

Monday June 27th 2022

EED – Time for Binding National Targets

Your Excellences Permanent Representatives to the EU,

We, the undersigned, fully support the objectives of the REPowerEU Energy Saving Plan as a response to the hardships and global energy market disruption aggravated by Vladimir Putin's second invasion of Ukraine. Europe must phase out its dependency on fossil fuels faster and increase investments in climate innovation to deliver energy savings, as the quickest and cheapest way to address the current energy crisis and reduce household and business' bills.

We further welcome the positioning of energy savings first, as increased energy efficiency targets will reduce the energy consumption of industry, SMEs and residential, commercial and industrial buildings and thereby cut our dependency on Russian gas. As such, the Energy Efficiency Directive (EED) remains one of the key levers to operationalise and increase energy savings and ensure our energy security. Yet, despite such a significant consumption and emissions reduction opportunity, energy [efficiency gains have slowed significantly since 2015](#), and the rate at which the building stock improves its energy performance remains at [just 1%](#), even as EU policy goals require this figure to triple between now and 2030.

To address this action gap, **we call for binding national targets within the Energy Efficiency Directive**. Clear and binding national targets and mandates for renewable energy generation have led to a substantial increase in the share of renewable production, yet energy efficiency targets for Member States remain indicative. In practice, this means that energy efficiency is neither put first by Member States, nor then by most building owners and businesses. To be considered equal first, energy efficiency must have the same status of commitment from EU policymakers as renewable generation, especially now.

While the French Presidency of the EU Council has enhanced its efforts to achieve a compromise with Members on the EED recast ahead of the Energy Council of June 27th, the latest compromise text shows that the Council will most likely support a 9% energy efficiency target for 2030 (Article 4) and leave an increase to a 13% target to be considered in trilogues. This is not enough to respond to the urgency of REPowerEU, nor the immediate need to provide affordable energy services to increasingly impoverished EU citizens.

In addition, since the recast, it appears that the public sector obligation (Article 5) and the renovation requirement for public buildings (Article 6) have been watered-down, with the re-introduction of an alternative approach in Article 6, a transitional period where the target is indicative in Article 5 together with the exemption of some sectors from both articles. Finally, the Energy Savings Obligation (Article 8) has also been weakened, with the phase-in of the annual rate of 1.5% (1.1% in 2024 to 1.5% in 2028) and an exemption to the fossil fuel exclusion has also been introduced, which would allow the accounting of fossil fuel savings in energy-intensive enterprises of the industry sector under certain conditions.

Together as concerned members of civil society, researchers, consultants, investors and industry [working together to invest and promote energy savings](#) as our most concerted and appropriate response to the EU energy dilemma, we are deeply concerned that there is a stark gap between REPowerEU rhetoric on energy efficiency and the reality of the legal negotiations. Too many of the provisions in the Commission's proposal that would strengthen our energy security with enhanced energy savings are being diluted and **binding national energy efficiency targets remain absent**.

Yours the undersigned:

CLIMATE & STRATEGY
P A R T N E R S

JDEC — JACQUES DELORS
ENERGY CENTRE

BELLONA

Cleantech
for
Europe

[Cleantech for Europe](#) represents the next generation of EU industry, including 20 EU cleantech venture capital and growth investors and the more than 350 innovative companies they support.