

AEGPL's contribution towards the upcoming "EU Strategy for Heating and Cooling"

AEGPL, the European LPG Association, welcomes the European Commission's plan to release a Communication defining an encompassing and ambitious Heating and Cooling Strategy. We are therefore keen to share our preliminary input below, and we look forward to contributing to the policy debate on this topic.

AEGPL thinks that the Strategy:

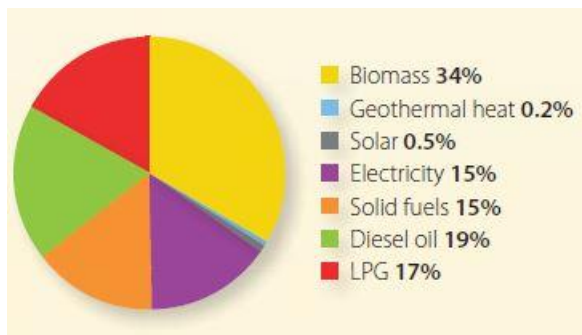
- 1) **Should first of all support the implementation of existing legislation:** Key relevant pieces of legislation have been adopted in the last few years such as the implementing measures for the Energy Performance of Buildings, the implementing measures for the Ecodesign/Ecolabelling Directives or the Energy Efficiency Directive. As the medium term regulatory visibility is essential for the heating and cooling sector to deliver its potential, the Strategy should avoid deviating from the policy approach and the measures set in legislation that is for a large part just being implemented, or still needs to be.
- 2) **Should not overlook the low-hanging fruits:** In addition to energy efficiency, which rightly needs to be at the core of the Strategy, the essential notion of cost efficiency should also be duly considered. Fuel switching or the replacement of inefficient low temperature boilers with condensing boilers for example are very efficient ways to cut energy consumption and CO₂ emissions, with a reasonable upfront cost for users. This is especially important in rural areas, where average income per capita is generally lower than in cities.
- 3) **Should avoid a simplistic dichotomy between fossil fuels and renewables:** The Strategy needs to consider efficiency at a system level, rather than simply looking at individual appliances or energy sources. Considering the variety of heating and cooling solutions available today, a clear line between fossil fuels (e.g. LPG or natural gas) and renewables can no longer be drawn, as the combination of both often represents the most efficient solution. A few good examples are thermo-solar installations with a condensing boiler to cover intermittency of heat supply, hybrid boilers (combination of a condensing boiler with an electric heat pump), and gas heat pumps (installation considered as renewable although it is running on a fossil fuel). The downsides of certain types of renewables also have to be properly factored in, such as the emissions of air pollutants from biomass, and the lack of regulatory control over their actual GHG footprint.
- 4) **Should avoid picking winners** (or so-called no regret options): The Strategy needs to reflect that there is no silver bullet and that all heating and cooling solutions come with pros and cons, which often depend on local circumstances: e.g. climate, availability of energy sources, existence or reliability of infrastructure in place, technical feasibility in existing buildings, etc.
- 5) **Should not overlook constraints linked to rural areas:** A one-size-fits-all approach would clearly be inappropriate for the Strategy. This is especially true for European citizens living in rural areas,

where the typical building stock is generally older, larger, less insulated, not connected to the natural gas grid and supplied with power via a less reliable electric network (losses in the distribution grid, sensitivity to peak demand, more frequent blackouts, etc.). Any particular recommendations from the Strategy towards these areas should therefore be grounded in realism and take into account their specific constraints. The Strategy should also consider addressing the issue of access for rural populations to subsidies and support schemes for energy efficiency measures.

Background information on LPG and its benefits in rural areas

In the heating sector, LPG, i.e. butane and propane gases, are predominantly used as a substitution option for natural gas in areas which are not connected to the gas network. With LPG, the gas is stored in a tank nearby the building, which then allows the use of modern and efficient gas heating or cooling appliances even in sparsely populated or remote areas.

Areas outside the natural gas network represent in Europe over 40 million households, i.e. roughly 20% of the EU population. The residential energy mix in off-grid areas is significantly different to cities, with a higher share of carbon intensive fuels such as heating oil and solid fuels:



According to a study performed by the Technical University of Athens¹, based on the PRIMES model which is also used by the European Commission for their own projections and impact assessment studies, a further uptake of LPG in off-grid areas by 2030 would bring the following benefits:

- 184 Million tonnes CO₂ avoided, thanks to a reduced use of solid fuels and heating oil (respectively 50% and 20% more carbon intensive than LPG)
- 7% more energy efficiency across the whole residential energy mix
- A further uptake of solar and thermo solar technologies

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¹ See: http://www.aegpl.eu/media/63958/beyond%20the%20gas%20grid_aegpl_2011.pdf