



The Coalition for  
ENERGY SAVINGS

Position Paper

# EED RECAST: SAVING ENERGY, REDUCING BILLS, LOWERING EMISSIONS

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# EED recast: saving energy, reducing bills, lowering emissions

In 2022 and beyond, the EU must respond to a triple crisis:

- The climate emergency as evidenced by the [sixth assessment report of the IPCC](#) and the need to limit global average temperature rise to 1.5°C;
- The necessity to recover from the COVID-19 induced economic crisis in a sustainable way;
- The recent, but recurring, surge in energy prices, which creates negative impacts for businesses and consumers, particularly the most vulnerable.

Energy savings through energy efficiency can contribute to solving those three crises as actions and investments to reduce energy use lead to emissions cuts with positive impacts for the economy and citizens through improved living conditions and lower bills. In particular:

- [According to the International Energy Agency](#), energy efficiency delivers more than 40% of the necessary greenhouse emissions cuts to achieve international climate and energy goals over the next 20 years;<sup>1</sup> therefore, being indispensable to achieve the Paris' Agreement commitments.
- Investments in energy efficiency benefit the economy; for example, for every €1 million invested in buildings renovation, [18 jobs are created on average in the EU](#).<sup>2</sup> [A recent study of the European Parliamentary Research Service](#)<sup>3</sup> also indicates that achieving an increased energy efficiency target in the range of 40% would bring economic benefits worth €88 billion per year.
- The smaller the energy system, thanks to more efficient energy use in all sectors, the lower the energy system costs because of reduced stress on energy resources and fewer investment required for new generation, transmission and distribution infrastructures. This also directly benefits consumers, for example, building renovation measures in line with the Renovation wave objectives [could cut energy bills of gas-heated households by over €400 per year in 2030](#).<sup>4</sup>

**The recast of the Energy Efficiency Directive (EED)** is the opportunity to put in place a robust enabling regulatory framework to speed the delivery of energy savings and unlock their multiple benefits by giving predictability to investors and addressing the non-market barriers to energy efficiency.

The Commission's proposal to recast the EED is a solid basis to speed up the uptake of energy savings in Europe. However, **more is technically achievable, economically possible, and desirable for the whole European society**. The EED must enable a paradigm shift on how the EU consumes energy in line with its climate neutrality objective. This paper aims at providing the Coalition for Energy Savings' input on how to make this possible.

# Article 1 and 4: An EU binding energy efficiency target of at least 40%, or 17% using the new PRIMES baseline, based on a reliable national governance

## A higher energy efficiency target:

The EED recast proposal raises the level of the target from 32.5% to 36% for final energy and to 39% for primary energy (based on the PRIMES 2007 reference scenario), which corresponds to a 9% increase for both final and primary energy (based on the new PRIMES 2020 reference scenario).<sup>5</sup> This level of ambition is calibrated to achieve a reduction of greenhouse gas emissions of at least 55% by 2030, according to the [Climate Target Plan](#).

This is an improvement compared to the current 2030 target, which can deliver a range of additional environmental, social, health and economic benefits, but it remains in the lower end of what is achievable through measures that make economic sense. [A recent study from Fraunhofer/Scheuer](#)<sup>6</sup> confirms that the EU cost-effective energy savings potential<sup>7</sup> for 2030 stands at around 41% for final energy (based on the PRIMES 2007 reference scenario). The technical potential for energy efficiency is even more significant, according to the analysis. If all processes, equipment, and related infrastructure are upgraded with technically feasible energy-efficient solutions, the potential is more than 45% by 2030, leading to even higher benefits.

The Coalition recommendation to step up the ambition of the energy efficiency target to at least 40% (PRIMES 2007) therefore still stands and is reinforced by the necessity to deliver on the EU's climate goals, trigger a green recovery and tackle recurring high energy prices crises. **This level of ambition translates to a reduction of around 17%, both for primary and final energy, if the new PRIMES 2020 reference scenario is used as a reference<sup>8</sup>** (see Figure 1).

