

CEER Statement on the European Commission's Heating and Cooling Strategy

17 May 2016

CEER, as the independent voice of Europe's energy regulators, welcomes the European Commission's strategy on heating and cooling and in particular its objective to make the heating and cooling sector contribute to energy efficiency, decarbonisation, and the growth of renewable forms of energy in Europe.

National energy regulatory authorities, whose duties encompass electricity and gas as well as district heating in the case of half of the NRAs, agree that consumers have a key role to play for achieving greater energy efficiency and demand reduction and as such should be in heart of EU energy related policies. The BEUC-CEER 2020 Vision for European energy consumers¹, in which CEER included for the first time district heating in its customer perspective, elaborated four principles governing the relationship between the energy sector and consumers, namely affordability, reliability, simplicity, protection and empowerment. These principles are also important for the heating and cooling sector.

For consumers to be active and make informed decisions on their energy savings, the European Commission must ensure that the existing European provisions specified in the Energy Efficiency Directive regarding customer information on consumption, metering and billing data are sufficiently implemented, applied, and upheld by all EU Member States in order to guarantee all consumers easily accessible, sufficiently frequent, detailed and understandable information on their energy intake.

Various developments in the market, including the roll-out of smart metering, are likely to offer greater energy saving potential by providing real-time information as well as real-time control of heating and cooling and automation. As such, CEER welcomes the Strategy's emphasis on innovation and the progress of the heating and cooling sector towards a smart energy future. Consumers should be able to take advantage of the emerging technological possibilities that will enable them to become more active vis-à-vis their energy consumption. As always the benefit and cost of the new technology should be assessed but for example, smart meters should facilitate different energy prices for customers across the day, encouraging customers to shift their energy consumption to cheaper times. This will both help customers save money and make the energy system more efficient, to the benefit of the environment. In addition, the possibility of customers to become prosumers will also contribute to a smarter and more energy efficient heating and cooling sector.

CEER looks forward to seeing how this Strategy is translated into concrete actions in the European Commission's revision of the energy efficiency legislation planned for 2016. We would like to highlight, however, that besides legislation at a European level, local initiatives, and specifically the initiatives of the Covenant of Mayors are vital for achieving a positive change in the heating and cooling sector.

¹ <u>A 2020 Vision for Europe's energy customers</u>