



**COUNCIL OF EUROPEAN MUNICIPALITIES AND REGIONS  
CONSEIL DES COMMUNES ET REGIONS D'EUROPE**

**CEMR**

**Response to the consultation  
on the future Energy Strategy  
for Europe 2011 - 2020**

**Brussels, July 2010**

**The Council of European Municipalities and Regions (CEMR)** is the broadest association of local and regional authorities in Europe. Its members are 53 national associations of local and regional governments from over thirty European countries.

The main aim of CEMR is to promote a strong, united Europe, based on local and regional self-government and democracy, a Europe in which decisions are taken as closely as possible to its citizens, in line with the principle of subsidiarity.

CEMR's work covers a wide range of themes, including energy, environment, transport, cohesion policy, international cooperation, ICT, governance, twinning, equal opportunities or public services.

CEMR has been actively involved in the Covenant of Mayors' Office since 2008 and recently took the decision to become Supporting structure of the Covenant of Mayors.

CEMR is also active on the international stage. It is the European section of the world organisation of cities and municipalities, United Cities and Local Governments (UCLG).

In the recent years, CEMR contributed to the debate and developments on EU energy-related issues:

- Position paper on the recast of the directive on the energy performance of buildings – COM(2008) 780 (2009):  
[http://www.ccre.org/prises\\_de\\_positions\\_detail\\_en.htm?ID=80&idca=5](http://www.ccre.org/prises_de_positions_detail_en.htm?ID=80&idca=5)
- CEMR position paper on the directive on the promotion of the use of energy from renewable sources (2008):  
[http://www.ccre.org/prises\\_de\\_positions\\_detail\\_en.htm?ID=74&idca=5](http://www.ccre.org/prises_de_positions_detail_en.htm?ID=74&idca=5)
- CEMR position paper on the proposal for a directive on the promotion of clean and energy efficient road transport vehicles (2008):  
[http://www.ccre.org/docs/cemr\\_position\\_paper\\_on\\_clean\\_vehicles.pdf](http://www.ccre.org/docs/cemr_position_paper_on_clean_vehicles.pdf)
- CEMR policy statement on the EU Energy Policy (2007):  
[http://www.ccre.org/prises\\_de\\_positions\\_detail\\_en.htm?ID=64&idca=5](http://www.ccre.org/prises_de_positions_detail_en.htm?ID=64&idca=5)

CEMR also adopted policy positions on issues which are addressed in the present consultation, such as the Europe 2020 strategy, climate change, transport, ICT or public procurement. These documents are available on CEMR website: [www.ccre.org](http://www.ccre.org)

## **CEMR response to the consultation on the future Energy Strategy for Europe 2011 - 2020**

### **Policy recommendations**

The Energy Strategy of the European Union for 2011-2020 should be the concrete demonstration of a change of paradigm in the governance of European policies. The priorities suggested for this new strategy, which are supported by CEMR, would never be achieved without the active contribution of local and regional authorities. The latter have indeed relevant responsibilities and a high potential for action in favour of sustainable, secure and affordable energy.

Thus, CEMR advocates a full and effective partnership between local and regional government, Member States and the European institutions, in accordance with the new provisions of the Lisbon Treaty. Such partnership should be established in the definition of ambition and policies in the field of energy, and in their implementation. The required cooperation should cover the legislative, regulatory, technical and financial dimension, the latter being identified as one of the most crucial challenge for local and regional authorities.

We expect from the future EU energy strategy that it strengthens and feeds into other related European strategies and policies, and in particular that it will closely interact with the Europe 2020 Strategy on smart, sustainable and inclusive growth.

## CEMR key points

### **1. Empower municipalities and regions to further develop successful energy policies**

Local and regional governments work with all aspects of energy policies. They have the potential to greatly contribute to a secure and sustainable energy in Europe and to influence the choices of other actors. CEMR expects the European Energy Strategy to explicitly recognise this contribution and make concrete proposals to further support local and regional initiatives, while offering a long term vision for energy policy in Europe.

### **2. Create conditions for boosting decentralised energy production**

Locally or regionally produced energy from renewable sources operates at higher efficiencies, produces less emissions and creates economic, social and environmental benefits. It can contribute considerably to the EU energy and climate targets. However, there are still obstacles that need to be removed.