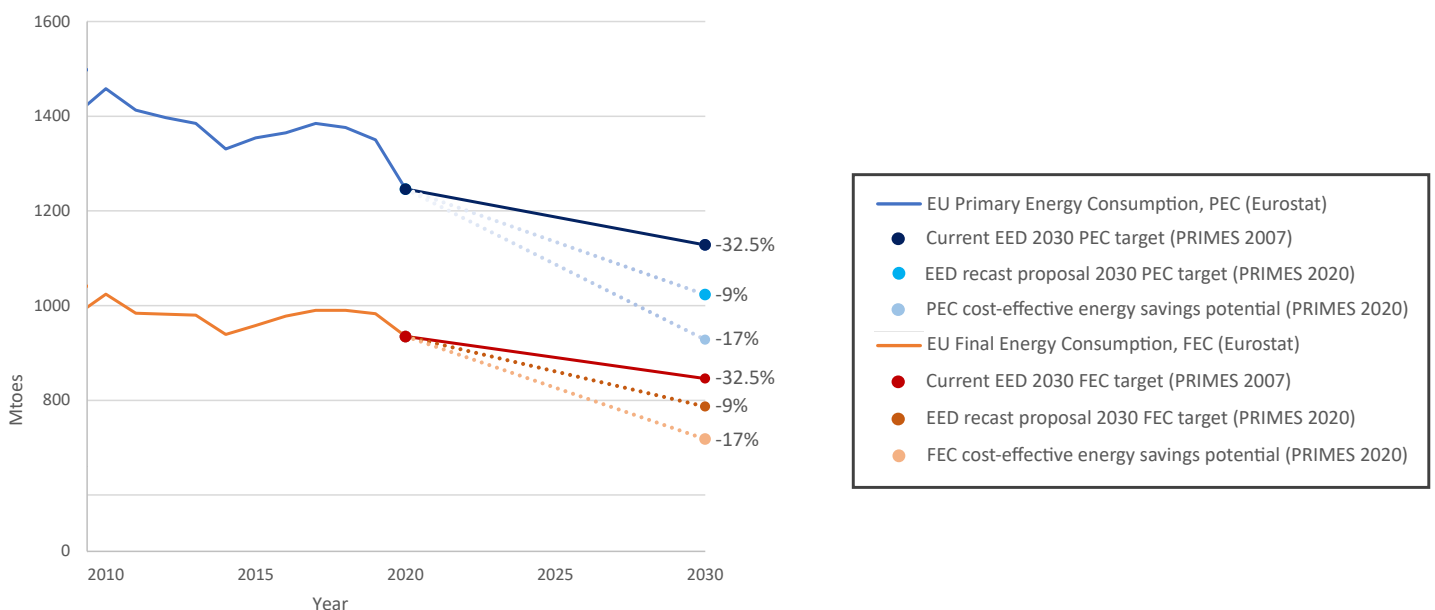




Figure 1: Current EU 2030 energy efficiency target, EED recast proposed target and cost-effective energy savings potential (primary and final energy)

## A stronger governance system:

 The EED recast proposal rightly introduces a binding EU target for 2030, which is needed to provide certainty and predictability to all stakeholders and investors. This would finally give the 2030 energy efficiency target the same legal weight as the renewable energy and the greenhouse gas emission targets, and signal that energy efficiency is a fundamental pillar of the policy toolbox to achieve the 2030 climate target and climate neutrality.

To ensure that the EU target is met, the national governance must also be substantially strengthened. **National contributions should be clear, stable, easy to monitor, and enforceable to ensure Member States' accountability and commitment.** The EED recast proposes to move away from the current fully indicative and discretionary national pledges and introduces a formula based on four transparent criteria<sup>9</sup> that Member States should use to determine their national contributions (EED recast Annex I). If the sum of national contributions does not add up to the EU target, a correction factor is introduced to divide the remaining gap between all Member States equally. When the formula is applied using the four criteria provided and its result followed, the correction factor would not play a role in setting national contributions.<sup>10</sup> **However, as it stands, only the use of the formula is binding, not its result;** therefore, Member States can deviate from the result of the formula and adjust their contributions to adapt to national circumstances (notably according to the criteria listed in Article 4<sup>11</sup>). **This level of discretion undermines the effectiveness of the formula, a fair distribution of the share of the target among countries and, in the long run, the achievement of the 2030 EU target.**

## Reliable trajectories with binding milestones:

 To ensure delivery on the path to the 2030 target, the recast proposal rightly introduces a "gap filler mechanism"; it requires Member States found by the Commission to be above their indicative energy consumption trajectory to adopt measures within one year to get back on track. The trajectories, which Member States must communicate as part of the updates of their integrated National Energy and Climate Plans (NECPs), are therefore an important element of the reinforced governance system as they are the starting point to trigger the gap filler mechanism.

