



EFIEES' Feedback to the Roadmap on the 2030 Climate Target Plan

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EFIEES, the European Federation of Intelligent Energy Efficiency Services, represents energy service companies (ESCOs) and their national associations in 12 Member States. They represent over 130.000 professionals engaged in the design and implementation of energy-efficiency solutions in buildings and industry. In some countries, they also operate district heating & cooling networks.

Following the launch of the Green Deal in 2019 and the Climate Law proposal in March 2020, **we welcome the Commission's Roadmap on the 2030 Climate Target Plan.**

The challenge of increasing the pace of the energy transition to secure the 2050 objective will be even greater, at a time when national authorities are struggling to address the critical economic consequences of Covid-19. It is hence of utmost importance **to set a solid and ambitious target for 2030**, accompanied by the most appropriate measures and instruments, in line with the principles of competitiveness and affordability, also at the heart of our green growth strategy, the Green Deal.

As this approach will be even more relevant in today's context, we would like to make the following recommendations:

- The 2030 Climate Target Plan should ensure the Green Deal is a real engine for growth. **Support schemes should focus on measures that contribute to developing green and economically sustainable activities, generate local employment and are the most efficient in terms of public funds allocation, to be leveraged through additional private investment.** Hence, criteria like invested euro/ton of avoided CO2 and amount of energy savings are especially relevant.
- **Energy Efficiency First must remain the guiding principle to reach the new 2030 target.** It should therefore be precisely defined, modeled and streamlined in all EU policies contributing to CO2 abatement.
- **Energy efficiency services (EES) offer a sound answer to climate change.** Solutions like **Energy Performance Contracts (EPCs)** secure the energy savings on which investments are decided through a contractual performance commitment, backed by proactive energy management. They offer the possibility to mobilise financing covered by the generated savings and their typical return on investment allows to strongly reduce the need for public subsidies.

In light of their environmental and economic profitability, EES and EPCs should be prioritised (in both industry and buildings) and renovation strategies should consider a staged process, where the generated long term savings serves as support for further investments.

Furthermore, EES create solid value chains and highly qualified local jobs. A positive regulatory environment should thus be created and secured, also via a proper energy taxation that recognises the hidden cost of carbon content in energy products and fuels, to make energy efficiency projects more attractive.

Full consideration of circular economy solutions should also be ensured, specifically by making the best use of the untapped potential of waste heat. In this regard, district energy networks are already an ideal vector for both aggregating energy demand and reducing emissions, using local sources, such as bioenergy and waste heat. Future policies should make the best use of this infrastructure and support its transition to a carbon neutral local solution.

- The planned EED and RED revision will be key to achieve the new 2030 target. By the same token, the new MFF, the Taxonomy and green finance initiative will be essential in channeling available funding towards necessary investments in the field of energy efficiency – with a caveat on some needed improvements on EES, to take into full account any action resulting in concrete and demonstrable energy savings.
- In order to find a successful way forward in a dramatically altered economic situation, the EU legislative calendar and current consultation initiatives should make room for enabling all stakeholders to voice their concerns and attempt to find consensus on pathways to adopt.

*Overall, we believe that the following **five key priorities**, listed in our **Manifesto** for the present legislature, should help build the basis for a revised 2030 climate target policy:*

1) putting Energy Efficiency First;

2) establishing an appropriate policy for the decarbonisation of the heating and cooling sector, duly considering and enhancing the potentials of thermal solutions;

3) ensuring an adequate combination between energy efficiency and renewable energy measures, as well as related support schemes;

4) acknowledging the role of EES and solutions like EPCs, to be further promoted and supported;

5) adopting a district approach to energy planning and energy efficiency to enable the energy transition.