



The 3% solution

How to close the Energy Efficiency Gap

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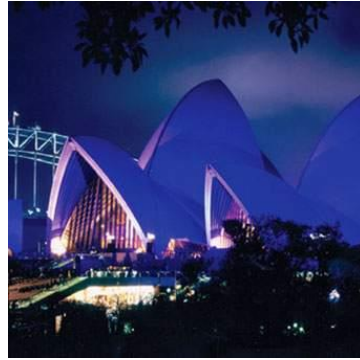
EU Development Group
Egmont Palace, Brussels, 11 October, 2016

Trends and challenges

Global trends => Leading to resource challenges (energy, materials, food, water)



Population growth
& demographics



Urbanization



Increase in wealth
(middle class)



Resource
challenges

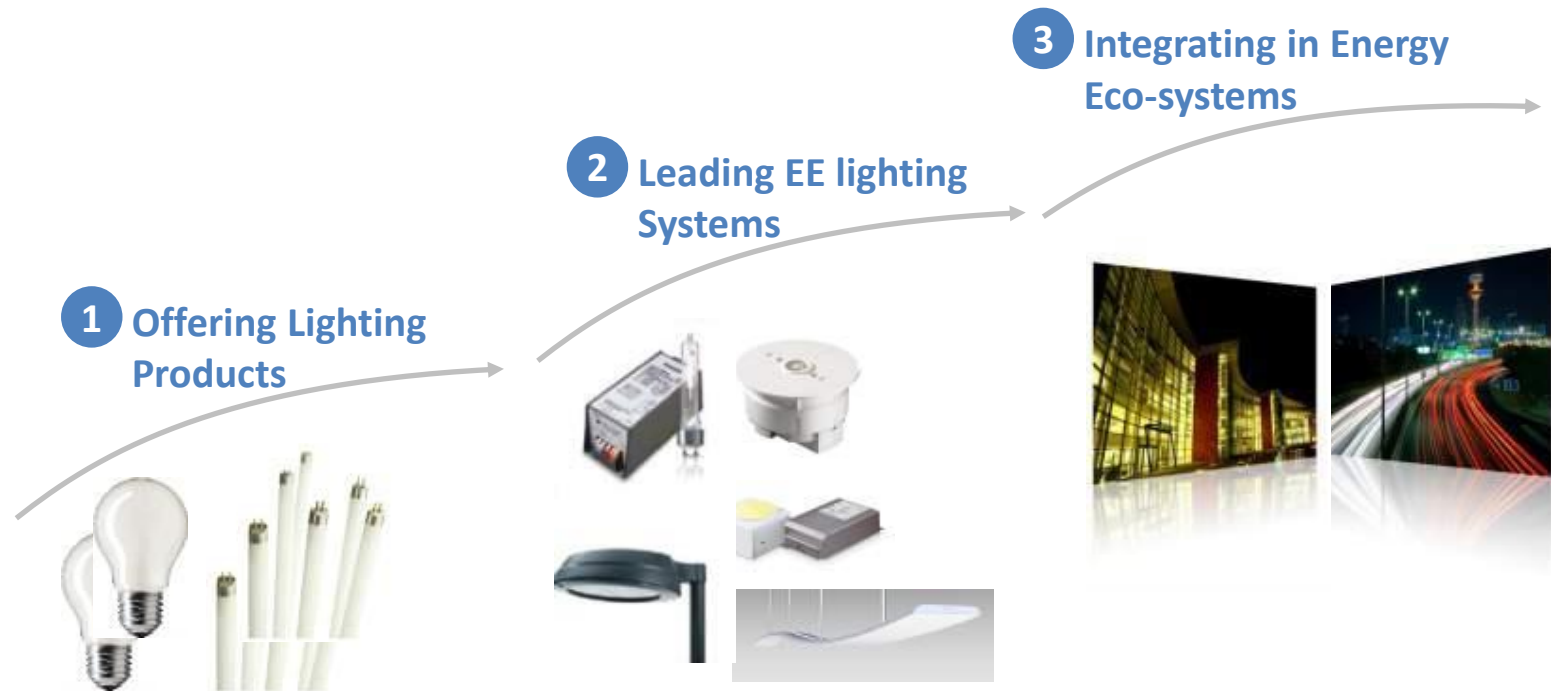
Energy demand growing 2x fast (3% p.yr) as the global rate of Energy Efficiency improvement (1.5% p.yr)

@COP21 PL calls to at least double the rate of global EE-improvement, which implies:

1. Energy efficiency and the need to **accelerate renovation** of existing infrastructure, primarily in developed countries
2. Energy efficiency and the need to **leapfrog** to the most efficient and clean tech solutions for emerging and developing countries
3. At Philips, we will become **carbon neutral** by 2020
4. At Philips, we will continue to strongly lead the **Global Lighting Sector Transition**

The LED Lighting Revolution

Lighting is evolving beyond offering products



- Analog / Lamps
- Stand-alone / 'Dumb'
- Products / Replacement sales

- Digital / LEDs
- Connected / 'Smart'
- Systems & Services / Projects

CWNYC

19/9/2016



- Philips Lighting ‘Carbon Neutral Buildings’ event
- Partners: The Climate Group; WorldGBC; Architecture2030
- Philips Lighting call at CWNYC (19/9):
 1. All new building to be LED lighting by 2020
 2. All new and existing buildings to be LED by 2030
- Launch PL sustainability program ‘Brighter Lives, Better World’
- What have we done in 10 years
 - 2006: Call for global ban on incandescent lamps (7/12/2006)
 - 2012: Call for LED renovation of all street lighting by 2025 (@Rio+20)
 - 2015: Philips Lighting committed to be Carbon Neutral by 2020 (@COP21)
 - 2016: Global Lighting Challenge provide 2bn LED light points by 2020 (@CEM7)

Unlocking the EE-potential Requirements

What: The 3% solution

- Locking the EE-ambition: 3% improvement per year
- >40% 2030 (ideally); Carbon-neutral mid 21st century

How: A European agenda for jobs & growth

- Infrastructure / double Building renovation rates to 3% per year
- Performance based (public) procurement
- EE-investments as off-balance sheet (Eurostat should revise rules?)
- Buildings: utilize moment of ownership / tenancy change!
- Energy Union governance applying the EE First Principle

Revised EED and EPBD proposals:

What we need

- The (new) EPBD to aim for a Nearly Zero Energy Building stock by 2050 and set a roadmap and milestones in 2030 and 2040 to achieve it.
- The EPBD to promote the multiple benefits of EE investments, and to include lighting as a technical building system as a first step towards EE lighting systems requirements.
- The Accelerated Renovation rate to increase to 3% per year by 2030, tentatively by leveraging the moment of ownership / tenancy change to achieve this
- The new EED to raise the EU ambition to at least 30% EE binding target for 2030 (note: BaU = 35%).
- The EED to strengthen art. 7, close loopholes and trigger real end-use energy savings.

