

14 October 2020

## MAKING THE ENERGY EFFICIENCY DIRECTIVE

### “FIT FOR 55”

EdEn believes that the energy efficiency legislation can play a key part in addressing both of the challenges the EU is currently facing:

- **Climate change** - Energy efficiency requirements can lead to significant reductions in fossil fuels consumption and thus contribute to GHG-emission reductions;
- **Economic recovery** - Energy efficiency requirements contribute to fostering technological developments, to rolling-out decarbonised and energy efficient equipment and to creating jobs in various economic sectors.

Nevertheless, **energy-efficiency should always be understood as a means towards an end – climate action and economic recovery – rather than as an end in itself.**

#### 1. Introducing a climate dimension in the EED

In order for the Energy Efficiency Directive (EED) to contribute to the climate neutrality objective, it is essential that a climate dimension be included in the text, which is currently not the case. In this perspective, we recommend the following principles be implemented in the context of the revision of the EED:

- The EED should clearly state in its article 1 **that energy efficiency improvements shall contribute to climate neutrality and to economic recovery efforts.**
- The EED provides Member States with a lot of flexibility for the implementation of its provisions. The EED should make it mandatory that, when assessing the various policy options available, Member States should base their decision on the GHG emission reduction prospects of each option with a view to achieving climate neutrality.
- The EED should also encourage Member States to take into account the impact of national measures on their overall carbon footprint (which includes the GHG emissions related to the whole life-cycle of products and equipment). In this perspective, Member States could be encouraged to adopt a national trajectory for reducing their carbon footprint expressed in Mt CO<sub>2</sub>eq / per GDP unit.

#### 2. Setting up standardised indicators for energy efficiency improvements and for fossil fuels consumption reductions

Along with the inclusion of a climate dimension in the text of the EED, the provisions related to measuring energy efficiency improvements should be based on more precise definitions.

- **Improving energy efficiency is too often confused with reducing energy consumption and the two notions should be clearly differentiated in the directive.**  
For example, implementing more energy-efficient industrial processes does not mean that industry will necessarily consume less energy in absolute terms. Increased industrial activity can lead to increased energy consumption despite energy efficiency improvements being achieved over the same period. For this reason, we recommend that for all energy sources besides fossil fuels (whose consumption need to be reduced to nearly 0 by 2050)



energy efficiency objectives no longer be expressed as energy savings obligations in total energy consumption in Mtoe.

- **Achieving energy efficiency improvements** - we recommend a **standardised energy intensity criterion based on a final energy consumption per GDP unit ratio be set up**. Each Member State should be required to set a national goal for reducing their energy intensity ratio. Such an indicator would incentivise energy efficiency improvements while not impeding economic developments.
- **Achieving fossil fuel consumption reductions** - considering that the EU goal is not only to achieve improved efficiency but also to reduce fossil fuels consumption to nearly 0 by 2050, the EED should require each Member State to define targets for reducing their fossil fuel consumption expressed in absolute terms of primary fossil fuel energy.
- **In order to monitor Member States trajectories in terms of energy consumption**, the EED could make it mandatory for Member States **to inform the Commission of the evolution of their energy consumption in primary and final energy**. The primary energy factors used to express electricity, hydrogen and other secondary forms of energy consumption in primary energy should be harmonised at the European level. The same factors should apply throughout all Member States. **It is essential however that primary energy should no longer be used as a regulatory criterion to express energy efficiency improvements. Primary energy should only be used as a criterion for fossil fuels consumption reductions.**

### 3. Improving consistency in the energy efficiency legislative framework

The EU legislation for energy efficiency is based on two main texts: the EED and the Energy Performance of Buildings Directive (EPBD). It is crucial for these two pieces of legislation to be harmonised in order to ensure a smooth implementation of their provisions.

**The current texts of the EED and the EPBD are not properly aligned** which creates loopholes and uncertainty for economic actors and ultimately undermines their implementation.

As a first step in harmonising both texts, **the revision of the EED should create a clear hierarchy between the EED and the EPBD and specify that the provisions included in the EED should prevail over the EPBD provisions.**

This hierarchy would improve clarity for economic actors and ensure that the provisions of the EPBD cannot come into contradiction with the provisions of the EED.

### About EDEN

Created in 2011, EdEn (Equilibre des Energies) is an association gathering a broad range of actors from the energy, construction and mobility sectors with a common goal: **making a better energy society**.

#### ACTIVITY SECTORS

Construction



Energy



Mobility



#### MEMBERS

EdEn membership includes institutional actors, consumer associations, trade-unions, professional federations, industrial groups, SMEs and artisans.

All of our members contribute to the energy transition and are directly involved in the economic and societal realities of their sector.