In that sense, to ensure enforceability, the national trajectories should be designed to deliver continuous and gradual energy savings; **they must contain binding milestones** that are aligned with the dates of the Commission's assessment to trigger the gap filler mechanism.

As a summary, to improve the energy efficiency target level and governance system, the Coalition recommends to:


- Support the bindingness of the EU target and include the reference to its binding nature in all relevant provisions (Articles 1 and 4).
- Increase the EU 2030 energy efficiency target to at least 40% (PRIMES 2007), or at least 17% (PRIMES 2020) (Articles 1 and 4).
- Complement the binding EU target with binding national contributions (Articles 1 and 4).
- Require Member States to calculate and set their national binding contributions by using the formula in Annex I of the EED recast. To avoid any deviation from the formula's result, the criteria listed in Article 4.2 point (e) should be deleted.
- Set national trajectories according to a linear pathway and include binding milestones to facilitate the Commission's activation of the gap-filler mechanism, if needed (Article 4.3).

### ***Article 3: Ensuring the systematic application of the Energy Efficiency First principle***


The introduction of a new article in the EED recast proposal specifically devoted to the Energy Efficiency First principle (EE1st principle) is an important milestone to ensure the principle is well recognised and applied to energy and non-energy related decisions. This clear formulation of a legal basis in the EED proposal, together with the release of the [Recommendations to Member States](#) and annexed [Guidelines](#), is key to support relevant authorities in their effort to incorporate the principle in an effective way.

However, several elements can be improved clarified and/or strengthened in the proposed recast proposal. In addition, to ensure an energy system fit for climate neutrality, the EE1st principle needs to be mainstreamed throughout the Fit for 55 package.


#### **Enlarge the scope:**

 According to the recast proposal, the EE1st principle must be considered *"in the planning, policy and major investment decisions."* However, there is no legal definition of the term "major," and the recital 14 of the recast proposal points towards *"large-scale investments with a value of more than 50 euro million each or 75 euro million for transport infrastructure projects"*, which **risks limiting the scope of the principle to very large projects only**. Such a high threshold considerably reduces the scope of the application of the principle and its systematic implementation. Therefore, **the mention of "major" should be removed**, to allow grasping all energy savings potentials, including those resulting from smaller and distributed projects and investments.

## Improve the harmonisation of cost-benefits analysis methodologies:

 Putting demand side and supply side resources on an equal footing starts from correctly valuing energy efficiency benefits from a societal perspective.<sup>12</sup> In that sense, the EED recast requires Member States to promote and ensure the application of cost-benefit analyses that assess the wider benefits of energy efficiency solutions as a key element of applying the EE1st principle. This is positive, but the article should be further strengthened by requiring that such **cost-benefit analyses are systematically developed, carried out and made publicly available**, as suggested by the Recommendations on the EE1st principle.<sup>13</sup> Furthermore, cost-benefit analyses should **be based on common core elements** to avoid that national methodologies are too different, weak, or value the cheapest options without fully taking into account the broader benefits of energy efficiency for the society as a whole.

## Define reporting criteria to assess implementation:

 While it is welcomed that the article requires Member States to report their progress in implementing the principle in their NECPs, the article provides little details on the content of the reporting. **A set of common indicators should be included to better track and monitor implementation efforts and ensure a certain degree of comparability across countries.** As an example, those indicators could refer to the detailed quantification of the broader benefits of energy efficiency, how regulatory barriers to energy efficiency have been removed, or how the EE1st principle has been included in local and regional planning and, more generally, on how this has been applied to specific sectors and policy areas, as indicated in the Commission's guidelines for the implementation of the principle. Member States should also report the progress of local and regional authorities and gather information on how they apply the principle by carrying out specific surveys.


As a summary, to improve the provisions of Article 3 on the EE1st principle, the Coalition recommends to:

- Mainstream the EE1st principle in all relevant legislation of the Fit for 55 package with clear reference and enforcement mechanisms.
- Remove the reference to “major” investment to ensure a systematic application of the principle also to smaller projects (Article 3.1).
- Clearly require Member States to develop a cost-benefit assessment methodology allowing the estimation of the co-benefits of energy savings, as the current wording of the article only requires the promotion and the application of such methodologies (Article 3.3 letter a).
- Define common indicators for reporting on the implementation of the principle to strengthen monitoring and comparability, in line with EE1st recommendations and guidelines (Article 3.2 letter c).


