

# Press Release

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# ITRE committee green-lights higher energy efficiency ambition

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The Industry, Research & Energy (ITRE) committee of the European Parliament adopted today its report on the recast of the Energy Efficiency Directive (EED), improving many provisions of the Commission's proposal.

A cross-party majority of ITRE Members of the European Parliament (MEPs) green-lighted today a compromise text on the recast of the EED; major political groups (EPP, S&D, Renew Europe, and Greens) agreed to reinforce the key EU energy efficiency law, the EED, to accelerate the delivery of energy savings in Europe.

The ITRE report positively increases the level of the 2030 EU energy efficiency target, confirms that both the EU final energy and primary energy targets are binding, and strengthens the reliability of national contributions by making them binding. Together with the energy efficiency target ambition and governance, the adopted report reinforces many of the EED measures and provisions, such as the energy efficiency first principle, the renovation of public buildings, the energy savings obligation, and the energy management systems and energy audits. These suggested improvements are laudable, but MEPs could have gone the extra mile of supporting a higher 2030 energy efficiency target to ensure that Russian fossil fuel imports are phased out even more rapidly with cost-effective energy savings measures [1].

Arianna Vitali, Secretary-General of the Coalition for Energy Savings said:

"The broad support for the EED report shows that there is consensus on accelerating energy savings in a period of energy insecurity. Members of the Industry committee give today the signal that a strong legal framework to cut demand, thanks to energy efficiency measures and investments, is the way forward for an energy independent, inclusive, and climate neutral European Union."

On the more negative side, the ITRE report goes back to defining the 2030 EU energy efficiency target by using an outdated metric (PRIMES 2007), which the Commission had abandoned in its Fit for 55 package, to reflect the evolution of Europe's energy system and of the EU climate and energy legal framework.

What is included in the ITRE report on the EED recast?

MEPs supported:

An increase of the 2030 energy efficiency target to 40% for final energy consumption and 42.5% for primary energy consumption based on the PRIMES 2007 reference scenario (equivalent to a 14.5% target for both primary and final energy using the PRIMES 2020 baseline). This level of



ambition is higher than the Council's General Approach (9% - PRIMES 2020) and the revised Commission's proposal in the REPowerEU plan (13% - PRIMES 2020). Reverting back to the PRIMES 2007 reference scenario means using outdated projections that do not take into account the evolution of Europe's energy system in the past 15 years and of the EU's climate and energy legal framework, including the Clean Energy Package (EED recast Article 4).

- A stronger governance for the 2030 energy efficiency target based on a binding EU target for both final and primary energy and binding national contributions. This is supplemented by a "gap avoider mechanism" that aims at closing a potential gap between the sum of Member States' contributions and the EU target (this is a positive addition, but the Council suggested a more structured and reliable mechanism in its general approach) (EED recast Article 4).
- An increased scope for the requirement to renovate at least 3% of buildings owned by public bodies every year by including buildings occupied by public bodies (newly rented or when undergoing, for example, a change of use or maintenance work), and buildings privately occupied but publicly funded that provide a service of general interest ("buildings for social purposes"). Those shall be renovated either into Nearly-Zero Energy Buildings (as in the Commission's proposal) or into Zero-Emission Buildings. However, the text leaves the possibility for Member States to exclude social housing from the renovation requirement (EED recast Article 6).
- A higher target for the energy savings obligation (a 2% annual target instead of 1,5% in the Commission's proposal) with an improved energy poverty ringfencing that also encompasses low-income households. However, ITRE MEPs weakened the Commission's proposal by allowing Member States to achieve, until June 2028, up to one-quarter of the obligation (0,5%) with energy savings resulting from the combustion of fossil fuels in all sectors, excluding residential buildings (EED recast Article 8 and Annex V).

## What are the next steps in the process?

- The plenary vote on the EED recast is planned for the Strasbourg session of the second week of September (12th to 15th).
- Trilogue negotiations are expected to start under the Czech Presidency of the Council of the EU (from the 1st of July 2022 to the 1st of January 2023).

#### End notes:

[1] The cost-effective energy savings potential captures all the energy efficiency improvements where the energy bill savings are higher than the investment costs; depending to the energy price assumed this economic potential range between 19% and 23% in 2030. See Fraunhofer ISI & Stefan Scheuer (2022): Assessing the impacts of high energy prices on the economic potentials for energy savings in the EU.

### Notes for editors:

- The recording of the votes in the ITRE committee can be accessed <a href="here">here</a>.
- The final compromise text of the ITRE committee can be accessed here.
- The Council's general approach on the EED can be accessed here.
- The Commission's proposal to amend the EED in the REPowerEU plan can be accessed here.
- The Coalition for Energy Savings' briefing on the 2030 energy efficiency target can be accessed here.

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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

#### Members of the Coalition:

Members of the Coalition: APPLiA - Home Appliance Europe | BPIE - Buildings Performance Institute Europe (advisory member) | CAN Europe - Climate Action Network Europe | CEE Bankwatch Network | ClientEarth | Climate Alliance | E.V.V.E. - European Association for the Consumption-based Billing of Energy Costs | E3G | eceee - European Council for an Energy Efficient Economy | ECOS - Environmental Coalition on Standards | EEB - European Environmental Bureau | EFIEES - European Federation of Intelligent Energy Efficiency Services | ehi - Association of the European Heating Industry | Energy Cities | EPEE - European Partnership for Energy and the Environment | eurima - European Insulation Manufacturers Association | EuroACE - The European Alliance of Companies for Energy Efficiency in Buildings | EU-ASE - European Alliance to Save Energy | ECF - European Climate Foundation | ECI - European Copper Institute - Copper Alliance | FEDARENE - The European Federation of Agencies and Regions for Energy and the Environment | Friends of the Earth Europe | Housing Europe | PU Europe - European Association of Polyurethane Insulation Manufacturers | RAP - The Regulatory Assistance Project (advisory member) | REScoop.eu | T&E - Transport & Environment | WWF European Policy Office