Fédération Européenne des Activités de la Dépollution et de l'Environnement
European Federation of Waste Management and Environmental Services
Europäische Föderation der Entsorgungswirtschaft

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FEAD feedback to the EC Roadmap on the Review of the Directive 2012/27/EU on energy efficiency

FEAD, the European Federation for Waste Management and Environmental Services, representing the private waste and resource management industry across Europe **welcomes** the European Commission's initiative to review the **2012/27/EU Energy Efficiency Directive (EED)**.

FEAD considers that **option 3 of the Inception Impact Assessment** of the Roadmap proposing a revision of the EED, with higher, binding energy efficiency targets for Member States, is the way forward to enhance energy efficiency in the EU, achieve the decarbonisation of the energy sector, provide secure and affordable energy, promote synergies between sectors, enable new investments, and create economic growth and jobs, in line with the EGD and the new Circular Economy Action Plan (CEAP). The EED as such does not directly tackle waste management and resources issues, but the revised, more ambitious EED should work together with other legislative tools, in particular the new CEAP, the soon-to-be-revised Energy Taxation Directive, the new Directive for Renewable Energy, the EU ETS, the Renovation Wave and the new Construction Products Regulation, and increase the energy efficiency, while boosting the circular economy in the Union.

FEAD key priorities:

- Acknowledging the positive role that waste management activities have in avoiding CO_2 emissions in the overall energy sector and in achieving and promoting energy efficiency.

- Allowing energy (electricity, heat and fuels) derived from waste to be placed in the market at competitive prices and acknowledging it as virtuous and alternative to fossil fuel.

- Ensuring implementation in a homogeneous way in the whole EU economy while designing the new directive, in order to avoid market-handling variations between EU Member States.

Energy Efficiency is embedded in the circular economy, that is why waste management activities are crucial. By improving the circular economy practices in general,

we can achieve increased energy efficiency, through the increased quality and quantity of recycling and reuse of materials. However, fully embracing the circular economy needs even more ambitious and sound waste management practices, which requires the EU legislator to take strong measures to increase the efficiency in the use of these resources by improving the following factors:

1) **Strengthen the waste management sector: The waste management sector's contribution to energy efficiency is considered crucial** as GHG emissions from raw material extraction and from products' manufacture need to be reduced and resource consumption needs to be minimised. Proper waste management brings significant CO_2 emissions reduction. An **inventory** on various products and processes should be made, taking into consideration the avoided CO_2 emissions, the amount of the materials, and the recycling process for each material, to select the products/waste to be tackled first. **Selective collection schemes** (single and co-mingled collection) should be broadly imposed and enforced as they lead to a better quality of recyclates. They exist in a few MS, but not in all. On the other hand, **EPR** schemes should not be considered as the way forward. EPR has proven useful for certain streams of household waste (e.g. WEEE, batteries, tires, packaging, etc.), because otherwise these streams are difficult to selectively collect. However, for other economic operations (i.e. for industrial and commercial waste), open markets and B-to-B contracts are economically more efficient and environmentally performant, offering sound collection, management, and recycling for competitive and quality results, and should therefore be preferred to EPR schemes.
2) **Promotion of the use of recyclates: Recyclates** have a much lower energy content that virgin materials. As a matter of fact, the carbon footprint of recycled PET is 90 % less than virgin one, for textiles it is 98%, for steal up to 85%, aluminium 92%, paper 18%[1]. **Mandatory recycled content** is a tool to intensify the use of recyclates.
3) **Better information on the materials:** Higher trust of the quality of recyclates requires better information on the composition of materials used in construction products, standardization of secondary raw materials, and sharing of the information among all the relevant stakeholders.
4) **Setting up integrated waste management strategies:** The use of **recyclates** in a more **systematic and closed-loop** way should be promoted. This could include "new manufacturing and construction techniques to reduce waste, better coordination along value chains for **circular product design** and end-of-life practices, new circular business models based on sharing and service provision; substitution with high-strength and low-CO_2 materials; and less over-use of materials in many large product categories. For example, many construction projects use 30–50% more cement and steel than would be necessary with an end-to-end optimisation."[2] Circular economy principles and practices require also keeping materials in the economy as long as possible,

[1] According to the Bureau of International Recycling (BIR).
[2] Industrial Transformation 2050 - Pathways to Net-Zero Emissions from EU Heavy Industry. (2019). Material Economics. Page 7. Available at: https://materialeconomics.com/latest-updates/industrial-transformation-2050.

maintaining their intrinsic value/quality as high as possible, and reducing or, where possible, eliminating the use of hazardous substances in products and waste[3].

5) **Overcoming uncompetitive pricing for recyclates:** Any activities and use of materials with low-energy content, in particular secondary raw materials, should be positively treated in the EU market compared to those manufactured products with a much higher energy content.
6) **Levies:** Member States or regions may consider providing price incentives to use recycled materials if they bring the desired benefits to the environment.
7) **Clear end-of-waste criteria:** The definition of precise, clear, and harmonized end-of-waste criteria at EU level would encourage the production and marketing of secondary raw materials and would reward those who invest in high-quality recycled products.
8) **Green Public Procurement:** Authorities at all levels can provide incentives for promoting the use of recycled materials.
9) **Levies on Non-Recyclable Packaging**: Packaging placed on the market that cannot be recycled easily and efficiently should be discouraged by way of a levy or other financial disincentive. A mandatory labelling system for all packaging, which must be independently certified, would be a good start to identify recyclable and non-recyclable packaging.

Pursuant to the present initiative, **low-carbon fuels resulting from waste** should be positively treated in the EU energy market (although their efficient use is marginal given that the Directive is focused on final energy consumption) compared to fossil fuels. The use of these fuels enables to decrease primary energy, resulting in avoiding the consumption of fuels with a higher carbon footprint and contributing to achieving greater energy efficiency. This requires that the proposed initiative should include waste-based fuels, and in particular the following:

1) **Solid Recovered Fuel (SRF) or Refuse Derived Fuel (RDF).**
2) **Electricity produced in Waste-to-Energy (W-t-E) or anaerobic digestion installations.**
3) **Waste heat recovery:** the EU is losing on energy efficiency by not taking advantage and promoting the recovery of the heat coming mainly from Waste-to-Energy installations, which would help avoid additional energy consumption while at the same time reduce GHG emissions. Waste Energy recovery can be directly fostered, in the EED.
4) **Methane** coming from anaerobic digestion installations or landfills.
5) **Biomass:** The organic material of the green waste can be used in energy power stations as a renewable energy source and can replace fossil fuels.

There is a real necessity to improve the circular economy and in so doing, the energy efficiency in the Union would also increase. Recovering the energy content of waste is an

[3] Construction and demolition waste: challenges and opportunities in a circular economy. (2020). EEA (Briefing). Available at: https://www.eea.europa.eu/themes/waste/waste-management/construction-and-demolition-waste-challenges.

essential complement of material recovery and the circular economy. Besides, the European Commission[4] has recognised the potential and need for energy recovery from waste. FEAD is committed to the objectives of the Green Deal and considers the above-mentioned measures apt for providing the adequate stimuli both for addressing GHG and raising the energy efficiency and for the enhancement of the circular economy in Europe.

[4] https://ec.europa.eu/environment/waste/waste-to-energy.pdf