### **3. Strong partnership between all levels of government is a key success factor**

Many local and regional authorities in Europe are already implementing sustainable energy measures. It is important to connect European and national policies with existing actions at local and regional level. Involving local and regional authorities at an early stage of policy-making is the best way to ensure successful implementation of energy policy.

### **4. Exploiting the local and regional potential for energy efficiency will be decisive to achieve the 20% target by 2020**

Investments in energy efficiency are particularly essential in a time of economic down-turn and rising energy costs. However, upfront money to make the political decision and initial investment is often lacking. The EU would have an added-value in setting a comprehensive financial tool for energy efficiency which local and regional authorities can access, and in supporting an active exchange of experiences on innovative policies.

### **5. Financing is the central challenge of the future Energy Strategy**

Considering the extensive investments needed for energy measures, new financing solutions have to be developed. It is important that these new tools are accessible to a wide number of local and regional authorities, whatever their size. Besides, information about the financial opportunities has still to be improved to reach municipalities and regions.

### **6. Rural areas also play a relevant role in decentralised energy production**

Rural areas are hardly mentioned in the consultation paper, whereas Energy policy can bring strong dynamic and innovation into rural communities. CEMR advocates for the inclusion of the rural dimension in the new European Energy Strategy.

### **7. Further action to tackle fuel poverty have to be imagined**

The priority should be to help vulnerable households to reduce their energy consumption. The parties involved, such as municipalities and energy suppliers, have to find new financing models and further awareness raising measures to tackle fuel poverty.

## Introduction and general comments

1. The consultation, launched by the European Commission, and the resulting strategy, take place at a relevant time, while the EU is negotiating climate commitments at international level and preparing important policy reviews – of the European budget and the financial perspective, and in relation to this, the Cohesion Policy and the Common Agricultural Policy.
2. The new Energy Strategy for Europe is intended to be in line with the EU energy and climate package adopted in 2008, aiming at reducing 20% of greenhouse gas emissions, reducing energy consumption by 20%, and increasing the share of renewable energy of 20% by 2020. It should also go hand in hand with the Europe 2020 Strategy on smart, sustainable and inclusive growth. On this point, CEMR expects the Energy Strategy to take into account the seven flagships of the Europe 2020 Strategy (innovation; education; digital society; climate, energy and mobility; competitiveness; employment, skills and poverty).
3. The Commission's stock taking document, published as basis for the consultation, presents the achievements of the previous strategy (2007-2011). It highlights the remaining gaps and shortcomings and points out key components of a reinforced energy strategy: "the exploitation of the full potential of energy savings, the promotion of low carbon innovation, a fully functioning internal energy market, secure and sustainable energy networks and greater cooperation and solidarity within the EU as well as achieving a more coherent and effective approach to the EU external energy relations".
4. CEMR welcomes the consultation and supports the objectives identified by the European Commission, as they are compatible with local and regional governments' priorities and expectations of the EU. We also appreciate that the consultation document applies an integrated approach to energy policy by addressing together sustainability, efficiency, supply and market, and that this approach will be part of a longer-term strategy, the "EU roadmap for low carbon energy system by 2050" to be published later this year. A clear and long-term vision on the structural changes to move towards a safe, secure, sustainable and affordable energy in Europe is indeed essential.
5. As a contribution to the preparation for the future Energy Strategy for Europe, CEMR would like to express its views on the following issues outlined by the European Commission, which are relevant to local and regional government:
  - Role of local and regional government in achieving the energy objectives.
  - Cooperation in the development and the implementation of energy policy as the way forward.
  - Development of energy infrastructures and innovation.
  - The move towards a low-carbon energy system.
  - A new framework for energy efficiency policies.
  - Financing: the central challenge of the future energy strategy.
  - Involving and protecting the EU citizens.

## Role of local and regional authorities in achieving sustainable energy

6. European local and regional government work with all aspects of energy policies. They act **as energy consumers**, since they need heat and power for the important stock of real property they own, social housing and street lighting. They dispose of the necessary levers, such as public procurement, to influence energy demand (e.g. by buying energy-efficient electronic appliances or developing cleaner public transport).

7. They also act **as energy suppliers**, as in many European countries local and regional authorities are producing energy which is in many cases from renewable sources (e.g. energy from waste and biomass).
8. **As spatial planners**, local and regional authorities dispose of an efficient tool to limit energy use and urban sprawl. As responsible for local regulations and the delivering of authorisations, they can also influence the energy consumption (e.g. through the insertion of energy efficiency criteria in construction permits).
9. Last but not least, local and regional authorities play a key role in **informing, advising and motivating citizens and private actors** on their territories to use energy more efficiently and modify their behaviours. A vast number of initiatives have already been implemented at local and regional level, ranging from education programmes, to the organisation of energy days, via the creation of information centres and the development of incentives and grant programmes.