## Article 5: An exemplary highly efficient public sector

The public sector represents 5 to 10%<sup>14</sup> of the EU's final energy consumption. To broaden the scope beyond the renovation of public buildings, the recast proposal introduces a new target for all public bodies<sup>15</sup> to reduce their total final energy consumption by at least 1.7% per year.<sup>16</sup> This new target can be fulfilled by efficiency measures in many areas that are within the competencies of public bodies such as transport, healthcare, public buildings (including the installation of efficient heating and cooling systems), water management and wastewater treatment, public lighting or infrastructure planning.<sup>17</sup>


### Cover all public bodies and report on their energy use:

 Quite disappointingly, according to the Commission's proposal, Member States would be allowed to select those public bodies that will be covered by the obligation. This flexibility risks jeopardising the impact of this article and the energy savings that it can contribute to deliver. To maximise savings in the public sector, **all public bodies should be covered**, mirroring the scope of Article 6.

### Support local authorities to deliver savings:

 **Member States should support regional and local authorities to plan and act on a progressive reduction of their energy use**, to fulfill their exemplary role. Adequate financial and technical assistance must be provided to local authorities, and dedicated support to hire and train staff in local administrations. In that effort, energy agencies are key supporting actors; they can also act as one-stop shops for local entities, including by helping with the development and implementation of local decarbonisation plans.

### Stronger data collection:

 Finally, **appropriate and reliable data collection** of the energy used by public bodies is a necessary prerequisite to decide where to prioritise action, as well as to calculate the 1.7% target and report on its achievement.

As a summary, to improve the provisions of Article 5 on the public sector, the Coalition recommends to:


- Support the new obligation for public bodies to reduce their final energy consumption by 1.7% each year and ensure that all public bodies are covered, not just a selection (Article 5.2).
- Provide technical and financial support to local authorities to help them achieve their objectives.
- Set up a public bodies' data collection platform for Member States to report on the achievement of the 1,7% target (Article 5).

## Article 6: Efficient public buildings to kick-start the Renovation Wave

The [Renovation Wave](#) strategy, published in October 2020, underlines that public buildings should lead the energy transition by aiming for the highest possible level of energy performance. In that context, the EED recast proposal strengthens the current provisions to renovate public buildings.


Additionally, the [recast EPBD proposal](#) published at the end of 2021, reinforces the European legislative framework for buildings with the aim of achieving a zero-emission and fully decarbonized buildings stock by 2050. **The EED and the EPBD must be mutually supportive and reinforce each other.** In that sense, the interlinked provisions must be well aligned to ensure full consistency, as for example the proposed EPBD Article 7, which would require that all new buildings occupied or owned by public authorities are zero-emission buildings by the 1st of January 2027.

### Covering more public buildings:

 The proposal to recast Article 6 positively extends the scope of the obligation to renovate 3% of floor area per year to all public buildings owned by public bodies,<sup>18</sup> not just those owned and occupied by central governments, which are just a small portion of the public buildings stock.<sup>19</sup>

However, the recast Article 6 leaves out from the renovation obligation those buildings that are occupied, but not owned, by public bodies. Improved performance of buildings in the rental sector could, however, be encouraged by the new obligation for public bodies to achieve a reduction of 1.7% of final energy consumption annually (EED recast Article 5). More importantly, to ensure that public bodies only rent the best performing buildings in the market, the public procurement rules in EED recast Article 7 should be further strengthened and better aligned by requiring **that contracting authorities only make new rental agreements for buildings that are nearly-zero energy buildings** (NZEB) in line with the current EPBD Article 9, and with the standard for new buildings of the recast EPBD Article 7 once it enters into force.<sup>20</sup>


### Renovations at NZEB level to deliver higher savings:

 The recast proposal moves away from the obligation to renovate buildings to minimum energy performance requirements only, as it is currently the case, to require all renovations of public bodies' buildings to achieve NZEB standards. This is positive as it requires reaching a higher level of performance; to ensure that the EED and EPBD are well aligned, this requirement should be made consistent with the standard for new buildings following the legislative process to recast the EPBD.




In addition, the article should address the building energy use in the operational phase and ensure that energy savings achieved are maintained over time through effective operation and maintenance of energy installations.

### Energy renovations as the first choice:


 The new recast provision deletes the possibility of fulfilling the obligation with alternative measures, such as selling buildings or rolling-out information campaigns. This is very positive as such measures, by design, do not lead to energy renovations and fail to deliver multiple and long-term benefits for occupants and society. Those alternative measures are nonetheless still legitimate, especially as additional activities complementing renovations, and can contribute to achieving the new target for the public sector under Article 5.

