



The Coalition for
ENERGY SAVINGS

Position Paper

A STRONG EED TO REACH CLIMATE GOALS AND TRIGGER A SUSTAINABLE ECONOMIC RECOVERY



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A strong EED to reach climate goals and trigger a sustainable economic recovery

Reducing overall energy consumption across Europe is the bedrock for achieving Europe's climate targets and sustainably recover from the Covid induced economic crisis in a way that is beneficial to citizens. The multiple benefits of energy savings for citizens enable the energy transition to be **fast, fair and attractive**. Regrettably, progress in energy efficiency has [slowed down in the past years](#) rather than speeding up. The release of the Fit for 55 package, which will set in legislation the objectives of the European Green Deal, is thus an opportunity to reverse this trend and refresh the policy approach, **moving from general commitments to real support for energy efficiency actions on the ground**.

The Coalition for Energy Savings has been advocating for energy efficiency for over a decade. We support and applaud that energy savings have been put **at the forefront of EU climate and energy policy** in recent years through the Energy Efficiency First principle. However, we are also very aware of a lack of overall ambition and supportive delivery framework, as shown by the existing gaps towards the [2020](#) and [2030](#) energy efficiency targets.

A paradigm shift on how the EU consumes its energy in line with climate neutrality has not yet fully materialized and a supportive regulatory framework is crucial to accelerate the change. To that end, **the Energy Efficiency First principle** must be embedded in all legislation of the upcoming package and **the Energy Efficiency Directive (EED)** must be reinforced to ensure energy savings potentials are grasped in all sectors.

Since its adoption in 2012, this is the second time the EED is being revised; there are clear lessons to be learned from its many successes, and also from its failures. One thing is clear, if this revision does not lead to a stronger and more effective EED, coupled with a clear political will to better implement the Directive at the national level, it will **not only be a missed opportunity for efficiency**, but the **achievement of the EU climate objectives will also be in jeopardy**.

Ensuring an ambitious revision of the EED will be a political endeavour, but **a strong and well-grounded Commission proposal** is the best backdrop to positive and ambitious negotiations with the Council of the EU and the European Parliament. To that end, the Coalition for Energy Savings calls on the Commission to propose a revision of the EED that includes the points detailed in this paper.

Article 1-3: A binding energy efficiency target of at least 40% to deliver the multiple benefits of energy savings

Strong and effective targets:

 **A binding European target for 2030:** The current gaps towards the [2020](#) and [2030](#) objectives show that a **binding target** is needed to provide accountability and the right sense of priority for all actors, particularly Member States, and to give a clear **long-term perspective** and **certainty** to stakeholders and investors. By comparison, the 2020 greenhouse gas emission reduction and renewable energy targets are both binding and are likely to be met.

 **Supported by binding national contributions:** To ensure the accountability of Member States, the binding EU energy efficiency target needs to be supported by **binding national contributions**, based on the assessment of national potentials. The **current indicative nature** of national targets, **the lack of clear national benchmarks** and the little transparency in how national contributions are set and delivered by certain Member States, make their **enforcement extremely challenging**.

A higher efficiency target:

 **The cost-effective potential of 40% as a minimum:** Given a more ambitious 2030 climate target, the 32,5% energy efficiency target is obsolete, as already indicated in the [Impact Assessment](#) (IA) of the Climate Target Plan. While the IA recognises a need to increase the efficiency target in a range from 36-37 % in final energy consumption, the Coalition recommends to **step-up ambition to at least 40%** to reach the cost-effective energy efficiency potential and maximise the environmental, social and economic benefits of the energy transition. The potential can be further increased if societal trends, like digitalisation, emerging economic and social models, industrial transformation and increasing quality of life expectations, are taken into account and the Energy Efficiency First principle is applied. Furthermore, the 2030 energy efficiency target shall continue to be set both in primary and final energy.