*In 2006, CEMR together with Climate Alliance and Energy-Cities, published a guide for local and regional government entitled "save energy, save the climate, save money" demonstrating ways of actions for municipalities and regions based on their different roles and functions. The guide is available at [http://www.ccre.org/bases/T\\_599\\_34\\_3524.pdf](http://www.ccre.org/bases/T_599_34_3524.pdf).*

10. We would like to draw attention to **the contribution of rural areas to sustainable energy**, as the consultation document only refers to cities and regions. Rural communities are looking at home-made solutions, such as district heating or biomass and bio-fuels made out of locally available energy sources. Energy policy can bring strong dynamic and innovation into rural areas, for instance through the cooperation between municipalities and small enterprises, and has the potential to create local long-term jobs since maintenance of forests, wood-harvesting, bio-waste processing etc. cannot be outsourced.

*A good illustration of the dynamism of rural areas is the RURENER project which gathers different skills and expertise to support small rural communities achieving energetic neutrality ([www.rurener.eu](http://www.rurener.eu)).*

11. Considering their responsibilities and the unrealised potential of energy savings in the public sector, local and regional authorities need to lead by example and take courageous steps to help developing an energy-efficient and low-carbon economy and society. In some countries, they are already well advanced and driving innovation and legislation, so that it is **important that European and national policies are not disconnected of what already exists at local and regional level**.
12. CEMR is pleased to note that the Commission refers several times to local and regional authorities in its consultation document and in particular proposes to "encouraging cities and regions to continue to develop local, integrated solutions for meeting their energy, waste management and sustainable transport and housing needs".

### **Cooperation in the development and implementation of energy policy as the way forward**

13. CEMR is convinced that the objectives of the new Energy Strategy for Europe cannot be achieved without a **strong partnership between the different levels of government**. This should happen through a close coordination between local, regional, national and European authorities and a clear definition of the political and financial roles and responsibilities. We note with satisfaction that the European Commission recently

expressed its willingness to consider local and regional authorities as partners<sup>1</sup>.

14. **The Covenant of Mayors<sup>2</sup> is a shining example** of good partnership between the Commission and local and regional authorities and it is recognised as a key instrument of the EU energy policy<sup>3</sup>. As of today, more than 1800 municipalities have signed the Covenant and committed to develop a sustainable energy action plan in order to reduce their CO<sub>2</sub> emissions beyond 20% by 2020, thus contributing decisively to the climate and energy objectives of the EU. More than 70 regions, provinces and associations of local and regional authorities are already promoting the initiative and actively supporting signatory cities.

*As Supporting Structure of the Covenant of Mayors, the Province of Barcelona provides coordination and technical support to 107 cities and municipalities on its territory and succeeded in obtaining a grant of €2 million from the ELENA Facility of the European Investment Bank for the development of local sustainable energy projects:*  
[http://www.eumayors.eu/articles/show\\_en.htm?id=132](http://www.eumayors.eu/articles/show_en.htm?id=132)

15. CEMR has been involved in the development of the Covenant from the beginning and is actively involved in the Covenant of Mayors' office. We also took the decision to become Supporting Structure of the Covenant of Mayors in order to demonstrate our full adhesion to this initiative which could be a **model of governance in the field of energy**.
16. It is essential that local and regional authorities are considered as **partners in the development of European and national energy policies**, and not only in the implementation of the legislation. The success of such policies relies very much on this aspect: the earlier local and regional authorities are consulted on the drawing-up of legislation, the better they feel being a part of it and committed to its implementation.
17. In this respect, **the Lisbon Treaty provides a strong basis for local and regional authorities' early involvement**. Article 11 of the Treaty introduces a reinforced dialogue and consultation of the representative associations of local and regional authorities by the European institutions, and article 5 of the Treaty on the EU extends the principle of subsidiarity to the regional and local level.
18. Furthermore, the Subsidiarity Protocol of the Treaty states that draft legislative acts shall contain an assessment of the proposal's financial implications for the rules to be put in place by Member States, including regional legislation, and minimize the financial and administrative burden falling upon local and regional authorities. **CEMR calls for a dialogue with the European Commission on the implications and concrete implementation of these provisions in relation to the future energy policy**.
19. CEMR also **calls on the Member States to involve local and regional authorities** in the definition of ambition levels for energy from renewable sources and energy savings, and the planning of energy infrastructures. National governments have an essential role to play in supporting local and regional authorities, financially or otherwise, in the implementation of necessary adaptation measures to achieve the energy objectives. Some very interesting partnerships are implemented in several Member States and we would like to encourage an exchange of information at EU level on existing climate and energy agreements between national and local and regional authorities, in order to provide inspiration to more Member States.

