



**8th Inter-Parliamentary Meeting on
Renewable Energy and Energy Efficiency
7th November 2008, Parliament of Hungary, Budapest**

DECLARATION OF BUDAPEST 2008

on

"The future of Europe's energy supply"

EUFORES,

- having regard to its Berlin Declaration 2007
 - having regard to its Edinburgh Declaration 2005
 - having regard to its Athens Declaration 2003
 - having regard to its Santiago de Compostela Declaration 2002
 - having regard to its Madeira Declaration 2000
- A. whereas Europe is facing a financial crisis, which will inevitably affect the real economy and particularly affect the poorest households; whereas energy poverty is likely to grow;
- B. whereas climate change still remains the biggest threat facing mankind today;
- C. whereas the EU's dependency on fossil and nuclear energy and on a limited number of energy producers is a serious risk to its stability and prosperity;
- D. whereas EU industries in the renewable energy sector are global market leaders, whilst others like China and the USA have started to invest massively in the renewable energy sector; whereas the political change in the USA will hopefully bring along a positive change in the US American Renewable Energy and Energy Efficiency policy;
- E. whereas energy efficiency has a crucial role to play in reducing the EU's dependency on energy imports, in enforcing competitiveness and in limiting the effects of climate change;
- F. whereas only a truly liberalised market with independent grid operators can favour the integration of renewable energy into decentralised grids;

General remarks

1. Considers it as crucial that particularly in these times of financial crisis energy efficiency measures and renewable energy be supported; stresses that the current financial crisis reinforces the EU's responsibility and credibility to honour its energy and environmental commitments; is convinced that investing in improved energy efficiency and turning to energy from renewable sources will reduce Europe's energy bill and import dependency and have positive impacts on job creation in Europe; underlines in this regard that any delay in tackling energy and climate challenges will ultimately lead to greater costs and a loss of quality of life;
2. Welcomes UNEP's launch of the "Green Economy Initiative", which calls for a "Global Green New Deal" in order to link the development of the world economy and the use of financial instruments with environmental and energy issues providing an answer to the triple crunch of the financial, climate and energy crisis in the same time;
3. Stresses that a growing number of EU citizens are unable to afford their energy bills and that vulnerable customers, including the elderly, disabled and low income families, are those most affected; fears that, as a consequence of the financial crisis energy poverty is likely to grow in Europe;
4. Recalls that energy efficiency is already the most cost-effective means of tackling energy poverty today and that, in the long term, renewable energy will be the cheapest source of energy;
5. Underlines that because energy efficiency reduces the overall demand for energy, renewable energy and energy efficiency always have to be considered jointly;
6. Stresses that renewable energy and energy efficiency technology markets are booming markets and that, by creating thousands of jobs and boosting economic growth, they can make an enormous contribution to the EU Lisbon and Goteborg goals; underlines that the EU is leader in energy efficiency and renewable energy technologies today and that it has to maintain its leadership;
7. Believes that a clear shift of Europe's energy supply from an energy wasting fossil fuels-based economy to an energy efficient renewable energy-based economy is vital to secure Europe's energy supply;
8. Underlines that energy prices for conventional fuels still do not reflect the ecological truth; therefore calls for a transparent and fair pricing of all energy and other natural resources by internalising external costs gradually and over time;
9. Regrets that a truly liberalised and effectively regulated internal energy market has still not been achieved; calls in this regard for a rapid agreement on and implementation of the third energy package;
10. Underlines that security of energy supply is a priority for the European Union, in particular for Central and Eastern European Member States; emphasises in this regard the role to be played by EU-wide renewable energy projects and strong energy efficiency measures;
11. Regrets that EU Heads of State have not adopted mandatory energy efficiency targets; therefore, calls on the Member States to adopt as soon as possible a binding target for

energy efficiency of 20% by 2020 to signal the key role of energy efficiency measures for security of energy supply, economic growth and environmental protection;

12. Urges for proper and immediate implementation of existing legislation on energy efficiency and renewable energy; underlines that ambitious legislation will remain meaningless without the strong commitment of national, regional and local stakeholders, coherence between those stakeholders and clear implementation on the ground;
13. Emphasises the major opportunity that renewable energy sources and energy efficiency offer for Central and Eastern European countries; reminds that most Central and Eastern European countries have a large energy efficiency potential, notably to be gained by refurbishing the buildings stock and by modernising industry installations; notes the high reliance on Russian oil and gas leading to enormous vulnerability of security of energy supply; believes that concerted action of investments in the buildings stock, modernisation of the existing district heating networks, development of large scale and small scale renewable energy projects as well as better electricity and gas infrastructure development will significantly help Central and Eastern European Member States to cope with the three interlinked energy problems of energy poverty, energy security and climate change; welcomes the growing uptake of producers of renewable energy technologies in these countries; urges in this regard the EU institutions as well as the respective governments to pay special attention to the specific investment needs in Central and Eastern European countries and to realise a better access to European Investment Bank (EIB) loans as well as to structural funds;
14. Calls for the inclusion of common renewable energy and energy efficiency targets in combination with principal environmental, water and human security aims into the "Barcelona Process: Union for the Mediterranean"; emphasizes that this could enhance cooperation in the areas of renewable energy and human security in the Mediterranean region;