Article 7: Ensure the energy savings obligation is aligned with higher 2030 climate and energy targets

Reinforcing the cornerstone Article of the EED:

 **Increase the level of the annual energy savings:** The energy savings obligation, as it stands, is not calibrated to a higher 2030 energy efficiency target. The current annual energy savings requirement of 0.8 % for the period up to 2030 **must be at least doubled**. An increase in that range will just bring the level of the annual energy savings in line with what the provision was meant to deliver when it was originally adopted back in 2012.

 **Improve measures on the ground:** Article 7 should encourage **measures that are aligned with the EU climate neutrality objective**. For example, measures that offer long-lasting energy savings such as building renovations should be promoted over measures that have only a short-term influence on consumer and investment behaviour. In addition, rules to measures savings from taxation measures should be strengthened to fully ensure fiscal measures deliver additional savings (read more from RAP [here](#)).

 **Ensure real energy savings:** Measures taken under Article 7 must have the intended consequence of reducing energy consumption and result in savings that would not have happened otherwise, avoiding free riders and double counting. Although **monitoring, reporting and verification rules** of energy savings improved during the last revision of Article 7, they should be **further strengthened to increase transparency and accountability**. Therefore, the national processes that are already in place should be complemented with a **periodic assessment of national programmes and savings** by an independent entity. The outcomes of the assessment together with the background information should **become public** to allow for stakeholder scrutiny.

 **Create opportunities for citizen-led initiatives:** Article 7 should enable **citizens-led initiatives** to deliver the required energy savings. This could include supporting programmes such as citizen-led renovations and community approaches under the alternative measures, or identifying a role for energy cooperatives and energy communities within the energy efficiency obligations.

Article 5: Exemplary public buildings to kick-start the Renovation Wave

Widen the scope of Article 5:

 **Extension to all public buildings:** Article 5 applies to a small portion of the building stock. To ensure greater effectiveness, the obligation to renovate public buildings **must be extended to regional and local levels** to include all public buildings, prioritising worst-performing ones and those serving the public's interest such as schools and hospitals. Social housing should also be covered by the provision when such buildings' typology exists in a country. To ensure good implementation, such an extension must be accompanied by **adequate financial and technical support** for local authorities, which will be at the forefront of delivering those renovations.

 **Deep renovations¹:** Public buildings should be renovated beyond the current EPBD minimum requirements. **Deep renovations should be required** by Article 5, either in one or in several stages, depending on the specific characteristics of the building. Only in this way can public buildings pave the way towards a highly energy efficient and decarbonised building stock in line with the objectives of the EPBD Long-term Renovation Strategies (LTRSs).

 **Reduce operational energy in public buildings:** Article 5 should also adequately consider building energy use in the operational phase by **ensuring proper energy management in public buildings**; this will ensure that energy performance is improved and kept over time through the effective operation of energy installations.

Strengthen the implementation framework:

 **Deletion of the alternative approach: Alternative measures,** such as selling buildings or rolling-out information campaigns, by design, **do not lead to energy renovations**, failing to deliver on their associated multiple benefits for occupants and society.

 **Report on energy savings:** Member States should be required to always **report on the delivered energy savings** from the renovations of public buildings. This would allow to better monitor the contribution of this provision to the 2030 energy efficiency goal and to better integrate it within national LTRSSs.

1. According to the [Commission recommendation on the implementation of the revised EPBD](#), " 'deep renovation' can be considered as renovation that leads to significant (typically more than 60 %) efficiency improvements" on the basis of primary energy savings.

Strengthening EED provisions to create a strong and comprehensive delivery framework

Make energy audits deliver energy efficiency actions (Article 8):

 **Ensuring concrete improvements:** Understanding the actual energy consumption and possible energy savings potential is the starting point to carry out energy efficiency improvements. However, carrying out energy audits does not deliver savings, if the resulting recommendations are not implemented. To that end, Article 8 **should mandate the implementation of energy efficiency measures resulting from the audit**, starting with those that have a shorter payback time, for example, less than 5 years, because in this case the economic return is almost immediate. Moreover, energy management solutions encompassing concrete energy efficiency actions should be considered as fulfilling the audit obligation and be more widely deployed.