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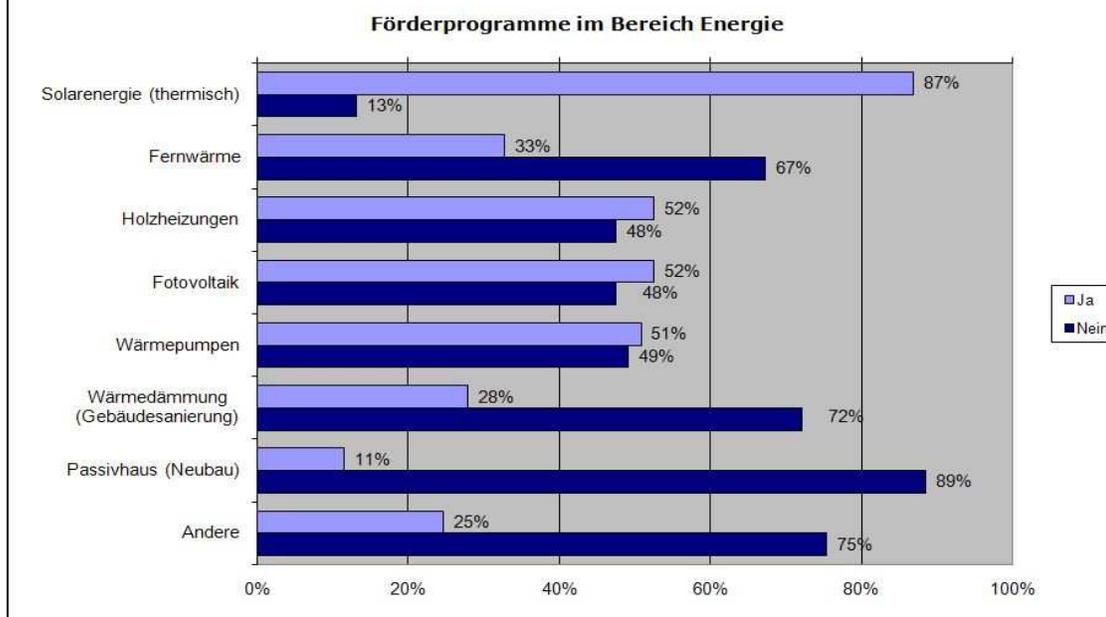
<sup>1</sup>See the [speech of the president of the European Commission](#), José Manuel Barroso, at the second Covenant of Mayors' ceremony on 4 May 2010, and the [speech of the Commissioner in charge of Cohesion policy](#), Johannes Hahn, at the 6<sup>th</sup> European Sustainable Cities and Towns Conference on 21 May 2010.

<sup>2</sup> See [www.eumayors.eu](http://www.eumayors.eu)

<sup>3</sup> See the [speech of the Energy Commissioner](#), Günther Öttinger, on 4 May.

20. In particular, we believe that there is still room for improvement for a **better local-national cooperation in the implementation of the directive 2009/28/EC on the promotion of the use of energy from renewable sources**. A few months ago, CEMR conducted a survey among its members on the level of involvement of local and regional authorities in the development of national action plans on renewable energy. In January 2010 and six months before the deadline for submitting the plans to the Commission, only nine national associations of local and regional authorities had been effectively consulted by the relevant national ministry, whereas nine other associations were rather confident they would still be consulted.

*The potential of development of renewable energy is very high at local and regional level and many initiatives are already taken. The Association of Austrian cities conducted a survey among its members in 2008, demonstrating that many cities already develop their own support programme on energy.*



21. CEMR **notes with concern the pace at which EU legislation changes**. The directive 2010/31/EU on the energy performance of buildings is a good example since the recast of this piece of legislation has been proposed while the implementation was recent in many Member States. Discussion within the CEMR Energy Network demonstrated that the implementation of the revised directive is likely to stretch the administrative and financial capacities of local and regional authorities, and divert funds from other services they provide. In this respect, we would like to recall that local and regional policy-making requires adequate time and visibility to plan and prioritise investments, develop strategies and build the necessary competences. We expect this will be taken into account in the preparation of future recast or reviews of energy legislation.

