Energy Efficiency Directive

2021/0203(COD) - 11/07/2023 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 471 votes to 147, with 17 abstentions, a legislative resolution on the proposal for a Directive of the European Parliament and of the Council on energy efficiency (recast).

The European Parliament's position adopted at first reading under the ordinary legislative procedure amends the Commission's proposal as follows:

Subject matter and scope

This Directive establishes a **common framework of measures to promote energy efficiency** within the Union in order to ensure that the Union's targets on energy efficiency are met and enables further energy efficiency improvements. The aim of that common framework is to contribute to the implementation of Regulation (EU) 2021/1119 of the European Parliament and of the Council and to the Union’s security of energy supply by reducing its dependence on energy imports, including fossil fuels.

Energy efficiency first principle

In accordance with the energy efficiency first principle, Member States should ensure that energy efficiency solutions, including demand-side resources and system flexibilities, are assessed in planning, policy and major investment decisions of a value of more than EUR 100 million each or EUR 175 million for transport infrastructure projects, relating to the following sectors:

- energy systems; and

- non-energy sectors, where those sectors have an impact on energy consumption and energy efficiency such as buildings, transport, water, information and communications technology (ICT), agriculture and financial sectors.

In applying the energy efficiency first principle, Member States should:

- ensure the application of, and make publicly available, cost-benefit methodologies that allow proper assessment of the wider benefits of energy efficiency solutions where appropriate, taking into account the entire life cycle and long-term perspective, system and cost efficiency, security of supply and quantification from the societal, health, economic and climate neutrality perspectives, sustainability and circular economy principles in transition to climate neutrality;

- address the impact on energy poverty;

- identify an entity or entities responsible for monitoring the application of the energy efficiency first principle.

Energy efficiency targets

Member States should collectively ensure a **reduction of energy consumption of at least 11.7 % in 2030** compared to the projections of the 2020 EU Reference Scenario so that the Union’s final energy consumption amounts to no more than 763 Mtoe. Member States should make efforts to collectively contribute to the indicative Union primary energy consumption target amounting to no more than 992.5 Mtoe in 2030.

Each Member State should set an **indicative national energy efficiency contribution** based on final energy consumption to meet, collectively, the Union's binding final energy consumption target and should make efforts to contribute collectively to the Union's indicative primary energy consumption target.

The Commission should assess that the collective contribution of Member States is at least equal to the Union's binding target for final energy consumption.

Exemplary role of the public sector

Member States should ensure that the total final energy consumption of all public bodies combined is **reduced by at least 1.9% each year**, compared with 2021. This obligation does not cover, until 31 December 2026, the energy consumption of public bodies in local administrative units with fewer than 50 000 inhabitants and, until 31 December 2029, the energy consumption of public bodies in local administrative units with fewer than 5 000 inhabitants.

Each Member State should ensure that **at least 3% of the total floor area of heated and/or cooled buildings** that are owned by public bodies is renovated each year to be transformed into at least nearly zero-energy buildings or zero-emission buildings. Member States may choose which buildings to include in the 3% renovation requirement, giving due consideration to cost-effectiveness and technical feasibility in the choice of buildings to renovate. They may exempt social housing from the obligation to renovate.

Less stringent requirements may apply to: (i) buildings officially protected as part of a designated environment, or because of their special architectural or historical merit, in so far as compliance with certain minimum energy performance requirements would alter their character or appearance unacceptably; (ii) buildings owned by the armed forces or central government and serving national defence purposes, apart from single living quarters or office buildings for the armed forces and other staff employed by national defence authorities; (iii) buildings used as places of worship and for religious activities.

Energy savings obligations

Member States should achieve cumulative end-use energy savings for the entire obligation period up to 2030, equivalent to new annual savings of at least **0.8%** of final energy consumption up to 31 December 2023 and of at least **1.3%** from 1 January 2024, **1.5%** from 1 January 2026 and **1.9%** from 1 January 2028.

Data centres

In 2018 the energy consumption of data centres in the Union was 76.8 TWh. This is expected to rise to 98.5 TWh by 2030, a 28 % increase. Under the amended text, the reporting obligation should apply to data centres with an installed IT power demand of at least 500 kW. The reporting obligation should be understood as referring to the spaces and equipment that serve primarily or exclusively for data-related functions (server rooms), including the necessary associated equipment, for example, associated cooling, lighting, battery arrays, or uninterruptible power supplies.

Consumer information and awareness

Member States should set up **dedicated one-stop shops** for technical, administrative and financial advice on energy efficiency. These structures should: (i) advise households, SMEs, micro-enterprises and public bodies by providing streamlined information on technical and financial options and solutions; (ii) offer holistic support to all households, paying particular attention to households affected by fuel poverty and the least efficient buildings; (iii) provide advice on energy consumption behaviour.

Heating and cooling planning

The directive also establishes new requirements for efficient district heating systems. Member States should ensure that regional and local authorities prepare local heating and cooling plans at least in municipalities with a total population of more than **45 000**. These plans should provide an estimate and mapping of the potential for increased energy efficiency, including preparation for low-temperature district heating, high-efficiency cogeneration, recovery of waste heat, and renewable energies for heat and cooling in the area in question.