



To the kind attention of **Jean-Claude Juncker**
President of the European Commission

Brussels, 16 July 2014

Dear President Juncker,

We write to congratulate you on your appointment as President of the European Commission.

You take up this position at a challenging point in the history of the European Union. Efforts to safeguard peace and prosperity in the region need to be redoubled if we are to maintain the European growth model. A key element in securing this lies in Europe's decision on its framework for action on climate change and direction on energy policy to 2030. Concern about tackling climate change while driving future competitiveness, security, growth and employment is high.

In the face of such apparently competing demands there is one solution that stands out: the use of less energy. A strong Europe is a resource-efficient Europe; the best response to the current climate and energy security challenges is to do more with less.

Competitive – In Europe average electricity prices have increased >30% in the past 10 years. Similarly, gas prices have increased >40%. More needs to be done to manage their impact on competitiveness. The best way to achieve this is through promoting greater energy efficiency. This will allow energy intensive and non-energy intensive industries to produce more using lower energy inputs – thus managing overall costs. A recent European Commission report on energy prices found that through implementing energy-efficiency improvements, industry has done just that. This achievement means that EU energy-intensive goods still dominate global export markets despite the widening disparities in energy prices between the EU and global competitors since 2008. There is substantial additional potential to unlock. For example a report by European Industrial Insulation Foundation found that a Europe-wide industrial efficiency programme could reduce heat loss by 66% using cost-effective technologies, cutting energy bills by 75%.

Secure – The EU is the biggest importer of energy in the world. Energy import dependence has increased rapidly since 1990, when it stood at 40% compared to 53.8% in 2011. The quantity of natural gas imported doubled during 1994-2012 to 14.5million TJ. An analysis by BPIE found an aggressive EU-wide building retrofit programme could, in 2030, cut gas imports in the EU by around 35%. Analysis by BMU/Fraunhofer Institute indicates that development of EU demand side electricity markets could cut gas use in the power sector by 15% by 2030.

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Sustainable – Energy efficiency is critical to minimising the cost of delivering greenhouse gas emission reductions. Analysis by Fraunhofer Institute found 41% energy savings are possible by 2030 using at or near-market technologies. It also found the costs of this investment would be offset by savings of €1tr-€2tr just during the period 2020-2030. Energy efficiency achieved through demand management technologies – smart grid, smart meters and energy management systems – is also critical to properly integrating renewable energy into the broader energy system, managing intermittency and enabling renewable and other low carbon infrastructure to move to scale.

Growth and jobs - The Commission's own impact assessment for the 2030 climate and energy package showed a package that includes a strong role for energy efficiency has a higher positive GDP impact than one without. An analysis by the European Trade Union Confederation estimates that up to 2.59 million jobs could be created in the EU buildings sector alone by 2030. Jobs focused on refurbishment of our existing buildings and industrial infrastructures have the advantage that they must be created within the EU. The labour-intensive nature of the work also means it has the potential to provide extensive employment – a critical requirement in European economies that are operating under capacity. Many of the technologies needed – insulation, variable speed motors etc. – are mature. But further innovations around smart technologies, energy storage and retrofitted building insulation are needed to improve energy management and increase productivity.

During the next phase of European reform we need to build broad-based political and societal support for the ongoing European project. A strong focus on unlocking energy efficiency at scale and ensuring Europe builds on and accelerates its lead as the most resource-efficient region in the world will help achieve this. A 40% binding energy efficiency target in 2030 combined with a suite of structural reforms focused on using market, economic, financial and institutional reforms to unlock energy efficiency at scale will send the signal needed for businesses to focus on investing in R&D, supply chains and deployment of these technologies.

We write to you as representatives of the companies that can help deliver this new energy efficient Europe and NGOs who wish to see opportunities for these companies to deliver the transition unlocked. We ask you for the opportunity to meet to discuss how these reforms can be delivered and how the undersigned companies can be part of a plan to deliver a new Europe that is fit to compete globally as a new world order is forged.

Yours sincerely,



Harry Verhaar
Global Head of Public and Government Affairs
Philips Lighting



Tony Robson
Chief Executive Officer
Knauf Insulation



Claude Breining
Head of European Affairs & Standardization Strategy
Schneider Electric



Nick Mabey
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President
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Alex Laskey
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Sumir Karayi
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Roland Ullmann
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About the European Alliance to Save Energy (EU-ASE)

EU-ASE was established in December 2010 by some of Europe's leading multinational companies. The Alliance creates a platform from which our companies (1E, Danfoss, Ingersoll Rand, Kingspan, Knauf Insulation, Opower, Philips, Schneider Electric and Siemens) can join with politicians and thought leaders to ensure the voice of energy efficiency is heard from across the business and political community.

EU-ASE members have operations across the 28 Member States of the European Union, employ over 150.000 people in Europe and have an aggregated annual turnover of €70 billion.

Members



Honorary Members

Bendt Bendtsen

Member of the European Parliament
(Denmark, EPP)

Bas Eickhout

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