

ENERGY SAVINGS: THE FOUNDATION OF A CLEAN, AFFORDABLE AND SECURE EU

Priorities for the next EU institutions

The current EU institutions will be remembered for setting into motion and adopting a major overhaul of the European climate, energy, and environmental legislation, launched under the European Green Deal. The next EU institutions will have to turn legislation into reality and ensure it delivers for European citizens, in particular for the most vulnerable, for energy security and for competitiveness. This is not a minor task. Making the clean energy transition happen for the EU is more important and challenging than envisioning it.

The last years have shown that to mitigate climate change, improve EU energy independence and make the transition more socially inclusive and affordable for citizens, businesses and cooperatives, saving energy must be accelerated and prioritised. The new EU institutions must pursue this path and set **energy savings as the foundation of a renewables-based, affordable, secure and competitive energy system that is fit for future challenges.**

The role of energy savings as a crucial enabler to decarbonise our energy consumption and achieving climate neutrality must be unleashed as soon as possible, in coherence with the Energy Efficiency First principle. In this context, the **Coalition for Energy Savings believes that the five priorities below deserve the greatest attention of the next EU institutions.**

- 1 Deliver the 2030 energy efficiency target as a priority
- 2 Make energy efficiency and sufficiency the key pillars of a flexible & renewables-based energy system
- 3 Put energy efficiency at the core of EU industrial policies
- 4 Provide the necessary financing and funding for energy savings actions
- 5 Recognise energy savings as a tool in decision-making across policies

1. Deliver the 2030 energy efficiency target as a priority

The revised Energy Efficiency Directive (EED)¹ is a key pillar of the Fit for 55 package: it ensures that energy can be saved across the EU and that the clean transition happens at lower costs for all. The 2023 EED, with its increased 2030 EU energy efficiency target and stronger supporting energy savings measures, is essential to achieve the EU 2030 greenhouse gas (GHG) emissions goal and put the EU on track towards climate neutrality, while leaving no one behind.

Achieving the target will require that the whole EU energy efficiency framework, particularly the Energy Performance of Buildings Directive and Ecodesign and Energy Labelling regulations, becomes a priority for implementation and delivery. To make this happen, there must be a substantial acceleration of the uptake of energy efficiency measures, mobilisation of investments at the national, regional and local levels, support and tailored advice to all actors, including citizens, energy communities, local authorities, energy agencies and the private sector.

We recommend the next EU institutions to:

- Enable the European Commission to truly implement and enforce EU energy efficiency policies by increasing resources and staff. The creation of a Directorate within DG Energy dedicated to energy savings would create the necessary capacity for greater scrutiny and attention to energy efficiency and energy sufficiency.
- Create an EU energy savings agency as one of the EU's decentralised agencies, responsible for monitoring, supporting and accelerating the implementation of energy demand reduction policies, including by facilitating the flow of financing, promoting best practices, and helping to track energy efficiency progress (complementing the work of the European Environment Agency).
- Capitalise on the energy saving behaviours and measures put in place as a reaction to the war in Ukraine and the high energy prices by setting the enabling conditions and policies to make these actions long-lasting and structural.

2. Make energy efficiency and sufficiency the key pillars of a flexible, renewables-based and affordable energy system

The decisions taken by the next EU institutions will shape the European energy system for decades to come. The SER Framework (Sufficiency, Efficiency, Renewables), as featured in the IPCC AR6 Report², should guide the EU energy transition. Applying the SER Framework in the coming five years is the surest way of cutting EU energy demand and enabling a faster transition towards a more flexible, renewables-based, and fair energy system.

In that context, the next EU institutions will be called to legislate on the 2040 climate target; any future climate target must be supported by energy efficiency and renewable objectives, building on the successes of the 2020 and 2030 frameworks. Setting a 2040 target would also be a driver for putting long-term measures in place now that contribute to both the 2030 and 2040 goals and lessen the effort for the next decade, giving certainty and predictability to all actors.

1. For a detailed explanation of the provisions of the new 2023 Energy Efficiency Directive, please consult the Coalition for Energy Savings' [briefing](#).

