

Eurofuel's initial comments on the Commission's Proposal for a Directive on the promotion of the use of energy from renewable sources

The European Heating Oil Association (Eurofuel) represents the national organisations that promote the use of fuel for domestic heating in 10 European countries, including over 10,000 companies. Eurofuel is engaged in the development of common standards and innovative techniques for heating oil and equipment, primarily in the domestic market. Eurofuel's members are committed to ensuring the competitiveness and efficiency of heating oil, while reducing its environmental footprint.

Eurofuel and its members would like to offer the following initial comments and recommendations on the Commission's Proposal for a Directive on the promotion of the use of energy from renewable energy sources (REN Directive) in view of the upcoming legislative elaborations in the European Parliament.

Eurofuel and its Members: Promoting High Efficiency, Hybrid Heating Solutions

Heating oil provides approximately 20% of the total energy used by households for heating purposes in the EU25 and EEA countries. Eurofuel welcomes efforts to improve heating sector energy savings, and adoption of renewable energy sources, which thereby reduce Greenhouse Gas (GHG) emissions.

EU policies should consider the potential of existing heating systems to allow the gradual and cost-effective penetration of renewable energies for heating. The deployment of highly energy efficient oil heating boilers, integrated with solar thermal technology, and the gradual introduction of liquid biofuels (or "bioliquids", as defined in the REN Directive Proposal) for home heating are Eurofuel's key recommendations to achieve significant reductions of GHG emissions in a cost-effective way. Hybrid heating solutions, such as solar thermal technologies, and liquid biofuels for heating, coupled with established very high efficiency conventional fuel heating systems, provide a bridge to a progressive, eco-efficient introduction of renewables to the European markets.

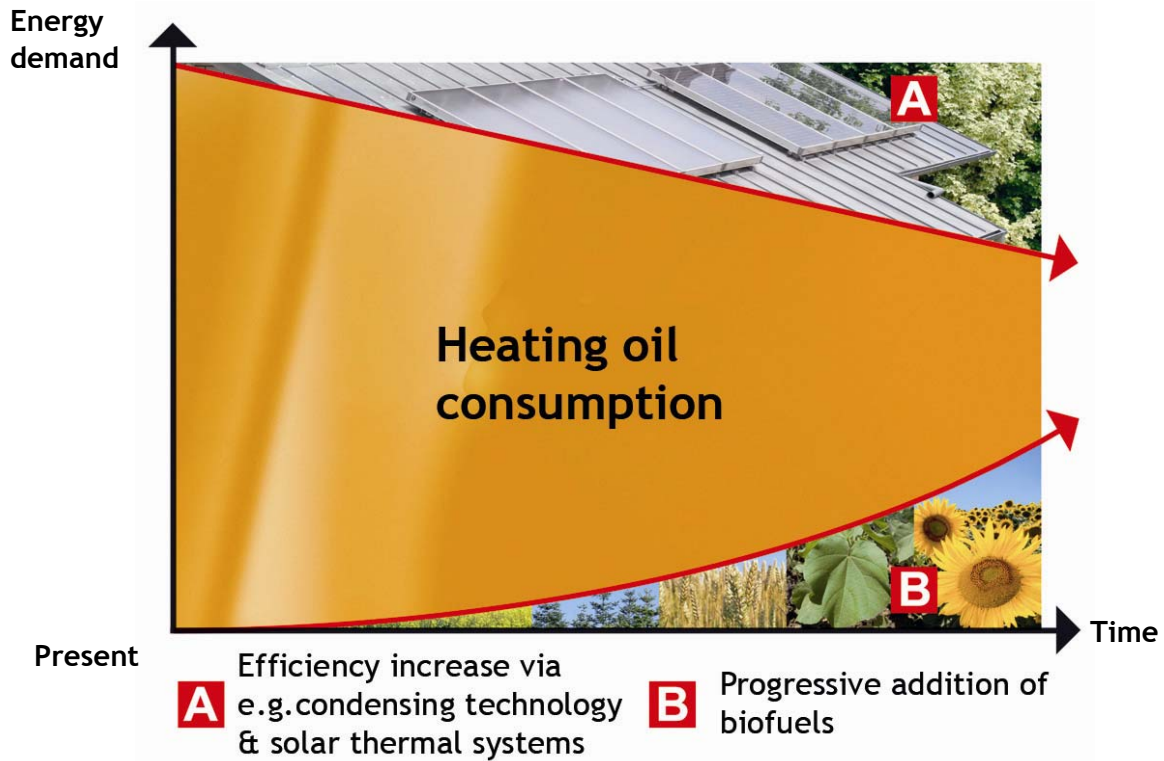
It is acknowledged in the September 2007 European Parliament Resolution on the Renewable Energy Road Map "...that existing boilers offer great scope for the gradual introduction of renewable energy sources; [the European Parliament] calls on the Commission, before submitting its proposals, to assess the various options, such as a biofuel mix or thermal solar energy."

An excellent example of hybrid conventional fuel/ REN system deployment is that of approximately half a million households in Germany with solar thermal equipment, over 25% of these households have oil heating as their primary source of energy¹. In an average year, these hybrid solar thermal/ conventional oil heating systems result in total energy consumption savings of typically between 12% and 20% (Northern Europe conditions), with commensurate reductions in Greenhouse Gas emissions. If all oil heating systems in the EU-25 (consuming some 75 million tonnes of heating oil in 2004 [EUROSTAT]) incorporated solar thermal collectors, this would conserve, typically, approximately 9 Mt (12%) to 15 Mt (20%) of heating oil.

