

DRAFT UPDATED NECPS: EFIEES calls for an increased role of energy management solutions

[EFIEES](#) is the voice of private energy service companies (ESCOs) and their national associations across Europe. Our members represent over 100.000 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. We closely follow the NECPs update with regards to a key question: will they ensure that Member States to achieve the objectives of the revised Energy Efficiency Directive (EED)?

★ Commission's assessment revealed insufficient measures and projected results on Energy Efficiency

In December 2023, the European Commission released a [EU-wide assessment of the draft updated National Energy and Climate Plans](#) (NECPs), as well as country-specific recommendations.

It shows that **Member States have, for now, submitted insufficient contributions to reach the Fit for 55 targets related to energy efficiency**. Indeed, the overview of the national contributions towards the objective to reduce the primary and final consumption by 11.7% (compared to the 2030 projections of the 2020 EU Reference Scenario) shows that Member States are falling short, reaching a projected 5.8% reduction, when cumulating their contributions. If the 11.7% target has been explicitly or implicitly included in twenty-three draft updates, only eight Member States propose a sufficient level of ambition on either primary (DE, NL) or final energy consumption (EE, RO), or both (CZ, FR, IT, LT).

For EFIEES, these insufficient results mean that **Member States should accentuate their efforts in promoting energy efficiency and ensuring long-term reduction of energy consumption**. Energy management solutions, provided by energy service companies (ESCOs), can guarantee long-term results in energy consumption reduction. For Member States that are missing the mark, as well as for those who provided projected contributions that are in line with EU objectives, **energy management solutions such as energy performance contracts (EnPCs) represent a great opportunity to secure long-term energy savings**, unlocking investment in energy efficiency improvements. If some Member States are already mobilising these tools in their draft updated NECPs, they could all benefit from integrating them into their policies and measures as energy management solutions can produce a

leverage effect on the available public resources, thus significantly reducing the impact on public budgets, and, eventually, meet the 2023 Energy Efficiency Directive targets.

★ Leveraging the untapped potential of energy management solutions

In its [recommendations on the draft updated NECPs](#), EFIEES puts forward good practices of some Member States that other countries should replicate and implement to improve the uptake of energy management solutions and EnPCs in both public and private sectors. We also showcase fit for purpose measures and policies that aim to build up skills and awareness of energy management solutions.

We therefore propose three key actions to help Member States make the best possible use of energy management solutions to achieve their objectives. **Every recommendation is also accompanied by some of the best practices** we noticed in Member States' draft updated.

1. Improve the uptake of energy management solutions and Energy Performance Contracts (EnPCs) in the public sector

Member States have to lead by example, by renovating 3% of the total floor area of heated and/or cooled buildings owned by the central government and local authorities every year, at least up to nearly zero energy building (NZEB) standards, and by reducing the annual aggregated energy consumption of all public bodies by 1.9% each year, when compared to 2021.

Energy performance contracts are highly appropriate tools to respond to these challenges. Indeed, these contracts guarantee a level of performance, often in the long-term, while integrating energy management solutions. Moreover, energy performance contracts, combining private and public investments, can **increase the impact of public expenses** by allowing a very much needed additional private financing.

2. Improve the uptake of energy management services and Energy Performance Contracts (EnPCs) in the private sector

The EED recast also requires private actors to play their part in improving energy efficiency and saving energy. For Member States to achieve related energy savings goals, they need to facilitate private buildings' renovation and, again, encourage energy management solutions.

EnPCs can indeed prove useful, as they **provide long-term visibility and contractually guaranteed optimised energy consumption overtime** to entities that otherwise might not engage in energy efficiency improvements. **Connecting homes and buildings to efficient district heating and cooling networks** (DHN) is another way to increase energy performance in the long-term.

3. Build up awareness of energy management solutions and workers' skills

Private and public actors are not necessarily well informed about their building's potential energy performance upgrades. **Educating consumers about energy management solutions**, about EnPCs, as

well as about the impacts of their energy behaviours and choices, **can greatly participate in reducing their energy consumption.**

Moreover, to deliver quality services, **workers have to be rightly skilled.** The energy efficiency sector is **in demand of workers in many positions.** Setting up measures in the NECPS to train skilled workers for the sector will be crucial to deliver energy efficiency improvements.