

Energy Efficiency Directive

2021/0203(COD) - 20/09/2023 - Final act

PURPOSE: to achieve the objective set by the Union and pave the way for further improvements in energy efficiency and for climate neutrality.

LEGISLATIVE ACT: Directive (EU) 2023/1791 of the European Parliament and of the Council on energy efficiency and amending Regulation (EU) 2023/955 (recast).

CONTENT: the Directive establishes a common framework of measures for the promotion of energy efficiency in the Union with a view to ensuring the achievement of the Union's energy efficiency objectives and enables further improvements in energy efficiency. The objective of this common framework is to contribute to the EU's security of energy supply by reducing its dependence on imported energy, in particular fossil fuels.

Energy efficiency first principle

The principle of primacy of energy efficiency will be taken into account as a fundamental principle in all sectors, not limited to the energy system, at all levels, including the financial sector.

Decision-makers at national, regional, local and sectoral level will apply the principle of primacy of energy efficiency in all relevant policy, planning and major investment scenarios and decisions - i.e. **large-scale investments** worth more than EUR 100 million each or EUR 175 million for transport infrastructure projects - that have an impact on energy consumption or energy supply.

Energy efficiency targets

Member states will collectively ensure a **reduction of final energy consumption of at least 11.7% in 2030**, compared with the energy consumption forecasts for 2030 made in 2020. This translates into an upper limit to the EU's final energy consumption of 763 million tonnes of oil equivalent and of 993 million tonnes of oil equivalent for primary consumption.

The consumption limit for final consumption will be **binding for Member States collectively**, whereas the primary energy consumption target will be **indicative**. All Member States will contribute to achieving the overall EU target.

They will set **indicative national contributions and trajectories** towards reaching the target in their integrated national energy and climate plans.

The formula for calculating national contributions towards the target (defined in Annex I of the Directive) will be indicative, with the possibility of deviating from it by 2.5%.

The Commission will assess that the collective contribution of Member States is at least equal to the Union's binding target for final energy consumption. Where the Commission concludes that it is insufficient, it will submit to each Member State a corrected indicative national energy efficiency contribution for final energy consumption on the basis of: (a) the remaining collective reduction of final energy consumption needed to achieve the Union's binding target; (b) the relative GHG intensity per GDP unit in 2019 among the Member States concerned; (c) the GDP of those Member States in 2019.

The formula is based on, among other things, energy intensity, GDP per capita, development of renewables and energy savings potential.

Exemplary role of the public sector

The new rules set a specific obligation for the public sector to achieve an **annual energy consumption reduction of 1.9%** that can exclude public transport and armed forces.

In addition to this, Member States will be required to renovate each year **at least 3%** of the total floor area of buildings owned by public bodies. They will be able to exempt social housing from the renovation obligation where such renovations would not be cost-neutral or would lead to rent increases for people living in social housing.

Energy saving obligations

Member States will achieve cumulative end-use energy savings at least equivalent to new annual savings, from 1 January 2021 to 31 December 2030, corresponding to: (i) 0.8% of annual final energy consumption from 1 January 2021 to 31 December 2023; (ii) 1.3% from 1 January 2024 to 31 December 2025; (iii) 1.5% from 1 January 2026 to 31 December 2027 and (iv) **1.9% from 1 January 2028 to 31 December 2030**.

Member States will achieve the required volume of energy savings by establishing an energy efficiency obligation mechanism or by adopting alternative public policy measures. Member States may combine an efficiency obligation mechanism with alternative public policy measures.

Data centres

To promote sustainable development in the information and communication technologies (ICT) sector, in particular data centres, Member States will make it compulsory to **collect and publish data** relevant to the energy performance, water footprint and demand flexibility of data centres, based on a common EU model. The reporting obligation will apply to data centres with an installed IT power demand of at least 500 kW.

Consumer information and awareness

The directive strengthens consumer protection by introducing basic contractual rights for district heating, cooling and domestic hot water. Consumers must be provided with clear and unambiguous information about their rights.

Greater consumer protection should be guaranteed through the availability of **effective, independent out-of-court dispute settlement mechanisms** for all consumers, such as an energy ombudsperson, a consumer body or a regulatory authority. Member States should, therefore, introduce speedy and effective complaint-handling procedures, as well as **specialised one-stop shops** for technical, administrative and financial advice on energy efficiency.

ENTRY INTO FORCE: 10.10.2023.

TRANSPOSITION: no later than 11.10.2025.