

Energy efficiency

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The Commission presents its 2018 assessment of the progress made by Member States towards the national energy efficiency targets for 2020 and towards the implementation of Directive 2012/27/EU (the Energy Efficiency Directive) as revised by Directive 2018/2002/EU (the revised Directive).

Energy efficiency is strong driver to achieve the 2020 and 2030 climate targets and also a key building block for the [Commission's proposal](#) in 2018 for 'A European strategic long-term vision for a prosperous, modern, competitive and climate-neutral economy'. This report provides the latest insights into progress made up until 2017 to meet the 20% target before 2020.

Main Findings

- Following a gradual decrease between 2007 and 2014, energy consumption increased between 2014 and 2017.
- Primary energy consumption rose by 0.9% in 2017 compared to 2016. Final energy consumption increased by 1.1% in 2017. At present, both are slightly above the fixed trajectory towards the 2020 target.
- Weather variations are one of the main reasons for the fluctuations observed in energy consumption in recent years. Weather-corrected figures for energy consumption are less volatile, but also show a rebound trend since 2014.
- Increases in economic activity continue to push energy consumption up. Energy savings have helped offset the impact of these increases, leading to gradual improvements in energy intensity. However, in recent years, energy savings were not high enough to offset the impact of the growth in economic activity, possibly also due to the delays in implementing energy efficiency policies in some Member States.
- The growth in transport activity and the low-oil prices during 2014-2017 were the main reasons for the increasing energy consumption.

Based on an assessment of the latest national energy efficiency action plans (NEEAPs) and 2018 annual reports, it is clear that, collectively, Member States are making good progress in achieving energy savings under Article 7 (energy saving obligation) of the Energy Efficiency Directive. However, the analysis shows that several Member States are lagging behind in terms of savings for 2016, with Bulgaria, Croatia, Cyprus, the Czech Republic, Greece, Latvia, Luxemburg and Portugal having achieved less than 60% of required savings for 2016.

The report confirms that that energy efficiency was a key driver of the improvements in energy intensity across sectors. Until recently, these were sufficient to neutralise the surge in energy demand driven by economic activity, higher heating and cooling comfort standards, and changes in behaviour and lifestyle. However, more recently the amount of savings achieved seems to have diminished while the positive effects of activity increased.

Trends in Member States

In order to better assess the growing energy consumption trend and identify a possible way forward, in July 2018 the Commission set up a Task Force on mobilising efforts to reach the EU energy efficiency targets for 2020. The report on the work carried out by the Task Force identified some additional causes of the growth in energy consumption related to national contexts. These included: (i) delayed implementation of energy efficiency policies; (ii) a difference between estimated energy savings and actual energy savings achieved; (iii) insufficient consideration of the impact of behavioural aspects such as the rebound effect; (iv) lack of funding for energy efficiency policies; and (v) restrictions related to EU state aid rules.

The Task Force agreed that there is a need to address the delivery gap in achieving the EU 2020 targets. A set of solutions was identified, including:

- ensuring full implementation of the existing legislation, as there have been delays in transposing and implementing both the Energy Efficiency and

[Energy Performance of Buildings](#) (EPBD) Directives. This includes full achievement of the energy savings obligation under Article 7 and meeting the requirement to carry out regular inspections under the EPBD;

- making full use of the remaining funding opportunities under the European Structural and Investment Funds and implementing additional measures at national level.

Further action

The Commission recalls that the revised EED set the 2030 energy efficiency target to be at least 32.5%. The latter also included a possible upward revision clause, which increases the level of ambition compared to efforts required to meet the 2020 targets.

Several measures recently adopted or in the pipeline should bring additional energy savings in a slightly longer time perspective after 2020. These include: (i) the legally binding national climate targets 2021-2030 for sectors like transports and buildings not covered by the EU Emission Trading System; (ii) recently agreed stricter CO₂ standards for light duty vehicles beyond 2020, together with an improved monitoring system; (iii) CO₂ emission standards for new trucks; (iv) the legislative package of new energy performance standards and labelling for products, and (v) the strengthened Article 7 in the revised EED. The fact that the revised EPBD better incorporates the digital dimension will facilitate deployment of ICT and smart technologies which are expected to play an important role in increasing the energy performance of buildings and reducing energy consumption in buildings in the coming years.

The Commission states that it has intensified the exchange of information and best practice, and has initiated the process of strengthening Member States' market surveillance of product efficiency requirements. It also aims to help Member States to build capacity for promoting building renovation in the public sector, including through the use of energy service contracting.

The Commission will continue to monitor the Member States' progress towards their indicative national energy efficiency targets for 2020, as well as their implementation of the EED. It will report on progress to the Task Force in the summer of 2019 when the preliminary data for 2018 will be available for assessment.