

# Energy Efficiency Directive

2021/0203(COD) - 14/07/2021 - Legislative proposal

**PURPOSE:** to recast the energy efficiency Directive in order to set a more ambitious binding annual target for reducing energy use at EU level.

**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:** the energy efficiency Directive is an important element to progress towards climate neutrality by 2050, under which energy efficiency is to be treated as an energy source in its own right. Energy efficiency solutions should be considered as a guiding principle of the Union's energy policy and as the first option in planning and investment decisions, when setting new rules for the supply side and other policy areas.

While the energy savings potential remains large in all sectors, there is a particular challenge related to transport, as it is responsible for 30% of final energy consumption, and to buildings, since 75% of the EU building stock has a poor energy performance. Another important sector to which increasing attention is being paid is the information and communications technology (ICT) sector, which is responsible for 5-9% of the world's total electricity use and more than 2% of all emissions.

The European Green Deal launched a new growth strategy for the EU that aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy. The [European Climate Law](#) has made the EU's climate neutrality target by 2050 legally binding.

The Commission has presented a complementary and interconnected set of proposals as part of the 2030 Climate and Energy Fit for 55 package to achieve the greenhouse gas emission reduction target of at least 55% compared to 1990. This Fit for 55 legislative package is the most comprehensive building block in the efforts to implement the ambitious new 2030 climate target, and all economic sectors and policies will need to make their contribution.

The Fit for 55 package, the Next Generation EU and the Multiannual Financial Framework for 2021-2027 will help to achieve the twin green and digital transitions that Europe is aiming for.

As part of this package, this proposal aims to reduce overall energy use, cut emissions and tackle energy poverty.

**CONTENT:** with this proposal, the Commission seeks to recast the energy efficiency Directive in order to set a more ambitious binding annual target for reducing energy use at EU level. It will guide how national contributions are established and almost double the annual energy saving obligation for Member States. The proposal thus will strengthen the different provisions of the energy efficiency Directive to ensure that it contributes optimally to the higher climate target of at least 55% GHG emissions reduction ambition for 2030, as set out in the Climate Target Plan.

The proposal includes provisions which substantially change Directive 2012/27/EU. In particular, it:

- sets an increased EU binding energy efficiency target for final and primary consumption, as well as indicative national energy efficiency contributions and provides a formula to Member States to calculate their contributions. The proposal requires Member States to collectively ensure a reduction of energy consumption of at least 9 % in 2030 compared to the projections of the 2020 Reference Scenario so that the Union's final energy consumption amounts to no more than 787 Mtoe and the Union's 2030 primary energy consumption amounts to no more than 1023 Mtoe in 2030;
- introduces a new provision on the energy efficiency first principle, to provide the legal basis for the application of the principle, while minimising the administrative burden. It includes an obligation to consider energy efficiency solutions in policy and investment decisions in energy systems and non-energy sectors, including social housing;
- introduces an obligation for the public sector to reduce its energy consumption for public services and installations of public bodies. This can be reached in any subsector of the public sector, including transport, public buildings, spatial planning and water and waste management amongst others;
- broadens the scope of the renovation obligation. The obligation will now be applied to all public bodies at all administration levels and in all sectors of public bodies activities, including healthcare, education and public housing, where the buildings are owned by public bodies. The public sector would be required to renovate 3% of its buildings each year to promote the wave of retrofits, create jobs and reduce energy consumption and costs to the taxpayer;
- strengthens public procurement provisions and includes a provision that contracting authorities may require that tenders disclose a Global Warming Potential of new buildings (numeric indicator in kgCO<sub>2</sub>e/m<sup>2</sup> (of useful internal floor area) for each life cycle stage averaged for one year of a reference study period of 50 years), in particular for new buildings above 2000 square meters. It is linked to a provision aimed at increasing awareness to circular economy and whole life-cycle of carbon emissions in public procurement practices;
- obliges all Member States (including Cyprus and Malta) to reduce their final energy consumption by at least 1.5% per year between 2024 and 2030 and includes specific requirements for reducing energy poverty;
- requires energy management systems for the largest energy using companies;
- strengthens the protection of consumers introducing basic contractual rights for district heating, cooling and domestic hot water;
- strengthens the obligations towards consumers. Creation of one-stop shops, single points of contact and out-of-court mechanisms for the settlement of disputes are structures that will significantly help to empower customers and final users;

- introduces an obligation for Member States to implement energy efficiency improvement measures as a priority among vulnerable customers, people affected by energy poverty and, where applicable, people living in social housing, to alleviate energy poverty;
- lays down stricter planning and follow up of comprehensive assessments on heating and cooling, including the promotion of local and regional levels.