



EFIEES' feedback to EED Review Roadmap

September 2020

EFIEES 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.

Last year, EFIEES welcomed the European Green Deal and, more recently, it joined the call for a green economic recovery post-Covid 19. **Paving the way for the recovery, while ensuring the EU policy framework is adequate to meet the climate neutrality challenge, not only requires an enforcement and, where relevant, a review of existing legislation, but also greater consistency between key policies, such as the EED, RED, ETD and State Aids.**

If the EU really commits to step up its ambition for emissions reduction in 2030 to at least to 55%, more efforts on energy efficiency, both in primary and final energy consumption, are urgently needed and a proper implementation of existing legislation must be prioritised. Should this imply a revision of the EED, we would like to preliminarily recommend the following:

- **Energy Efficiency First, along the whole energy chain, should be the guiding principle**

A revised EED should primarily integrate the **Energy Efficiency First principle**, as defined in the Governance Regulation, requiring to **prioritise energy efficiency actions along the whole energy chain**. This principle did not exist back in 2012 and should thus find its place in the EED reflecting the current definition, as **both supply and demand-side measures are essential to make energy consumption efficient**.

- **Energy efficiency targets should be binding**

Unlike the renewables' target in the RED, also revised in 2018, the EU energy efficiency target is not binding. Moreover, the RED foresees a clear formula for calculating national contributions by Member States and a gap-filler mechanism is envisaged in case of insufficient progress. There is no similar approach to energy efficiency. **This can weaken even further the fragile progress in energy consumption reduction. It can also result in unbalanced efforts by Member States to achieve renewables and energy efficiency targets, which instead, should be mutually reinforcing. That is why the EU energy efficiency target, and national targets as well, should primarily be made binding.**



Energy management solutions, such as those offered by energy efficiency services (EES), are an essential tool to optimise energy consumption, and thus reduce CO2 emissions, in both buildings and industrial facilities. The current EED already promotes EES, notably in Article 18. However, many provisions just call on Member States to encourage the development of the EES market, without requiring the enforcement of mandatory measures.

Moreover, the role of energy management should be better and further promoted across different parts of the Directive, including:

- **Article 5** on public buildings, where the 3% annual renovation obligation should be expanded and complemented by the requirement to follow and effectively manage energy consumption. This would ensure that buildings are not only refurbished, but that their energy is used properly over time.
- **Article 8** on energy audits, which should lead to implement actions, and prioritise solutions that not only encompass the equivalent effect of an audit, but are also based on an energy performance criterion and comprise concrete actions to improve energy consumption.
- **Potential new provisions to address tertiary buildings, including for example specific performance targets or energy management requirements for large non-residential buildings**, should also be implemented to ensure they fulfil an exemplary role and actively contribute to emissions reduction as well.

- **Foster energy efficiency in Heating & Cooling**

Solutions such as efficient district heating & cooling, highly efficient cogeneration and waste heat recovery, which facilitate energy system integration, should be further promoted and accompanied by the necessary support, in the EED and other pieces of legislation, to become key elements of any energy planning strategy at local level. The latter should indeed reflect the outcome of the comprehensive assessment of national heating and cooling potentials, to be conducted by Member States according to a revised Annex VIII.