should be at the centre of the upcoming Renovation Wave Strategy, to harness the benefits of direct electrification and cost-effective technologies.

Amendment 4

<i>Draft INI Report</i>	<i>Amendment</i>
13. Calls on the Commission to propose ambitious targets for the decarbonisation of road, maritime, rail and air transport; welcomes the Commission's announcement of the deployment of one million charging points for	13. Calls on the Commission to propose ambitious targets for the decarbonisation of road, maritime, rail and air transport and industry, heating and cooling ; welcomes the Commission's announcement of the deployment

<p>electric vehicles; stresses the need to adapt the electrification networks for Europe’s vehicle fleet</p>	<p>of one million charging points for electric vehicles; <i>supports the announcement of the Commission to achieve 40% electrification of the residential heating demand and 65% electrification of heating demand in the services sector by 2030</i>; stresses the need to adapt the electrification networks for Europe’s vehicle fleet; <i>supports the European Commission’s ambitions to deploy 3 million charging stations by 2030 and invites the Commission to set a specific sub-target for smart charging, notably integrated in smart buildings.</i>; <i>underlines the need to revise the Energy Performance of Buildings Directive to support the deployment of smart charging and V2B in buildings as 90% of charging will take place in homes and offices.</i></p>
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Justification

Direct electrification of end-use sectors like buildings, heating and cooling, transport, and industry, combined with energy demand reduction, can bring huge macroeconomic benefits in terms of economic growth and employment. Direct electrification provides affordable energy for consumers. Up to €23 billion could be saved on energy bills in Europe with breakthrough levels of smart electrification and deep buildings retrofits, leading to the net creation of potentially 1.8 million jobs⁵. As such, the Commission should revise the calculations for renewable energy targets in transport, heating, and cooling via an Impact Assessment in line with the increased 2030 greenhouse gas emission target.

Amendment 5

<i>Draft INI Report</i>	<i>Amendment</i>
<p>20. Recalls that the primary objective of Union action in the field of energy is to ensure the proper functioning of the market; calls on the Commission to propose the necessary legislative changes to ensure equal rights for all consumers and undistorted price signals reflecting the real cost of energy and its contribution to the decarbonisation of the economy; welcomes the initiative to revise Directive 2003/96/EC</p>	<p>20. Recalls that the primary objective of Union action in the field of energy is to ensure the proper functioning of the market; calls on the Commission to propose the necessary legislative changes to ensure equal rights for all consumers and undistorted price signals reflecting the real cost of energy and its contribution to the decarbonisation of the economy; welcomes the initiative to revise Directive 2003/96/EC ; <i>and calls on Member States to remove undue taxes and levies on electricity that are a barrier to electrification, ensure taxation is harmonised across all energy carriers, promote clean innovative technologies, ensure competitive energy costs in Europe, and avoid double taxation when providing grid services.</i></p>

Justification

The Energy Taxation Directive should be revised to ensure that all energy sources can compete on an equal footing, promote clean innovative technologies and ensure competitive energy costs in Europe

Undue taxes and levies on electricity that are a barrier to electrification should be removed and taxation should be harmonised across all energy carriers. Taxation rules should prevent the distortions of grid tariffs, unlock the potential of smart and efficient electric-based renewable heating and cooling solutions and power-to-X, as well as of energy storage in buildings and EV batteries (e.g. no double taxation when providing grid services).

E-mobility will drive the evolution of the tax base for energy fuels taxation, and thus of taxation rules. In the short and medium term, it is necessary to gradually adapt fuel taxes to maintain a stable tax revenue base for Member States, as fuel use declines. It is crucial that these changes factor in climate performance of energy sources and not result in a disincentive to electromobility.