Switch to efficient and decarbonised heating and cooling (H&C), (Article 14):

 **Embed efficiency in decision making and planning:** Article 14 offers a number of opportunities to embed efficiency more systematically in decision making regarding the design of heating and cooling systems and the transformation, transmission and distribution of energy. **An integrated approach** in relation to energy demand and supply, building on the Energy Efficiency First principle, **should be reinforced** for the design of national and local policies. In addition, heating and cooling planning is necessary to **adapt to local circumstances** and to maximize energy savings potential.

 **Alignment of H&C assessments with National Energy and Climate Plans (NECPs) and LTRs:** The EED heating and cooling comprehensive assessments must be aligned with NECPs and LTRs to help the EU achieve its long term climate and energy goals. This will ensure that heat planning correctly **integrates demand and supply** while taking a system approach, and **encourage local and/or neighborhood approaches**. The H&C comprehensive assessment should also take into account the efficiency of the currently installed heating and cooling equipment and assess the potential of reducing heating and cooling demand and GHG emissions by installing more efficient and renewable based heating equipment, in line with Ecodesign and energy labelling requirements.

 **Alignment with 2030 and 2050 climate targets:** The replacement of the stock of old and inefficient heating and cooling systems should be accelerated; replacing the old heating systems with **new, efficient and renewable-based technologies** is crucial to reduce greenhouse gas emissions in the buildings sector.

Push the energy services market to deliver savings over time (Article 18):

 **Going beyond the current requirements:** Article 18 has led to the development of the energy services market, however, the provisions of the Article should be better implemented and enforced. A [BPIE report](#) from August 2020 highlights that EU countries that went beyond the article's minimum requirements have a more developed energy services market in place. In that effort, **energy management solutions** are important tools to maintain and increase energy performance over time and **should be promoted further**, particularly in large non-residential buildings that undergo renovations. Also, Energy Performance Contracting can help local authorities to perform better and thus finance renovation works to public buildings.

Reinforce capacity buildings:

 **Support training and skills:** To effectively implement stronger energy efficiency provisions, be it at buildings, systems or product level, **capacity building will be crucial**, including training for local and regional administrations, clear guidelines on how to take into account energy efficiency requirements in public procurement rules and further education and training for installers and contractors.

Put citizens at the center of the energy transition

Empowering citizens to deliver energy savings and grasp energy efficiency benefits:

 **Recognize the role of renewable energy communities² in providing energy efficiency:** The EED should clearly recognise the role of **community-based organisations** in operationalising the Energy Efficiency First principle and helping achieve energy efficiency objectives. For instance, renewable energy communities can **empower citizens** to take action on renovations as their involvement is pivotal to understanding their needs and to creating local support for the renovation agenda. They can also act as tools to impact **behavior change** of citizens, delivering long-lasting savings.

 **Tackle energy poverty:** Energy efficiency is a key tool to tackle energy poverty, ensuring that the energy transition brings **benefits for the most vulnerable**. Energy efficiency programmes and financial incentives should prioritise support for low-income citizens to deliver, together with energy savings, high positive social impacts.

 **Make energy efficiency measures easy for citizens:** Citizens need support in the implementation of energy efficiency measures, particularly building renovations; they should be offered easy to access independent advice and technical assistance tailored to their needs. **One-stop shops and local/regional facilitators** providing **technical assistance** to the public and private sectors must be supported as they can activate multiple stakeholders and provide support to citizens, local authorities and businesses alike. The role of **energy communities** in providing outreach and education on the reduction of energy use should also be supported. Article 12 of the EED should be amended to ensure the aspects above are taken into account and consumers can be fully empowered.

2. As defined in Article 2 (16) of the recast Renewable Energy Directive 2018/2001/EU



The **Coalition for Energy Savings** 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, local authorities, energy agencies, energy communities and civil society organisations in pursuit of this goal.

Coalition members represent:

- more than 500 associations, 200 companies, 1,500 cooperatives
- 15 million supporters and 1 million citizens as members of cooperatives
- 2,500 cities and towns in 30 countries in Europe