



## CODE project highlights huge untapped potential in advance of legislative review



PRESS RELEASE  
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### **European project further consolidates the potential for cogeneration in achieving energy savings and CO2 emission reductions to 2050.**

At a time when the EU is discussing the future direction of its energy policy and has started the revision of the Cogeneration Directive, the results of the CODE project highlight the 120 GWe untapped potential which Member States believe can be developed by 2020. Showcasing three innovative case studies the expert meeting on Friday 25 March in Brussels heard how the sector continues to develop new business models around bio-energy, electric cars and district heating. However, the policy environment still fails to promote anything like the full sector potential.

The CODE project (Cogeneration Observatory and Dissemination Europe) is an EU co-funded project that monitors the implementation of the Cogeneration in the 27 EU Member States and the reporting back by the national governments. The 33-months-project will soon come to an end and last Friday a CODE Final Dissemination Workshop took place in Brussels where the project partners presented the final results to a wide representation of the European cogeneration sector.

Over the past three years CODE has seen a slow implementation of the Cogeneration Directive and highly variable reporting back to the Commission. Analysis of the 27 national reports has shown that there is a potential of a further 120 GWe equivalent to a minimum primary energy savings of 35 mtoe for cogeneration in Europe with most Member States being able to double or add 50% additional capacity to their existing installed base.

Another major contribution by the CODE team work is financial modelling of standard cogeneration cases comparing the effects of different Member State support mechanisms. The modelling shows the huge complexity of different national support mechanisms as they try to properly reward cogeneration for its primary energy and CO2 savings. The experts heard how the modelling emphasises the need for well designed support mechanisms that stimulate different cogeneration capacities appropriately and that allow the cogeneration operator to compete on both the heat and electricity markets. The modelling also clearly showed that an apparently good financial return is sometimes not enough in itself to stimulate significant market growth.

At a point where it has become clear that the EU will comprehensively miss its 20% savings target for 2020 due to the overall low priority given by the EU and Member States to energy efficiency, the CODE project results so far highlight the remaining barriers to this sector in providing substantial energy savings in Europe. Firstly, the 27 Member States should fully implement the Cogeneration Directive itself. Secondly, the remaining barriers around authorisation, connections and tariffs for new projects connecting to the

grid must be addressed. Thirdly, there must be additional motivation for the Member States to promote cogeneration including working with industry and other groups to increase awareness of the benefits of cogeneration in a modern energy supply system.

The CODE project will release a Handbook of Best Practice Cases very soon and will conclude with the publication of a draft European Cogeneration Roadmap. More information on CODE, its results so far and the CODE Final Dissemination Workshop can be found on [www.code-project.eu](http://www.code-project.eu)

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**About cogeneration:**

*Cogeneration (also known as CHP or Combined Heat and Power) is the simultaneous production of heat and electricity. 11% of Europe's electricity and heat requirements today are produced using this proven energy efficiency technology. The estimated growth potential is for a further 120 GWe of cogeneration which will lead to an improved environment and greater economic competitiveness in Europe. Cogeneration units can be found in different sizes and applications: industry, households and tertiary sector and spans applications with capacities ranging from below 1kw to hundreds of Megawatts. It is a highly efficient energy solution that delivers substantial reductions in CO2 emissions and can be a large contributor to delivering the targets of the Kyoto Protocol on climate change for Europe. In EU Member States where cogeneration has been seriously supported as in Denmark their electricity supply system operates at 65% efficiency overall compared to the current EU average of an unacceptable 33% efficiency overall. Cogeneration substantially contributes to reaching strategic climate and energy goals, such as security of supply, energy efficiency and reduction of emissions. More info on [www.cogeneurope.eu](http://www.cogeneurope.eu)*

**About CODE:**

*The Cogeneration Observatory and Dissemination Europe Project (CODE) is a 30month project to monitor the implementation of the CHP Directive across the European Union. The project is led by COGEN Europe and is partly funded by the European Commission under the Intelligent Energy Europe programme. More info on [www.code-project.eu](http://www.code-project.eu)*