### **Development of energy infrastructures and innovation**

22. CEMR agrees with the priority given to energy infrastructures by the European Commission and in particular to the promotion of decentralised energy production. Locally or regionally produced energy operates at far higher efficiency, as little energy is lost during the transmission and distribution processes. **Decentralised energy, using renewable technologies, particularly in combination with cogeneration, has the potential to deliver the greenest energy with the lowest emissions, while saving money**. It is generally better adapted to the local environmental conditions (for instance

solar energy in sunny regions, biomass heating in forest areas etc.) and to local demand, both in rural and urban areas. Moreover, the development of such energy creates local employment and new economic activities at local and regional level.

*In Finland, for example, in 2005, around 15% of the electricity demand was produced decentralised by municipal power plants all over the country. The municipal share of district heating production was around 80%.*

23. **However, many obstacles still need to be removed** in order to exploit the full potential of decentralised energy production, being legislative or regulatory obstacles, lack of investment capacities, necessity to adapt or renovate energy networks, or access to the general grid so that surplus power can be sold on the energy market. Furthermore, a long-term and reliable design of the feed-in tariffs is needed to provide security of investment and support small-scale renewable energy production.
24. **Smart meters** are good tools to visualise the consumption of energy and raise awareness of consumers, but they are not the only ones (e.g. clearer energy bills, which are better understood by the consumers, would also be efficient). There is still potential for a broader use of smart meters, for instance to monitor the load management of electronic appliances (e.g. starting / cutting of refrigerators, water heaters, etc) but their positive impact relies on a favourable legal situation and a broad deployment. Besides, such tools are only efficient if energy audits are conducted but there are still significant gaps at local level.
25. The European Commission announces that it “will examine how to accelerate authorisation procedures, taking into account that local communities are often resistant to energy infrastructure in their neighbourhood [...]”. Rather than imposing a solution, which would be counter-productive, we advocate for **a collaborative approach, including local authorities and citizens**, to create awareness and active support for the infrastructure projects. This requires high transparency, early and proper information on the future plans and their implications, and the widest possible participation.
26. Such an approach would help to avoid **conflicts of competences** of the local, regional, national and European levels. CEMR members indeed reported cases where the planning competences of local and regional authorities are ignored by European legislation or Member States, for instance in relation with the development of trans-European energy networks or with national decisions on the location of renewable energy facilities.
27. More generally, **energy planning and its link with spatial planning, is a crucial issue**, which is rather neglected in the Commission’s consultation document. Thus, high density housing has a positive impact in term of traffic avoidance and leads to lower energy consumption, while ensuring the economic efficiency of energy solutions such as district heating.

### **The move towards a low-carbon energy system**

28. CEMR agrees with the three ways identified by the Commission to achieve a low-carbon energy system: reducing emissions, reducing energy needs and increasing the production and use of carbon-free energy.
29. We appreciate that the Commission is considering further supporting cities and regions to achieve these objectives. The latter have to balance between different policy priorities and are facing significant financial and administrative constraints, so that such a **support from the Commission would be highly appreciated to better exploit the potential**

**for action at local and regional level.** However, we recall that measures to be taken should fully respect the principle of subsidiarity and allow flexibility, considering the different national and local circumstances.

30. **Transport** has an important contribution to make to the move towards a low-carbon energy system<sup>4</sup> and we believe that it is not sufficiently addressed in the stock-taking document. We expect the new Energy Strategy for Europe to complete and back the European strategy on clean and energy efficient vehicles, released in April 2010.
31. CEMR agrees with the European Commission that green public procurement is a useful tool to facilitate the uptake of efficient and/or low-carbon vehicles, buildings or equipment on the market. However, we warn **against the tendency of introducing green procurement provisions in individual pieces of legislation**, as it was recently the case for the directive 2010/30/EU on energy labelling. The core objective of public procurement and the principle of local and regional self-government need to be respected. EU actions in relation to sustainable, socially responsible, innovative procurement etc. need to remain voluntary and allow local and regional authorities to determine their own purchasing priorities.

