



EFIEES' feedback to RED 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** communication, launching a new growth strategy for Europe and announcing the presentation of an impact assessed plan to increase the 2030 emissions reduction target, in view of achieving climate-neutrality by 2050. More recently, EFIEES joined the call for a **green economic recovery in the post-Covid 19**, which we hope will be duly reflected in the decisions on the next EU budget.

Paving the way for a robust green recovery, while ensuring that the EU policy framework is adequate to meet the challenge of climate neutrality, not only requires a clear enforcement and, where relevant, a review of existing legislation, but also greater consistency between the different pieces of legislation. This is particularly true for the RED and other Directives, such as the EED and ETD.

Should the higher climate ambition lead to an effective review of RED in 2021, we would like to make the two following recommendations:

- **Renewable Energy must be Efficient Energy too**

If we are to deliver on an increased ambition for 2030, we must ensure that the **development of energy efficiency (EE) and renewable energies (RES) goes hand in hand and that it is consistently promoted and supported, at the EU and Member States' level.**

In fact, EE improvements should be prioritised, even in the field of RES, in line with the **Energy Efficiency First principle**, as set out in the Governance Regulation. This overarching principle requires indeed to take into utmost consideration, in energy planning as well as in policy and investment decisions, cost-efficient measures that make both energy demand and supply more efficient. **This should be fully applied to the generation, distribution and consumption of all types of RES as well.**

In particular, **the optimisation of energy demand and of the energy performance of buildings and facilities through effective energy management should be actively promoted also with respect to RES installations.**

Solutions that are clearly based on an energy performance criterion, or that even guarantee a certain level of renewable energy supplied or a maximum CO2 level, should be explicitly supported within the Directive. **This would also ensure greater consistency with the EED and make EE and RES mutually enforcing.**

- **Decarbonising Heating & Cooling must be a priority**

While renewable electricity has been steadily developing over the past years, thanks also to considerable public support, renewable heating and cooling (H&C) is lagging behind. **Considering that H&C accounts for about 50% of the EU energy consumption, more efforts in this area are urgently required.**

Even if the REDII finally included a dedicated section on H&C, there is still a need for a greater focus on the decarbonisation of the sector.

Should the ambition on renewable energy be increased, it should notably be achieved through a higher annual target for renewable heat. This would allow for a greater deployment of renewable and recovered energies, such as waste heat and cold, and of virtuous supply solutions at local level, such as efficient district heating & cooling (DHC). A higher role of renewable gases (biomethane, green hydrogen) in heating and cooling should also be emphasized.

In particular, the existing articles should be complemented by new provisions to ensure that:

- a) the necessary economic support for the required investments is available;
- b) the envisaged financial support framework is clear and predictable;
- c) a favourable regulatory framework is created at different government levels to maximise the use of renewable and recovered energy sources;
- d) no discrimination between “on-site” and “off-site” solutions is made, in line with the current EPBD;
- e) the benefits of connecting to efficient DHC systems are fully recognised, where relevant.