

To: Permanent Representations to the EU, Deputy Permanent Representatives

Brussels, 13 June 2017

**Energy Efficiency Directive:
EU citizens and businesses need mature policies, not loopholes**

Dear,

I am writing on behalf of the cities, businesses, consumer associations and NGOs in the Coalition for Energy Savings to express our concern at the direction proposed by the Maltese Council Presidency on the energy efficiency files.

We believe Europe cannot afford to fail on energy efficiency. For every 1% increase in energy savings by 2030, there will be a 4% drop in gas imports and over 330,000 new jobs. Pollution control and health costs can be reduced by up to €6 billion per year and greenhouse gas emissions cut by 0.7%¹. Energy efficiency is the most cost-effective way to address climate change and at the heart of the EU's Energy Union strategy.

Article 7 of the Energy Efficiency Directive, the annual energy savings obligation, is vital for the strengthening of an emerging market for energy efficiency products and services, and has been the driver for most national energy efficiency programmes, and the related investments. Major pension funds and asset managers are calling for higher ambition in Article 7 to generate more demand for investment. The Institutional Investors Group on Climate Change, which represents over 18 trillion euros, is arguing for an increase in the ambition of Article 7 to more than 1.5% annual energy savings². Without good legislation in Europe, investment will go elsewhere.

Yet the general approach on the Energy Efficiency Directive dated 9 June proposes a slowing down of energy efficiency progress, notably by reducing Article 7 savings requirements by over 80%³ with additional loopholes and retroactive changes. These include 1) reducing the need for action after 2020 (provisions related to excess savings and long-term measures); 2) retroactive mixing up of legislative tools without ensuring additionality and legal stability (by allowing renewable energy installations and new buildings that meet EU standards to count as savings) and 3) introducing a 2024 revision clause to reduce the target. To put it bluntly, the legislation risks becoming like a cheese full of holes.

The Coalition for Energy Savings calls on you to take into account the benefits of robust energy efficiency legislation and provide a stable 2030 and 2050 outlook for burgeoning energy efficiency markets. We call on you to support a binding 40% energy efficiency target, reflecting the cost-effective potential, and to strengthen Article 7 by closing the loopholes which currently hinders its deployment.

Yours Sincerely,



Stefan Scheuer, Secretary General, The Coalition for Energy Savings

¹ Based on the Commission's impact assessment, more information here: <http://energycoalition.eu/Updating-energy-efficiency-legislation-post-2020-working-lunch-european-parliament>

² More information on <http://www.iiqcc.org>

³ More information about the calculation on our website: <http://energycoalition.eu/energy-council-preparations>



The Coalition for Energy Savings (AISBL) strives to make energy efficiency and savings the first consideration of energy policies and the driving force towards a secure, sustainable and competitive European Union. Its membership unites businesses, professionals, local authorities, trade unions, consumer and civil society organisations in pursuit of this goal. The Coalition calls on the EU to commit itself to a 40% energy saving target by 2030, and to step up policies, measures and investments in order to stop energy waste and tap the considerable energy savings potentials.

Coalition members represent:

- more than 500 associations and 200 companies
- 15 million supporters and more than 2 million employees
- 2,500 cities and towns in 30 countries in Europe

Members of the Coalition are:

Architects' Council of Europe (ACE), BEUC (The European Consumer Organisation), CEE Bankwatch Network, ClientEarth, Climate Action Network Europe (CAN-Europe), Climate Alliance, COGEN Europe, E3G, ECOS (The European Environmental Citizens Organisation for Standardisation), Energy Cities, Euroheat & Power (EHP), European Alliance of Companies for Energy Efficiency in Buildings (EuroACE), European Alliance to Save Energy (EU-ASE), European Association for the Consumption-based Billing of Energy Costs (EVVE), European Association of Polyurethane Insulation Manufacturers (PU Europe), European Climate Foundation, European Committee of Domestic Equipment Manufacturers (CECED), European Copper Institute, European Council for an Energy Efficient Economy (eceee), European Environmental Bureau (EEB), European Federation of Intelligent Energy Efficiency Services (EFIEES), European Federation of Building and Woodworkers (EFBWW), European Insulation Manufacturers Association (Eurima), European Federation of Public, Cooperative & Social Housing (Housing Europe), European Partnership for Energy and the Environment (EPEE), Friends of the Earth Europe, Glass for Europe, LightingEurope, REScoop, Transport & Environment (T&E) and WWF, as well as advisory members Buildings Performance Institute Europe (BPIE) and Regulatory Assistance Project (RAP).