2. [IPCC WG III, Climate Change 2022, Mitigation of Climate Change, full report, 2022.](#)

We recommend the next EU institutions to:

- Maintain the current architecture of the trio target (GHG emissions, energy efficiency and renewables targets) for 2040, with an intermediate objective in 2035 to ensure incremental progress.
- Recognise the role of energy sufficiency in delivering energy savings, notably by setting a definition of energy sufficiency at the EU level to ensure a common understanding of the concept.
- Fully consider energy savings and energy efficiency as resources for the energy system, including by adequately reflecting their value in the modelling of energy system. For example, the role of energy savings in reducing peak demand and therefore the total cost of the energy system and the cost of each kWh.

3. Put energy efficiency at the core of EU industrial policy

The European Green Deal and the EU industrial strategy set the way for European industries to be leaders in competitiveness and innovation, while reducing their footprint and transitioning towards climate neutrality. Energy efficiency industries have a vital role in that respect as their products are a prerequisite for the energy transition to materialise; energy efficiency solutions and technologies allow European companies, from the smallest to the largest, to reduce their energy use and therefore their costs, ensuring they remain resilient to fluctuating energy prices. For this reason, energy efficiency industries must be recognised as a strategic asset in EU industrial policy and helped to thrive by removing market barriers, ensuring a level-playing field, addressing skills' bottlenecks, and facilitating investment.

We recommend the next EU institutions to:

- Recognise energy efficiency industries as a critical sector of the EU industrial ecosystem, since they represent both a home-grown industry and allow other industries to reduce costs and remain competitive.
- Address the bottleneck of skills in the energy efficiency sector with, for example, the creation of an "energy efficiency skills academy".
- Set an appropriate framework to recover the currently unexploited potential of waste heat of industrial and commercial activities.

4. Provide the necessary financing and funding for energy savings actions

The next EU institutions will have to adopt the EU Multiannual Financial Framework (MFF) for 2028-2035. The new MFF is the occasion to ensure EU funding fully supports a clean, affordable, and citizen-oriented energy transition with energy savings at its core. In particular, the MFF should reward compliance with EU objectives and legislation and support key sectors that can crucially contribute to GHG emissions reduction while improving Europeans' living conditions, such as the building sector. Financing must also be made easy to access for all actors, well-targeted towards those that need it the most, and be linked to the delivery of substantial and long-lasting energy savings.

We recommend the next EU institutions to:

- Earmark a certain percentage of the next EU MFF for energy savings actions and set clear conditionalities to disburse funds linked to the achievement of EU energy efficiency objectives and correct implementation of EU energy savings measures.
- Create a dedicated EU financial facility for building renovations, including citizen-led renovations, which can complement national schemes. This would help reaching a 3% deep renovations rate, including through a staged approach with limited steps.
- Introduce measures to halt fossil fuel subsidies and progressively redirect those towards demand-side measures.
- Rethink and simplify financing and administrative mechanisms to make them more result oriented and linked to the energy performance achieved and maintained, coupled with more capacity building and technical assistance for public authorities to ensure they can absorb funds.
- Set direct and tailored financing lines prioritizing vulnerable consumers and organisations with limited capacities in the uptake of energy efficiency measures.

5. Recognise energy savings as a tool in decision-making across policies

Energy efficiency brings multiple benefits to citizens and the society as a whole, including reduced emissions, greater energy security, lower bills and better health and environment. However, policymakers at the EU, national and local levels tend to confine energy efficiency measures in the toolbox of climate and energy policies only. This silo approach fails to capture the full benefits of energy efficiency measures across sectors, such as in the health, economy, employment, environment or water management portfolios.

Adopting a cross-sectoral policy approach can enable and enhance the collaboration of various ministries, civil servants and experts to consider energy savings in a more holistic manner. Such a horizontal perspective would also greatly increase the intellectual, technical and financial resources available and grow the evidence of the multiple benefits of energy efficiency in all relevant policies. This will help position energy savings as a mainstream policy tool to also address broader social challenges.

We recommend the next EU institutions to:

- Reflect the positive impacts of energy savings across all relevant EU, national and local policies, including, but not limited to, social, health, environment, water, fiscal and defence policies.
- Raise awareness about the multiple benefits of energy efficiency and energy sufficiency for the EU society as a way to incentivise rapid and cross-sectoral actions at all decision-making levels.
- Introduce EU funded tools that can help national and regional planning authorities, energy agencies and municipalities to better integrate energy efficiency in local planning exercises across sectors.

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.



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