However, the new article still leaves the possibility, in exceptional cases, for Member States to count towards the target new buildings that have been acquired to replace a demolished one, as long as this is deemed more cost-effective and sustainable in terms of energy and CO<sub>2</sub> emissions over the lifecycle. Different methodologies between Member States to calculate lifecycle energy and CO<sub>2</sub> emissions, as well as a lack of common understanding of what can be considered an “exceptional case”, risk leaving too much leeway and allowing countries to avoid the renovation requirement.

### Better data on public buildings:

 The recast article extends the requirement to establish and make publicly available an inventory of public bodies' heated and/or cooled buildings larger than 250 square meters; the inventory should include information on their floor area and energy performance certificate (EPC).<sup>21</sup> Information **on measured energy savings resulting from the renovation of public buildings** should also be included and made publicly available in the inventory, which should be linked to the national EPC databases. This would also facilitate better monitoring and assessment of the contribution of Article 6 against the 2030 energy efficiency target.

### Provide the right tools to support public authorities in the renovation process:


 With the extension of the renovation obligation to all public buildings, local and regional authorities will need additional support and assistance. In that effort, **energy communities** can help municipalities by mobilising private financing and expertise locally. Additionally, **energy performance contracting** (EnPC) should be supported as a key vehicle to help public authorities finance renovation works, in line with EED recast Article 27, which requires Member States to encourage public bodies to use EnPCs for renovations of large buildings.

As a summary, to improve the provisions of Article 6 on the renovation of public buildings, the Coalition recommends to:

- Support the extension of the scope to buildings owned by public bodies and the requirement to renovate to NZEB levels (Article 6.1); require that new rental agreements have to achieve NZEB levels (Annex IV, letter f).
- Ensure alignment with the parallel revision of the EPBD with regards to the level of ambition of the renovation of public buildings.
- Support the deletion of the alternative approach and ensure that the exemption of buying a new building in case of demolition does not dilute the renovation requirement (Article 6.2).
- Include measured energy savings resulting from the renovation of public buildings in the information of the publicly available inventory (Article 6.3)


## *Article 8: An energy savings obligation aligned with higher 2030 ambition and supporting the most vulnerable*

### **Increase annual energy savings:**

 The Commission suggests increasing the current annual energy saving objective from 0.8% to 1.5% as of 2024 to match the ambition of the proposed 36% energy efficiency target. A comparable level of ambition was already proposed by the Commission in its first 2012 EED proposal, at a time when the EU had neither 2030 climate and energy targets, nor a binding climate neutrality objective. To account for the need to speed up energy savings and the associated cut in emissions, **the Coalition recommends increasing the annual rate to 2% from 2024 onwards**. This level of ambition supports the achievement of a higher EU target allowing Member States to increase efforts on the basis of a well-established and flexible tool, which must continue to be the central instrument to deliver the energy efficiency target. Finally, the Commission also rightly introduces a mechanism to ensure full delivery of the energy savings: if a Member State does not achieve the required cumulative energy savings over the obligation period, it will need to deliver them in the following period on top of the expected ones.

In addition, energy efficiency has the potential to contribute to a structural answer to Europe's energy price crises, that will be recurring unless long-term comprehensive solutions are implemented. In that sense, measures reported under Article 8 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 behavior.

### **Contribute to a just transition for the most vulnerable:**


 To support an energy transition that is fair and attractive to all, the EED recast proposal has been designed to alleviate energy poverty and counterbalance possible

negative impacts on the most vulnerable from other policies of the Fit for 55 package. To do so, the proposal requires that a minimum share of savings is achieved among people affected by energy poverty, vulnerable customers, and people living in social housing. **However, we recommend enlarging the list to low-income households more broadly.** This is a category that can be more easily defined as Member States that do not have a definition of energy poverty may have a definition of low-income, and proxies for identifying low-income households – like access to income-based social benefits – are more readily available than proxies for energy poverty.


According to the recast proposal, the share of savings shall equal the proportion of households in energy poverty, as reported by Member States in their NECPs or the average of three Eurostat indicators, if a country has not defined a share in its NECP. **This provision should be safeguarded in the negotiations** as one of the relatively few firm measures in the Fit for 55 package that will guarantee energy savings directly benefit energy-poor households.

