

The Coalition for Energy Savings

Feedback to the 2040 climate target consultation

The Coalition for Energy Savings welcomes the opportunity to provide its views on the setting of the 2040 climate target.

Setting a greenhouse gas (GHG) emissions target for 2040 is crucial to design a pathway that allows the EU to accelerate efforts beyond 2030 and achieve climate neutrality by 2050 at the latest, providing predictability to all EU actors. However, setting a 2040 climate target should not deprioritise meeting (and ideally overachieving) the EU's 2030 climate and energy goals, but rather be a driver for putting in place now long-term measures that contribute to both, and lessen the effort for the 2040 decade.

The IPCC special report on 1.5°C states that “*aggressive policies addressing energy efficiency are central in keeping 1.5°C within reach and lowering energy system and mitigation costs.*” Indeed, permanently reducing EU energy demand through energy savings, energy efficiency and energy sufficiency policies ensures that the EU can transition faster towards a more flexible and renewables-based energy system at lower costs for consumers. Crucially, reducing energy consumption will enable a fair and affordable path towards climate neutrality, including for the most vulnerable, in coherence with the goals of the European Green Deal.

For these reasons, the European Commission's modelling in the impact assessment that will underpin the 2040 climate target communication should, in our opinion:

- Include a pathway that maximises the role of energy savings by aligning with the latest data on the EU's cost-effective energy savings potential, *i.e.*, the energy savings that the EU can achieve by implementing measures that are economically viable and by deploying existing energy efficiency technologies.
- Correctly reflect and adequately value from a societal perspective the multiple benefits of energy savings, such as energy security, resilience of the energy system, GDP growth and jobs creation, alleviation of energy poverty, environmental benefits or reduced health costs.
- Lower the discount rate used to model future cost and return on investment of energy efficiency improvements.
- Fully consider and prioritise energy savings and energy efficiency as resources for the energy system and enablers for an affordable energy transition as they i) ensure a smaller, and more flexible, energy system with fewer stranded assets and ii) reduce the cost of energy for each kWh for businesses and consumers by shaving peak demand.

Finally, the Coalition would also like to note that, in the current EU climate and energy framework, the GHG, renewables and energy efficiency targets are mutually supportive; therefore, an increased climate ambition should be adequately translated into higher renewables and efficiency targets. We believe that the trio target approach should be maintained beyond 2030 (also with 2035 objectives) to truly set energy savings as the foundation of a climate-neutral EU.