

# Energy efficiency

2016/0376(COD) - 30/11/2016 - Legislative proposal

**PURPOSE:** to improve Directive 2012/27/EU of the European Parliament and of the Council on energy efficiency.

**PROPOSED ACT:** Directive of the European Parliament and of the Council.

**ROLE OF THE EUROPEAN PARLIAMENT:** the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

**BACKGROUND:** [Directive 2012/27/EU](#) of the European Parliament and of the Council is an element to progress towards the Energy Union, under which energy efficiency should be treated as an energy source in its own right. The 'energy efficiency first' principle should be taken into account when setting new rules for the supply side and other policy areas.

The European Council of October 2014 set a 27 % energy efficiency target for 2030, to be reviewed by 2020 'having in mind a Union level of 30%. In December 2015, the [European Parliament](#) called upon the Commission to also assess the viability of a 40 % energy efficiency target for the same timeframe.

The Commission proposed to review and consequently amend the Directive to adapt it to the 2030 perspective.

Energy efficiency is one of the most cost effective ways to support the transition to a low carbon economy and to create growth, employment and investment opportunities. Moderation of energy demand is one of the five dimensions of the [Energy Union Strategy](#) adopted on 25 February 2015.

**IMPACT ASSESSMENT:** the assessment showed that a level higher than 27 % energy efficiency in 2030 would bring higher benefits with regard to jobs and economic growth, security of supply, greenhouse gas emission reductions, health and environment. Based on this multidimensional analysis a political decision of a binding 30 % energy efficiency target was taken. Underpinned by dedicated policies at the EU, national and regional level, this target will bring substantial multiple benefits for Europe. Such a target represents a drop in final energy consumption of 17% compared to 2005. It will increase economic growth, leading to an increase in GDP of around 0.4% (EUR 70 billion).

In terms of social impacts, the preferred option would have a positive effect on employment: a review of more than 20 studies concluded that for every EUR 1.2 million spent on energy efficiency approximately 23 jobs are directly supported in the energy efficiency industry.

**CONTENT:** the proposal for an amending Directive presented by the Commission aims to improve the current Directive (Directive 2012/27/EU) on energy efficiency.

The proposal seeks to:

- set a 30% binding energy efficiency target for 2030 at EU level which will give Member States and investors a long term perspective to plan their policies and investments and to adapt their strategies towards energy efficiency;
- extend beyond 2020 the energy saving obligation while retaining the rate of 1.5% of annual energy sales and the possibility to use both energy efficiency obligation schemes and alternative measures while making it clear that Member States can achieve the required energy savings through an energy efficiency obligation scheme, alternative measures, or a combination of both approaches;
- improve the provision of consumer information on their heating and cooling consumption and their rights in metering and billing of thermal energy strengthened, in particular for people living in multi-apartment buildings. In order to improve frequency of information, an obligation for heat meters to be remotely readable is introduced;
- strengthen social aspects of energy efficiency by requiring that energy poverty must be taken into account in designing energy efficiency obligation schemes and alternative measures;
- amending the article on delegated powers in order to delete the current time limit on the delegation, replacing it with the standard five year period;
- add a general review clause to the Directive, under which the Commission must evaluate the Directive and submit a report to the European Parliament and Council by 28 February 2024, and then every five years.
- amend the default primary energy factor (PEF) in Annex IV to take into account technological advances.