*In January 2010, CEMR adopted a policy paper entitled “Over-reliance on public procurement as a policy instrument”, addressing relevant questions of public procurement from local and regional governments’ perspective and calling for a stop in the over-use of public procurement for policy objectives on EU level (including energy objectives). The paper is available at: [http://www.ccre.org/prises\\_de\\_positions\\_detail\\_en.htm?ID=102](http://www.ccre.org/prises_de_positions_detail_en.htm?ID=102). CEMR’s views were backed by the European Parliament in its [resolution on new developments in public procurement](#) adopted in May 2010.*

## **A new framework for energy efficiency policies**

32. Recognising the priority to reduce energy consumption at all levels of government, the European Commission will release a new framework for energy efficiency in the next months. In particular, this new Action plan will look at the appropriate level of intervention and the coordination between them, as well as the existing and new sources of financing. **CEMR’s expectations of the Action plan on energy efficiency are high** in terms of recognition of the contribution of local and regional authorities, concrete proposals to support local and regional projects and the development of a long-term vision.
33. Energy efficiency is a significant dimension of local and regional energy policies, particularly in a time of economic down-turn and rising energy costs. Investments in energy efficiency sustain local jobs and SMEs, they save energy and money, and contribute to better working and living conditions. **The potential of energy efficiency improvement at local and regional level is so high that its full exploitation would be decisive in achieving the EU target of 20% of energy efficiency increase by 2020.**

*The Network of Associations of Local Authorities of South-East Europe (NALAS) released in June 2010 a study on energy efficiency measures and the role of national associations in supporting local authorities. The study assesses the potential for energy efficiency and the constraints encountered by South-East Europe Municipalities. It also identifies the positive impacts in terms of financial savings, job creation, social development, environmental protection, political stability, and security and energy supply. The study is available at <http://www.nalas.eu/ee/eemeasures/#download>*

<sup>4</sup> The European Environmental Agency published [a report](#) in April 2010 outlining persistent growth in transport’ greenhouse emissions and potential for a more resource-efficient transport system.

34. One of the main obstacles to implement energy efficiency measures is the lack of sufficient financial means. We note that local and regional authorities often do not have enough funds and lack economic incentives to invest in energy efficiency actions. In many countries, national support has been reduced since such measures are supposed to be cost-effective on the long term. However, there is **a need of upfront money to make the political decision and initial investment happen.**
35. The EU is aware of this financial challenge and already proposing solutions, but we would like to go a step further and ask for a **comprehensive financial tool dedicated to local and regional energy efficiency projects.** For instance, such a tool could be used to cover the technical support, develop and acquire the necessary human resources and skills, carry out energy audits, gather data, renovate existing buildings or invest in energy efficiency systems. It is essential that the EU financial support not only focuses on the biggest projects, but also meets the needs of smallest municipalities.
36. Furthermore, the EU would also have an **added-value in supporting the exchange of experiences** between local and regional authorities on the development of innovative measures on energy-efficiency and the implementation of financial solutions. Many municipalities and regions are frontrunners and already developing mechanisms to finance energy efficiency measures, which are worth sharing at European level.

*Since 1995, the city of Stuttgart has developed a system of internal contracting, which has since been copied in many municipalities. The Environmental Protection Office of the city funds actions taken by offices and municipal enterprises to reduce their energy consumption. Savings flow back to the Environmental Protection Office until the investment has been completely financed. This method saves around 1.3 million Euro every year and reduces carbon emissions by 6,700 tons. A total of around 9.3 million Euro have already been invested. This provided the means for over 270 local projects to be realised. For more details, see <http://www.stuttgart.de/img/mdb/publ/17070/43422.pdf>*

### **Financing is the central challenge of the future energy strategy**

37. In its consultation document the European Commission stresses that “[...] greater emphasis is needed on investments. Billions of Euros will need to be invested in new technologies, infrastructure, energy efficiency improvement, low-carbon power generation and public education and skills to make the low-carbon transformation happen”. We think that this statement perfectly applies to the challenges at local and regional level. Municipalities and regions are in a difficult economic situation, as they are experiencing the impacts of the economic and financial crisis<sup>5</sup>, and facing important challenges (e.g. pressures on local budget, ageing population, increased expenditures on social services, etc.). European support has important impacts on national, regional and local policy and financial priorities, and is crucial considering the **extensive investments needed for energy measures at local and regional level.**

