



EFIEES' Key Messages in view of EED and RED trilogues in June

Background

EFIEES, the European Federation of Intelligent Energy Efficiency Services, representing the interests of Energy Service Companies (ESCOs) across Europe, including district heating/cooling operators in several EU Member States, supports the consistent implementation of the '**Energy Efficiency First**' principle across all the elements of the '**Clean Energy for All Europeans**' Package in line with the following guiding principles:

- Efforts towards increased energy efficiency and more renewable energy should be subject to obligations with the same nature – **both targets should thus be binding at the EU level**;
- Full consideration of the role and potential of **energy efficiency services** and energy-efficient solutions, such as **energy performance contracting**, in delivering the required levels of energy savings;
- **Equal treatment of renewable energy sources**, whether produced on-site or supplied through a carrier;
- **A territorial/district approach**, rather than an individual building's approach, should be introduced.

EFIEES' main messages ahead of next trilogues

Energy Efficiency Directive

Regarding the EED, EFIEES calls especially for:

- **The introduction of a binding energy efficiency target**, to send a clear message to investors and ensure the 'energy efficiency first' principle is pursued, while keeping the right balance between support for renewables and energy efficiency. The latter is indeed a pre-requisite for the former: reduction of consumption and improvements along the whole energy efficiency chain will help reducing the use of fossil fuels, thus facilitating the progressive decarbonisation of our energy systems.

- **A strong article 7, based on keeping the 1.5% annual energy savings obligation until 2030** and flexibilities under Article 7.2 limited to measures effectively enhancing energy efficiency, at both supply-side and end-use level. In line with this, on-site production of renewables shall not be considered as energy saved within the scope of Article 7 and thus be promoted through other means.
- **A primary energy factor (PEF) for electricity reflecting the reality of Member States' current energy mix.** In this respect, the 2.3 value proposed by the European Parliament results more appropriate and closer to the present reality than the 2.0 value initially put forward by the Commission. The latter is derived, indeed, from a methodology which does not allow for a fair comparison between all fuels, not taking into consideration essential aspects such as upstream energy losses, a proper geographical resolution as well as seasonal aspects, which play a key role, for instance, for the purposes the assessment and comparison between different heating solutions. This [joint-briefing paper](#) explains why a 2.3 PEF should be preferred for the EED, while a proper assessment of the value is required for other sectoral pieces of legislation.

Renewable Energy Sources Directive

Regarding the RED, EFIEES advocates for a full recognition of the role and huge potential of Heating & Cooling and District Heating/Cooling in mainstreaming renewables, while improving the overall efficiency of the energy system. Therefore, EFIEES calls for:

- **An active contribution of the Heating & Cooling sector to the overall renewables' target, with the possibility for waste heat/cold to play an active role** in this regard, with a twofold advantage: enhancing the efficiency of the system while, at the same time, reducing the utilisation of additional fossil fuels, thus making it easier to meet the required level of energy from renewables. **Setting a too low cap for waste heat contribution in the sub-target for H&C would thus be in open contradiction with the objectives set in the EED.**
- **The further modernisation and greening of District Heating/Cooling systems, to be promoted in Article 24 by providing existing networks with the necessary conditions and time** to put in place the required investments in order to become efficient, and thus a real vector for the effective deployment of renewables.
This shall be kept in mind with regards to both the possibility to terminate the contract with DHN operators as well as for technical and economic provisions allowing for Third Party Access to existing networks.

About EFIEES

The purpose of the *European Federation of Intelligent Energy Efficiency Services* is to promote the activities of Energy Efficiency Services Companies in the European Union. Our companies design and implement practical measures to improve the energy efficiency of their customers by means of long-term contracts. Their objective is to optimise the energy management of end-users.