Eurofuel is also involved in ongoing research and consumer tests using vegetable oils, and "First Generation" biofuel blends for heating, which are yielding promising results. Future "Second Generation" biofuels will have no compatibility problems in blends with conventional heating oil.

¹ Sources: BSW (Solar Industry Federation, Germany); BDH (German House, Energy and Environmental Technology Federation); Dr Spence International.

Eurofuel's vision for the gradual introduction of hybrid solutions with renewable energy for the domestic heating sector:



It is important to emphasise that the energy consumption of Europe's heating sector offers considerable potential for cost-effective reduction of energy consumption and associated GHG emissions, via replacement of outmoded equipment with state-of-the-art technology and housing insulation². Eurofuel believes that neither governments nor consumers should be forced to invest in renewable energy only, whilst more cost-effective solutions exist which are able to save the same energy and greenhouse gas emissions. Consequently, avoiding any conflict regarding available economic resources between investing in renewable energy, and increased energy efficiency, is an important component to be further considered in the context of the ongoing legislative deliberations in the European Parliament.

Eurofuel's Specific Comments on the REN Directive Proposal Text:

Eurofuel welcomes the definition of bioliquids in the REN Directive (Article 2) referring to liquid fuel for energy purposes produced from biomass. These types of biofuels have the potential to bring positive environmental effects to the heating sector, equally as in the transport sector, and likewise with the same precondition that bioliquids should only be used when sustainability criteria are fulfilled. Eurofuel's Finnish Members Association, the Finnish Oil and Gas Federation, predict a 10 % share of bioliquids in the oil heating sector for 2016. The USA oil heating industry already commonly uses 5% soya-based FAME biofuel B5 blends, and 20% soya-based FAME (B20) blends are also being sold. A B5 biofuel mix in all EU-27 oil heating systems would mean heating oil savings of almost 4 Mt, increasing to 15 Mt of heating oil savings once a B20 biofuel mix becomes possible.

² In the EU, around 40% of installed boilers are outdated and inefficient, and could be replaced with modern equipment which gives potential energy reductions of up to 30%.

Bioliquids for heating applications should continue to be developed in conjunction with, and subject to technical approval from, heating oil producers, and oil heating equipment manufacturers. External objective expert input via a recognised body such as CEN is strongly recommended.

On the issue of sustainability criteria for biofuels and bioliquids (Article 15), Eurofuel supports the general framework which has been developed by the European Commission, but would, however, strongly recommend a level playing field, where all renewable energy sources are equally treated. This means that the presently-planned future 2010 report on sustainability criteria for solid biomass should be brought forward, so that sustainability criteria could be agreed upon and applied to solid biomass as well as biomass-derived bioliquids and biofuels, within the same timeframe.

Eurofuel has extensive experience and expertise in the area of information and training of installers and is therefore supportive of the proposed Article 13 that addresses the need to remove training gaps for the deployment of renewable energy sources. Eurofuel would like to see included references to the high quality training offered by conventional fuels training institutions, which would also be able to offer expertise in information and training on the installation of hybrid renewable heating systems and equipment. It is important that the level of training of personnel educated to install REN heating and cooling systems should be equally as high as that offered presently via conventional fuels' heating and cooling systems, with regard to overall system design training, energy efficiency awareness, health and safety concerns for consumers as well as installers, environmental awareness and economic viability for consumers.

Heat pumps - Coefficient of Performance (COP) requirements should be required for all heat pumps (i.e., including ground and groundwater heat pumps), not solely those which derive energy from ambient air (Article 5(5) of the REN Directive proposal). System efficiency and the Seasonal Performance Factor (SPF) must be accurately predicted and taken into account during the system design prior to installation, and must be actually measured via a heat meter once the heat pump system is installed, to be reported on subsequently at regular intervals to ensure that the system is performing adequately. It should be noted that greater use of heat pumps in Europe will exacerbate peak electricity demand, and therefore may have the reverse effect of that intended by the REN Directive, namely increasing reliance on some of the more polluting forms of electricity generation during these time intervals.

District heating and cooling - some references to “district heating and cooling” in the REN Directive proposal are potentially misleading, and such references should be changed to “district heating powered by renewable energy sources”, to be consistent with the aims of the REN Directive Proposal. Regarding district heating and cooling systems, it should be a requirement that system energy losses be accurately appraised during the project design phase, and then subsequently regularly monitored throughout the system's life, if the system is deemed feasible, from energy efficiency, economic and environmental perspectives.

Finally, Eurofuel is of the opinion that the internal market legal basis should not only be applicable to the provisions of harmonized standards for the biofuel sustainability criteria but that it should be also be more widely extended and applied to the REN Directive overall. Larger use of the internal market legal basis would avoid internal market distortions and ensure compatibility of equipment between EU Member States.

Eurofuel looks forward to a constructive discussion with the Members of the European Parliament Commission on REN Directive, and trusts that the above comments and recommendations are helpful.

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Luxembourg: Mazout-info Luxembourg ASBL (M.I.L.), www.mazoutinfo.lu

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UK: OFTEC (Oil Firing Technical Association), www.oftec.org

Switzerland (Associate Member): Union Pétrolière, www.erdoel.ch

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