

## **EFIEES welcomes the Commission's proposals to make the EU "Fit for 55"**

**EFIEES, the European Federation of Intelligent Energy Efficiency Services**, is the voice of private energy service companies (ESCOs) and their national associations in 12 EU Member States. Our members represent over 130.000 professionals committed to the design and implementation of energy efficiency measures in public and private buildings, industrial facilities, as well as to the efficient operation of district heating & cooling networks.

Following the launch of the European Green Deal in December 2019, the EU institutions have committed to raise the EU's climate ambitions, notably by enshrining in the Climate Law a 55% GHG emissions reduction target by 2030. If the COVID-19 crisis has made the challenge even more difficult, it has also emphasized the urgent need for the European Union to accelerate the pace of the energy transition. **EFIEES welcomes the publication of the first part of the "Fit for 55 package"**, which includes proposals for the revisions of the Energy Efficiency Directive (EED), the Renewable Energy Directive (RED), the EU Emissions Trading System (EU ETS), the Effort Sharing Regulation (ESR) and the Energy Taxation Directive (ETD). **Reviewing these key directives, will indeed allow to align EU's legislative framework with its new climate ambitions while supporting the Member States in their efforts towards climate neutrality.**

**We especially welcome the recognition of "Energy Efficiency First" as a guiding principle across the reviewed legislation.** To reach the Union's revised climate objectives, it is of utmost importance to further implement this principle along the whole energy chain, and more generally, to better tap the potential of energy efficiency measures, as a prerequisite to fuel switch and on any installations using renewable energy sources or not.

- In that sense, **raising the EU's 2030 energy efficiency target and making it binding** in the proposed revision of the EED tackles a significant shortcoming of the current legislative framework, while setting a coherent level of ambition with 2030 Climate Target Plan Impact Assessment.
- **A crucial aspect of this package is the increased support given to energy management solutions**, such as Energy Performance Contracts (EnPCs), which **are an essential tool to optimise energy consumption, and thus reduce CO2 emissions, in both buildings and industrial facilities.**

EFIEES also **welcomes the increased focus on decarbonising the heating and cooling sector.**

- **A higher annual target for renewable heat in the recast RED will allow for a greater deployment of renewables, including biomass as the main source of renewable heat, and recovered energies, such as waste heat and cold.** It will also support a better development of virtuous supply solutions at local level, such as **efficient district heating & cooling (DHC)**. In that sense, we welcome the greater importance given to the **district approach**, as well as the more ambitious yet progressive new definition of "efficient district heating and cooling systems" in the EED.
- **Carbon pricing for building sector, through its inclusion in a separated ETS, will also effectively support the decarbonisation of the heating and cooling sector.** A positive aspect of the Fit for 55 package relies on the attention paid to accompanying this carbon price by the proper regulatory framework, especially through adequate social instruments and through provisions in the revised ESR and ETD.