

EFIEES' Feedback on the European Climate Law amendment

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.

EFIEES welcomes the European Commission's proposal for a 2040 climate target. We believe that an intermediate milestone between the 2030 targets and the 2050 carbon neutrality objective is essential to ensure the Union remains on track to meet its climate ambitions. Energy Service Companies (ESCOs) stand ready to support the Commission's efforts in that sense and to help the EU delivering on its ambitious objectives. When defining this 2040 target, it is crucial to **prioritise the achievement of the objectives already agreed and to secure the effective implementation of the Fit for 55 package within a stable regulatory framework. A thorough assessment of progress towards the 2030 targets both collectively and individually will therefore be key to accompany this 2040 GHG emissions reduction target and before setting any sectoral sub-target.**

Widely recognised as a cornerstone of the European Green Deal, the “**Energy Efficiency First**” principle must continue to guide both the design and implementation of the EU's 2040 climate target, since energy efficiency measures and the acceleration of renewables deployment go hand in hand. In 2022, the industry, residential, and commercial sectors together accounted for 32.2% of the EU's greenhouse gas emissions¹. Enhancing energy efficiency in these sectors therefore remains one of the most immediate and feasible pathways to EU decarbonisation. Moreover, when implementing energy efficiency measures aimed at reducing energy consumption and CO₂ emissions, it is and will be key to ensure that **performance is guaranteed and maintained over time**. This focus was already critical for achieving the 2030 objectives, and it will remain just as relevant for the 2040 target, to secure a coherent and effective EU climate and energy policy.

As already acknowledged by the European Commission, setting a 2040 target will require new accompanying policies while securing the necessary investments will be vital. This means ensuring a stable and predictable framework that can attract and protect private investors, whose role is essential to deliver large-scale energy efficiency and decarbonisation projects. At the same time, several challenges identified during the work on EU 2030 objectives will remain highly relevant. Implementing the Fit for 55 package will demand continued attention to just transition and energy poverty. **To counter potential rebound effects, greater emphasis should also be placed on citizens' and users' behaviour, notably through energy management solutions and energy coaching.** Furthermore, addressing persistent barriers to the EU's green transition such as the skills gap will also have to remain a top priority. However, after several years of intense legislative activity under the Green Deal, it will be of utmost importance **to strike the right balance and avoid over-legislation.**

¹ <https://www.europarl.europa.eu/topics/en/article/20180301STO98928/greenhouse-gas-emissions-by-country-and-sector-infographic>