*CEMR Policy Committee adopted in June 2010 a “Resolution on financing climate local and regional actions” in order to put forward the issue in future CEMR activities. The Resolution refers to recent financial initiatives of the European Commission on climate and energy and encourages a deeper cooperation between national governments, the private sector and local and regional authorities. The Resolution is available at: [http://admin5.geniebuilder.com/udata/ccre/docs/Oslo\\_resolution\\_financing\\_climate\\_EN.pdf](http://admin5.geniebuilder.com/udata/ccre/docs/Oslo_resolution_financing_climate_EN.pdf)*

<sup>5</sup> See the CEMR survey on the impacts of the crisis on local and regional authorities : [http://www.ccre.org/docs/second\\_survey\\_ec\\_crisis\\_en.pdf](http://www.ccre.org/docs/second_survey_ec_crisis_en.pdf)

38. At European level, financing sources to cover the necessary investments will be discussed during the coming months, in particular in the view of the EU budget review, and we would therefore like to **call for appropriate funding dedicated to climate and energy, a coherent approach** of the different funding streams, and their accessibility by local and regional authorities.
39. CEMR welcomes initiatives of the European Commission such as the use of the unspent money of the European Recovery plan for local and regional projects on sustainable energy. However, funding offered by the European Investment Bank is often tailored for very big projects and cannot be mobilised by most of municipalities in Europe. Thus, we would like to encourage the Commission to **develop financial tools that are accessible to a wider number of local and regional authorities**, whatever their size. Acting through local banks can be a relevant solution, as these banks are close to local communities and often already engaged in projects with municipalities.
40. Structural funds can be successfully mobilised to finance sustainable energy projects and we are convinced that the European Cohesion Policy should have a significant contribution in the future. The recent modifications of the ERDF regulation in order to allow greater use of Structural funds for energy projects are welcome. Nevertheless, we deplore an **important lack of communication and information about these opportunities to the potential beneficiaries at local and regional level**.

*AFCCRE, the French section of CEMR, recently published an operational guide addressing the use of Structural Funds to tackle climate change. In particular, the guide presents relevant projects developed by French local and regional authorities in the field of energy efficiency, energy production and renewable energy. The guide is available at: [http://www.afccre.org/mailling/guide\\_changements\\_climatiques.pdf](http://www.afccre.org/mailling/guide_changements_climatiques.pdf)*

41. CEMR is currently inviting its various working groups to share ideas on new financing tools for climate and energy action and we would be pleased to further discuss these views with the European institutions. In particular, we ask for a political reflection on a financial mechanism enabling local and regional governments to **benefit from a part of the new incomes which will become available from the auctioning of emission permits** from European companies from 2013 onwards.

### **Involving and protecting EU citizens**

42. CEMR is pleased that the European Commission identifies the protection of EU citizens as a priority for the next European Energy Strategy. We would support the proposed short-term measures to increase the participation, information, transparency and protection of customers, but we think that **longer-term initiatives** should also be considered.
43. Local and regional authorities can be key partners of the EU and Member States in these efforts, as they are well positioned to reach out, inform and motivate citizens and the private sector, and they already implement a vast array of stimulating initiatives, which they would be pleased to share.
44. **Addressing the vulnerability of customers is an important issue for local and regional authorities.** Heating and electricity costs represent a heavy burden on the bills of households with low income, which is aggravated in times of raising energy prices. Many local and regional authorities are implementing actions to tackle fuel poverty, for instance through subsidies for heating.
45. However, if such actions alleviate the cost burden, they do not reduce the energy

consumption. Vulnerable households cannot take credit to improve their home (e.g. isolate their home or buy energy-efficient appliances) and are generally not receptive to the “usual” awareness raising campaigns or energy services set up by municipalities. Therefore, we believe that **new financing models and further sensitization measures to tackle fuel poverty** have to be imagined and exchanged between the responsible authorities. In this respect, cooperation with energy suppliers should be sought, since the latter ultimately have to bear higher costs due to the failure of their customers.

*Convinced that the best long term solution for tackling fuel poverty would be to ensure homes are more energy efficient, the Local Government Association (UK) is promoting the involvement of energy suppliers to help funding home insulation. Joint action of national authorities, energy suppliers and local councils is seen as a comprehensive drive to insulate every home in the country to cut carbon emissions and lift people out of fuel poverty (see <http://www.lga.gov.uk/lga/core/page.do?pageId=489026> )*

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