Renewable Energy

Energy Security and Climate Protection: A strong RES Directive

15. Welcomes the opening of negotiations between the EU-27 Member States and the European Parliament on the renewable energy directive and hopes that these negotiations can be finalised with a good result until December 2008; rejects any attempts to revise the proposed mandatory target of a 20% share of renewable energy in final energy consumption by 2020; stresses that as regards the achievement of the national objectives envisaged in relation to renewable energy sources, mandatory interim targets for Member States and a possibility for the Commission to impose direct penalties on Member States are paramount to ensure compliance with the directive;

Energy Security and Climate Protection: Promotion of CHP and biomass

16. Emphasises that the modernisation and extension of central district heating systems and the gradual increase of the share of energy from renewable sources in these systems are key elements for helping European countries, and especially Central and Eastern European countries to meet their goals of combating energy poverty, reducing energy import dependency and cutting down greenhouse gas emissions; believes that exchange

of best practice, in particular with Scandinavian countries, with regard to the phasing-in of biomass into district heating networks is of great added value; asks for the set-up of a EU budget financed centre of excellence for biomass in one of the Central and Eastern European countries;

Energy Security and Climate Protection: Realising the potential of the North and Baltic Sea

17. Underlines the enormous potential for renewable energy in the North Sea and Baltic Sea region through the combination of the huge potential of on-shore and off-shore wind in combination with the large-scale storage capacities of existing hydroelectric reservoirs; welcomes the ongoing integration of the North Sea and Baltic Sea region through new direct current cables and large-scale joint wind off-shore projects like the Danish-Swedish-German "Kriegers Flak" project; calls for a North Sea and Baltic Sea region roadmap combining the potential of offshore wind, marine and hydro power to be developed in close cooperation with all relevant stakeholders, in particular between all the EU North Sea border countries and Norway and between all Baltic Sea countries;

Energy Security and Climate Protection: Promoting the Euro-Mediterranean region

18. Believes that a European-Mediterranean Renewable Energy offensive is needed in order to facilitate and promote the necessary infrastructure and investment for capitalising on the enormous solar and wind power potential to benefit both sides of the Mediterranean; calls on governments, industry and civil society stakeholders as well as the financial community to elaborate a new partnership between the EU and its Mediterranean partners;
19. Urges all relevant stakeholders to adopt binding targets for renewable energy comparable in ambition to the EU target in the framework of the "Barcelona Process: Union for the Mediterranean" in order to enhance investment security and creating a mechanism for financing e.g. through the European Development Bank, or bilateral development programmes.

Energy Security and Climate Protection: A Decentralised Intelligent Grid

20. Recalls that renewable energy sources are often local (solar) and are variable (solar, wind); therefore believes that the transition to an energy efficient and renewable energy-based economy is highly dependent on the development of a decentralised intelligent grid infrastructure; urges Member States and transmission and distribution system operators to guarantee the priority access, connection, transmission and distribution of electricity produced from renewable energy sources; calls for enormous and strategic investment in local grid infrastructure and massive research and development to be allocated to the development of "super grids";

Energy Security and Climate Protection: Renewable Energy Storage Capacity

21. Underlines that the existing hydro-electric storage plants and existing demand and grid management technologies are largely sufficient to integrate large volumes of renewable energy electricity into the existing electricity system; urges, however, for better research and development financing of renewable energy storage, which is vital for both energy security and climate protection; regards the development of a range of cost-effective, flexible renewable energy storage systems as an important mean to enhance network flexibility in view of a 100% renewable energy electricity system;

Energy Efficiency

Energy Security and Climate Protection: Enhancing Energy End-use Efficiency

22. Regrets that many National Energy Efficiency Action Plans (NEEAP) display a disappointing lack of ambition, ignoring the immense energy efficiency potential in Europe - as an analysis of the Energy Efficiency Watch, which was initiated by Members of Parliament and is coordinated by EUFORES, has shown; underlines that in most cases the relationship between technical energy efficiency potentials, energy efficiency targets and energy efficiency improvement measures to be implemented is weak or not transparent;
23. Calls on Member States to implement, monitor and improve energy efficiency improvement measures listed in their respective NEEAP; urges for a "dynamisation of standards" approach - namely an optimised regular revision of standards; calls for the introduction of performance based standards and measures; takes the view that national action plans have to be turned into a real European energy efficiency strategy;