However, in many cases, NECPs do not include a percentage of households in energy poverty or provide multiple indicators, [as shown by a recent study](#).<sup>22</sup> Therefore, in their current state, the NECPs do not provide the necessary information to allow assessment of the magnitude of this earmarking of savings. Furthermore, any risk that Member States underestimate the share of households in energy poverty in the upcoming revision of NECPs, and therefore reduce the Article 8 ringfencing, should be prevented. All in all, to be effective, the application of this provision will require enhanced monitoring of savings and the correct identification of the most vulnerable to ensure those most in need can benefit from the efficiency measures.


## **Support energy communities to deliver the benefits of energy efficiency to all:**


 We also note and welcome that the recast proposal recognises the role of renewable energy communities (RECs) and citizen energy communities (CECs) in delivering energy savings amongst vulnerable consumers under Article 8. However, the Commission's proposed text does not fully capture the role energy communities can play in helping citizens to understand their energy consumption patterns and therefore systematically reduce their energy use. For this reason, the role that RECs and CECs can play at large in helping Member States' deliver on their annual end-use objective must be strengthened, **particularly by not limiting their role to delivery of savings among the most vulnerable, but, more broadly, to all citizens.** Specifically, RECs could be designated as a priority target for obligated parties.

## **Preserve clear rules on eligibility of savings:**


 The recast Annex V clarifies rules in relation to the eligibility of savings to facilitate national implementation and avoid confusion on what savings can be reported under the energy savings obligation. It confirms that energy savings resulting from energy efficiency improvements to reduce the energy consumption of the public sector (Article 5) and from

the renovations of buildings owned by public bodies (Article 6) can count towards the annual objective, as long as they result in measurable and verifiable savings. This facilitates Member States in achieving their Article 8 objective, also considering the possibility to finance energy efficiency measures in the public sector through the resources of the Recovery and Resilience Facility.

 In line with the current implementation of the energy savings obligation, the recast Annex V also clarifies that the energy savings that would happen in any case as a result of the reduction of energy use driven from the EU ETS, including the envisaged new ETS for buildings and transport, cannot be counted for the purpose of the annual objective. **This clarification reinforces the idea that energy efficiency measures and carbon pricing mechanisms are complementary.** As such, this is not a novelty as it stems from the requirement that energy savings can only be counted when they result from a measure implemented to specifically achieve the objective set out in Article 8.

 The Coalition also supports the Commission's proposal to exclude from Article 8 the energy savings resulting from the direct combustion of fossil fuels.


### Improving the monitoring and verification framework:

 Measures carried out under Article 8 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. We note that monitoring, reporting, and verification rules of energy savings have been strengthened in the recast proposal. However, **the national processes proposed 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.

As a summary, to improve the provisions of Article 8, the Coalition recommends to:

- Increase the annual rate of Article 8 to 2% from 2024 onwards and promote measures providing long-term savings (Article 8.1).
- Safeguard earmarking of savings to address energy poverty, include low-income households in the ringfence's scope, and ensure that Member States do not report a lower share of people in energy poverty in the upcoming update of the NECPs compared to the average of the three indicators (Article 8.3).
- Clarify that RECs and CECs can provide energy savings for all citizens, not just the most vulnerable, and can therefore contribute to the delivery of Article 8's objectives.
- Complement the national monitoring, reporting and verification processes by a public periodic assessment of national programmes and savings from an independent entity (Article 8.11 and Annex V).

## *Article 11: Grasping the energy saving potential in the private sector*

 In order to identify the most cost-effective energy savings potentials, the recast Article 11 proposes to focus on the energy consumption of a company independently from its size to trigger actions in the private sector. According to the EED Impact assessment, this approach should lead to proportionately higher energy savings while limiting the burden for companies with more limited energy use. To that end, the new proposed article positively identifies energy management systems as the tool that enterprises with large energy consumption (above 100TJ) must put in place to save energy during their operations. For enterprises with a lower consumption (above 10TJ), carrying out an energy audit remains compulsory unless they choose to put in place an energy management system.

However, there is still no obligation for the recommendations of those energy audits to be implemented. The recast solely reinforces awareness by requiring that the audits' results and their recommendations are transmitted to the management of the enterprise. To ensure that savings are actually delivered, **Article 11 should mandate the implementation of energy efficiency measures resulting from the audit**, including through concrete and duly executed plans, starting with measures that provide high energy savings while having a shorter payback time, for example, less than 5 years.

