Portugal

Vieira de Almeida Lisbon

Moving forward on energy efficiency

Promoting the diversification and sustained management of energy resources and the enhancement of energy efficiency, as part of a process to secure its energy supply and reduce climate change, has been one of the primary goals of the EU in the beginning of this century.

Directive 2006/32/EC of the European Parliament and the Council, of April 5 2006, on energy end-use efficiency and energy services, required member states to adopt a 9% indicative target for energy end-use savings up to 2016 and to prepare a National Energy Efficiency Action Plan (NEEAP), specifying the strategy and actions planned by each member state to reach the target.

The European Parliament and Council acknowledged the importance of the development of an emerging market for energy efficiency and energy services, and challenged member states to use the public sector as a role model on energy savings and efficiency measures, as a way to persuade other players to assume energy efficiency behaviour.

In this context, the Portuguese government has recently approved the National Energy Efficiency Plan – Efficient Portugal 2015 (Council of Ministers Resolution 80/2008, dated April 17, in Official Journal, Series 1 number 97, May 20 2008) which sets out a number of actions for energy efficiency which should, up to 2015, enable energy end-use savings of 10%, going beyond the savings target established by the Directive. To achieve this, the NEEAP approved by the government establishes a comprehensive strategy towards the targets, which aggregates several energy efficiency programmes.

Transportation

- Vehicle renewal (revitalisation of the retirement regime for old vehicles and a review of the tax regime applicable to private vehicles)
- Urban mobility (urban mobility plans for office parks and traffic management platforms in the main urban centres)
- Transport efficiency (multimodal logistic platforms and an increase of goods transportation by railway and sea)

Residential and services

- Home renewal (inefficient equipment replacement programmes, taxation on inefficient equipment acquisitions and accelerated depreciation of efficient office equipment)
- Building efficiency (building energy certification, progressive alignment of taxation with the efficiency class of each building and an energy audit for service buildings)
- Renewables "within the hour" (incentive for micro-production and for the revitalisation of solar thermal installation)

Industry efficiency

- Management system for intensive power use and incentives for the adjustment of production processes and the introduction of new technologies.

State efficiency

- Implementation of efficiency-oriented measures and change in consumption behaviour
 - Energy audit in all public buildings
- Installation of solar, co-generation and micro-generation systems in public buildings (schools, hospitals and sport facilities)
- Replacement of the vehicle fleet with large CO2 emissions
- Introduction of efficiency and environmental criteria in tender procedures (Green Procurement)

Behaviours

- Programme Plus (disclosure and information initiatives for front line technologies and awards for excellent behaviour in energy efficiency sectors)
- Operation E (monitoring of power consumption in schools and disclosure of results, and information and awareness campaigns for energy and efficiency issues in the various sectors)

Green taxation

- Subsidy on loans for acquisition of efficient residential buildings;
- Tax benefits for micro-production and solar thermal investments;
- Accelerated depreciation of efficient office equipment;
- Progressive consideration of the environmental component in the Petroleum Products Tax;

Power efficiency fund

- Public funding to be applied in the following areas: innovation, industry, efficiency awards and financial benefits for replacement of equipment - Incentives for the incorporation of companies to invest in energy efficiency – Energy Service Companies (ESCO).

The delay in the notification of the Portuguese NEEAP to the European Commission (the first NEEAP should have been notified to the Commission by June 30 2007) has made it impossible for it to be included in the studies and assessments undertaken by the European Commission and the Energy Efficiency Watch Project (an initiative based on a parliamentary call). Those assessments have primarily evaluated the energy efficiency improvement measures planned by each member state and the degree of involvement of the public sector, as an exemplary role as well as the extent of information and advice on energy efficiency to be conveyed to final customers.

Without prejudice to a deepest (and combined) analysis the Commission will undertake in relation to the strategy defined in the Portuguese NEEAP and the ability of these programmes to achieve end-use energy savings, it seems that this legal framework complies with the primary concerns of the Commission, revealing the intention to achieve a higher target in a shorter time frame, establishing a comprehensive set of measures in which the public sector plays a central role, as well as providing specific programmes for information and incentives on energy efficiency, aiming to determine more efficient behaviours on the final customer.

Without questioning the merits and the ambition of the goals in the Portuguese NEEAP, they are still general measures which will need to be detailed by the legislation which will follow. Only then may we carry out a more accurate assessment of the impact of these measures and a real estimate of the amount of energy savings each programme may achieve.

Nonetheless, the enthusiasm demonstrated by the Portuguese Government in the implementation of several energy policies towards energy efficiency lead us to conclude that Portugal has elected the sustained management of energy resources as one of the most important aspirations of the Portuguese economy. It is therefore undeniable that "National Energy Efficiency Plan - Efficient Portugal 2015" sets out the grounds for the improvement of energy efficiency and we await with expectation the steps to follow.

Ana Luís de Sousa

www.iflr.com IFLR/September 2008 5