Energy Security and Climate Protection: Energy Efficient Buildings first

24. Underlines that improving energy efficiency in buildings is the most cost-effective measure and provides the greatest benefits for society, addressing critical issues such as security of energy supply and energy poverty; stresses that with new buildings representing on average 1% of the buildings stock, and a renovation cycle for existing buildings being not less than 25 years, there is no time to lose in implementing building regulations for both new and existing buildings; underlines the huge energy efficiency potential of Central and Eastern European countries in the buildings sector, notably to be gained by refurbishing prefabricated concrete high rise buildings; is convinced that the speeding up of technological progress on new buildings and increasing the renovation rates in existing building stock can be achieved by a combination of new and ambitious legislative measures (Energy Performance of Buildings (EPBD) recast), an easier access to European funding instruments (e.g. EIB, structural funds), coordinated tax measures and an EU coordinated training programme to develop the necessary skills; stresses that such training programmes shall focus on new concepts combining sophisticated architecture, insulation materials and decentralised renewable energy sources for heating and cooling; calls on the European Commission and Member States to support the European Parliament's requirement to apply the minimum energy performance requirements of the EPBD to all existing buildings, and, for all new buildings, to make surplus-energy a requirement by 2015 at the latest and by 2012 when constructed by public services;

Energy Security and Climate Protection: Sustainable Transport Systems

25. Underlines the need for a comprehensive approach towards the entire transport system, in particular in goods transport; calls therefore for a coordinated effort between European, national and local authorities; stresses the need for an energy-efficient transport policy giving preference to public transport, cycling and walking in urban areas; emphasises the "covenant of mayors" initiative as an important tool to link the EU's climate change strategy with local climate change strategies and the upcoming EU action plan on urban mobility; stresses that an enhanced possibility of cities to access structural funds and EIB loans as well as incentives for the expansion and use of public transport are key; calls for a modal shift from private road transport to public transport and other CO₂ friendly means of mobility;

26. Regrets that in the transport of goods in the EU, rail accounts for only 10%; stresses in this regard that no other sector of the European economy causes more problems in terms of oil dependency and raising greenhouse gas emissions than goods transport; calls for a modal shift from road transport to rail and waterways; urges for an enhanced approach towards an optimal linkage between rail, maritime and road transport;
27. Urges concerted action on efficient cars by combining ambitious legislation on CO₂ and cars with fiscal incentives (e.g. tax reduction for best performing cars), a harmonised EU labelling scheme for efficient cars on the clear A to G format used in appliance labelling and a common EU platform to develop cars, which are powered by renewable energy electricity or hydrogen as well as the second and third generation of sustainable biofuels in accordance to the position of the EU-Parliament; calls in this regard for a front-runner approach for cars in order to help the EU automotive industry to regain part of the competitive edge against Asian car manufacturers;

Energy Security and Climate Protection: Smart Products

28. Considers the speeding up of the market transformation for appliances, office equipment, lighting and consumer electronics as vital; stresses in this regard the need to better combine legislative measures (e.g. eco-design directive), coordinated information policies (e.g. eco-labelling) and financial incentives (e.g. reduced VAT for energy-efficient products) and thereby enforce synergies between these measures; urges the establishment of a clear timetable for the withdrawal from the market of all the least energy-efficient items of equipment, appliances and other energy-related products;

Energy Security and Climate Protection: Using synergies through ICT

29. Emphasises the promotion of information and communication technologies (ICTs) as a key element in driving forward energy efficiency in various sectors such as transport, construction, energy and manufacturing; calls upon the Commission and the Member States to endeavour to increase awareness of the importance of ICTs for improving energy efficiency in the EU economy; urges Member States which have not yet devised a Green IT/ICT Strategy capable of contributing to a progressive reduction in the EU's greenhouse gas emissions to do so;

Broader Framework

30. Calls for an independent scientific support to and assessment of the upcoming national Renewable Energy Action Plans (RAPs) against the background of the experience with the NEEAPs; emphasises the importance of involving regional and local actors as well as RES stakeholders in the development of National Renewable Energy Action Plans; asks EUFORES to play a coordinating role in this regard;
31. Calls on Member States and the European Commission to support the newly created International Renewable Energy Agency (IRENA) by joining it as a permanent Member; stresses the need for such an international body in order to promote the use of Renewable Energy on a global scale and to play an active role in the creation of a post-Kyoto regime with a special focus on sharing Renewable Energy and Energy Efficiency technologies with the least developed countries.

Commitments

We, MPs and MEPs, commit:

- to bring these issues forward in our respective Parliaments by
 - specific discussions within our related parliamentary committees,
 - organising parliamentary hearings,
 - bringing them forward to our respective governments,
 - promoting public debate,
- and more specifically
 - to promote the upcoming Framework Directive for Renewable Energy Sources in our own Parliaments and to work with our respective national governments as well as with business and civil society to set up ambitious national renewable energy action plans, which will make sure that as a strict minimum the national renewable energy targets are met;
 - to support and facilitate the implementation of national energy efficiency policies and especially to work for the improvement of the second round of national Energy Efficiency Action Plans.

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