As a summary, to deliver substantial savings in the private sector, the Coalition recommends to:

- Support the Commission proposal of making energy management systems the default approach for companies with high energy consumption (Article 11.1)
- Mandate the implementation of recommendations resulting from the energy audit, starting with those with a shorter payback time, for example, less than 5 years (Article 11.2).

## Endnotes

1. IEA, Energy Efficiency 2020 report.
2. See BPIE's study for the Renovate Europe Campaign: "Building Renovation: a kick-starter for the EU economy."
3. European Parliamentary Research Service, "EU energy system transformation: The Cost of Non-Europe", October 2021.
4. Cambridge Econometrics study: "The Renovation Wave can cut EU gas imports and reduce consumer bills", October 2021.
5. The energy efficiency target is expressed as a reduction of energy use compared to business as usual projections of energy use made with the EU energy model called PRIMES. For the current 32,5% energy efficiency target, the reference scenario is PRIMES 2007 while the EED recast proposal sets the new 2030 target based on an up-to-date 2020 scenario (PRIMES 2020).
6. Fraunhofer ISI & Stefan Scheuer (2021): Will the Fit for 55 package deliver on energy efficiency targets? A high-level assessment.
7. The cost-effective energy saving potential estimates the level of energy saving that would occur if all cost-effective processes, equipment and related infrastructure are implemented.
8. See table 4 of Fraunhofer ISI & Stefan Scheuer (2021). The cost effective economic potential is at 16,9% for final energy and 17,5% for primary energy, which corresponds to 718 Mtoes and 928 Mtoes respectively.
9. The four criteria for the Member States are: a flat rate contribution based on the level of the EU target; GDP-per-capita; energy intensity and its cost-effective energy savings potential.
10. According to the test run of the formula carried out in the study from Fraunhofer ISI & Stefan Scheuer (2021), the proposed four criteria and their weight lead to a correction factor that is equal to 1 and that therefore would not affect the level of Member States contributions.
11. Article 4, paragraph 2 point (e) highlights that other national circumstances affecting energy consumption, as the developments in a country's energy mix and the deployment of new sustainable fuels, shall be taken into account to set national contributions. Those criteria could be used to justify an adjustment of a Member State national contributions compared to the result of the formula (see as well Fraunhofer ISI & Stefan Scheuer 2021 assessment).
12. See for example the REFEREE project funded by Horizon 2020 (<https://refereetool.eu/>).
13. Paragraph 6 of the Recommendations reads: "If there is no system in place ensuring application of the principle, the relevant national regulatory authority shall develop, provide and promote the application of a cost-benefit assessment methodology that would allow estimating energy savings co-benefits[...]. The methodology should be adapted and applicable to energy related sectors, in particular energy generation, transformation, transmission and distribution (in line with Article 15 of the EED), and energy using sectors, such as buildings, industry, transport, Information and Communications Technology (ICT) services and agriculture. The assessment should take into account the future impacts of climate change on the energy system, including on the energy efficiency solutions themselves. The methodology shall be made public and available to all relevant entities."
14. See SWD(2021) P 17, section 2.2.2.
15. Article 2 of the EED recast defines 'public bodies' as 'contracting authorities' as defined in Directive 2014/24/EU2004/18/EC of the European Parliament and of the Council.
16. This reduction is compared to the previous two years before the entry into force of the EED recast.
17. See EED recast Recital 28.
18. Article 2 of the EED recast defines 'public bodies' as 'contracting authorities' as defined in Directive 2014/24/EU2004/18/EC of the European Parliament and of the Council.
19. According to the Impact Assessment of the EED recast, central government buildings represent less than a quarter of all government buildings, possibly only a tenth. (SWD(2021) 623 final, PART 1/2 page 39).
20. The Commission in the Article 7 of its EPBD recast proposal suggests that all new buildings must be zero-emissions by 1st January 2030, with an earlier compliance (1st January 2027) for buildings occupied or owned by public authorities.
21. This requirement is consistent with the new Article 19 of the EPBD recast which requires Member States to set up a national database for the energy performance of their national building stock, transmitted once a year to the Building Stock Observatory. The directives should be aligned by ensuring the information on public bodies' buildings required under EED Article 6 are integrated under this yearly report.
22. Sunderland and Thomas, The Energy Efficiency Directive Energy Savings Obligation and Energy Poverty Alleviation.



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

