

# EFIEES' Views on the Revision of the Renewable Energies Directive

## Position Paper

February 2020

**EFIEES**, the European Federation of Intelligent Energy Efficiency Services, welcomes the upcoming revision of the Renewable Energies Directive (RED) and is ready to engage and to further contribute, through its sectoral expertise, to make the reviewed Directive fit for the new 2030 climate ambition and for climate neutrality.

**We believe that the revision of the RED should be an occasion to further foster the role of available solutions for the decarbonisation of the heating & cooling sector, and to focus more on the potential for emissions' reduction offered by effective energy management.**

**Energy services and their energy management solutions**, such as Energy Performance Contracts, which are already key instruments widely acknowledged in the EED, should be better recognised and promoted within the revised RED as well. Besides providing for actual and long-term energy efficiency improvements, their solutions, comprising also waste heat & cold recovery and renewable energy supply, can clearly contribute the achievement of the objectives of the Renewables' Directive, allowing for a more efficient use of renewables as well. Moreover, they can ensure that solutions for green energy supply are combined with a set of energy efficiency actions over time, thus ensuring an integrated and coherent approach to the two sides of the coin of decarbonisation.

Considering this, we take the chance to summarise our main **messages and suggestions for an effective RED review**, as also reflected in our answers to the ongoing public consultation:

- **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 they are consistently promoted and supported, both 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 to take into utmost consideration, in energy planning as well as in policy and in investment decisions, cost-effective measures that make both energy demand and supply more efficient. **This should be fully integrated in the revised RED and be 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 industrial facilities through effective energy management should, as already stated, be actively promoted also within the RED and even 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 CO<sub>2</sub> level, should be explicitly supported within the Directive. **This would 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 also be achieved through a **higher annual target for renewable H&C**. Whilst this target should ideally become **binding**, this ambition should be adapted depending on the potential and on the progress already achieved by Member States. Besides, we believe that Member States should have **flexibility in determining the most appropriate options and strategies to deliver on it and be able to make full use of already available solutions, also enhancing overall system efficiency and circularity, such as waste heat and cold recovery**. Moreover, a greater focus on H&C should go hand in hand with the **promotion of virtuous energy supply alternatives, such as efficient district heating & cooling (DHC)**, that should be more systematically considered and be prioritised, whenever relevant, in local energy planning.

To ensure an effective decarbonisation of the H&C sector and a smart energy system integration, it is indeed crucial to foster **integrated energy planning at local level** and to link it to the outcomes of the comprehensive assessment of efficient H&C, to be conducted under **Annex VIII to Art. 14 EED**. **National Long-term Building Renovation Strategies under the EPBD should also be coherent with this assessment and fully consider the territorial potential for efficient and renewable H&C, as well as for waste heat & cold.**

Finally, while we believe that the general architecture of Art. 23 and 24 of REDII should be maintained, **the additional decarbonisation efforts needed will require a stable, predictable, and adequate economic support framework, and will need to eliminate any possible discrimination between “on-site” and “off-site” renewable energy solutions**, in line with current EPBD provisions.

- **Bioenergy should keep on playing a key role in decarbonisation**

The recently revised RED provides a detailed framework for the sustainability of bioenergy. **While we agree on the importance of having stringent sustainability criteria for biomass, we think that the implementation of the criteria newly introduced in 2018 should first be evaluated, before introducing any new and possibly stricter requirement**. Moreover, the achievement of the RES targets, including the one for H&C, requires a predictable and stable regulatory framework. **That is why, when it comes to bioenergy, the primary focus should be on the implementation of the existing rules, to ensure that biomass meets high environmental standards, while new projects can be developed with the necessary regulatory stability.**