Energy Efficiency Directive

2021/0203(COD) - 26/07/2022 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Industry, Research and Energy adopted the report by Niels FUGLSANG (S&D, DK) on the proposal for a directive of the European Parliament and of the Council on energy efficiency (recast).

The committee recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the proposal as follows:

Aims

This Directive establishes a common framework of measures to promote energy efficiency within the Union in order to ensure that the binding Union's target on energy efficiency is met and enables further energy efficiency improvements, contributing to the implementation of the Paris Agreement and to the Union’s security of energy supply through reducing its dependence on energy imports, including fossil fuels. The Directive also provides for the establishment of binding national energy efficiency contributions for 2030.

Energy efficiency first principle

Energy efficiency solutions should be assessed in the design and planning of policy decisions as well as **major investment decisions** concerning the following sectors: (a) energy systems; and (b) non-energy sectors, where they have an impact on energy consumption and energy efficiency, including the building, transport, water, information and communication technology (ICT) and agriculture sectors as well as the financial sector.

When applying the principle of primacy of energy efficiency, Member States should:

- define a **cost-benefit analysis methodology** that assesses the wider benefits of energy efficiency solutions;

- ensure that the application of the energy efficiency first principle will have a positive impact on **addressing energy poverty**;

- secure that the investments made are environmentally **sustainable** at all stages of the energy value chain and apply circularity principles in transition to climate neutrality.

Energy efficiency targets

Member States should collectively ensure a **reduction of energy consumption of at least 40 %** in 2030 in final energy consumption and 42.5 % in primary energy consumption compared to the projections of the 2007 Reference Scenario so that the Union’s final energy consumption amounts to no more than 740 Mtoe and the Union’s primary energy consumption amounts to no more than 960 Mtoe in 2030. Member States should set **binding national energy efficiency contributions** for final and primary energy consumption to meet, collectively, the binding Union target. They should notify those contributions together with a trajectory with two reference points (milestones) in **2025 and 2027** for those contributions.

Public sector leading on energy efficiency

The total final energy consumption of all public bodies combined should be reduced by at least **2%** each year, compared to the year of entry into force of the Directive. Member States should:

- provide **financial and technical support** to public bodies in the uptake of energy efficiency improvement measures and encourage them to take into account the wider benefits beyond energy savings, such as the quality of the indoor air and environment as well as an improvement of people's quality of life and the comfort of renovated public buildings, in particular schools, day care centres, nursing homes, sheltered housing, hospitals, and social housing;

- encourage public bodies to take adequate measures to address the **heating dimension of buildings** owned or occupied by public bodies;

- promote the use of **public transport** and other less polluting and more energy efficient means of mobility, such as rail, cycling, walking or shared mobility.

Each Member State should ensure that at least **3%** of the total floor area of heated and/or cooled privately owned buildings providing social infrastructure is deeply renovated each year.

Where public bodies occupy a building they do not own, they should encourage the owner of the building to implement an **energy management system** or energy performance contract to maintain and improve energy performance over time.

Energy poverty

Member States should, *inter alia*:

- implement **energy efficiency obligation mechanisms**, alternative public policy measures, or programmes or measures financed under an Energy Efficiency National Fund, as a priority for people in fuel poverty, low-income households, vulnerable customers and, where appropriate, people living in social housing;

- define and achieve a minimum share of the required volume of cumulative end-use energy savings among those in fuel poverty. This share should be at least equal to the proportion of households in fuel poverty as assessed in their national energy and climate plan;

- require obliged parties to cooperate with regional and local authorities and to involve social services and civil society organisations in order to establish a **participatory platform** dedicated to the alleviation of energy poverty.

Energy management systems and energy audits

Enterprises should implement an energy management system where their average annual energy consumption over the previous three years, taking into account all energy carriers, has been: (a) higher than **100 TJ**, from 1 January 2024; (b) higher than **70 TJ**, from 1 January 2027.

Enterprises that do not implement an energy management system should be subject to an **energy audit** where their average annual energy consumption over the previous three years, taking into account all energy carriers, has been: (a) higher than 10 TJ, from 1 January 2024; (b) higher than 6 TJ, from 1 January 2027.

Data centres

To promote sustainability in the ICT sector, in particular data centres, Member States should collect and publish relevant data for the energy performance, water footprint and demand-side flexibility of data centres, based on a common EU template. Member States should only collect and publish data on data centres that have an installed **IT power demand of at least 100 kW**.

Information and awareness raising

Member States should engage with relevant authorities and private stakeholders for the purpose of developing **dedicated local, regional or national one-stop shops** for energy efficiency. Those one-stop shops should lead to locally developed projects by advising and providing streamlined information on technical and financial possibilities and solutions to households, SMEs, microenterprises, public bodies; advising on energy consumption behaviour with the aim of actively engaging the consumers; by developing services for energy poor, vulnerable consumers and low-income households.