Basic information

2021/0203(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Directive	Procedure completed
Energy Efficiency Directive **Subject** 3.60.08 Energy efficiency **Legislative priorities** Joint Declaration 2021 Joint Declaration 2022 Joint Declaration 2023-24	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ITRE Industry, Research and Energy	FUGLSANG Niels (S&D)	28/09/2021
	Shadow rapporteur WEISS-EHLER Pernille (EPP) DANTI Nicola (Renew) PAULUS Jutta (Greens/EFA) TOBISZOWSKI Grzegorz (ECR) BUCHHEIT Markus (ID) PEREIRA Sandra (The Left)	

Committee for opinion	Rapporteur for opinion	Appointed
ENVI Environment, Public Health and Food Safety	EVI Eleonora (Greens/EFA)	21/09/2021
TRAN Transport and Tourism	BERENDSEN Tom (EPP)	09/11/2021
FEMM Women's Rights and Gender Equality	KUHNKE Alice (Greens/EFA)	07/12/2021

Committee for opinion on the recast technique	Rapporteur for opinion	Appointed

	JURI Legal Affairs	AUBRY Manon (The Left)	01/07/2021
Council of the European Union			
European Commission	**Commission DG**	**Commissioner**	
	Climate Action	TIMMERMANS Frans	
European Economic and Social Committee			
European Committee of the Regions			

Key events

Date	Event	Reference	Summary
14/07/2021	Legislative proposal published	COM(2021)0558	Summary
13/09/2021	Committee referral announced in Parliament, 1st reading		
13/07/2022	Vote in committee, 1st reading		
26/07/2022	Committee report tabled for plenary, 1st reading	A9-0221/2022	Summary
12/09/2022	Debate in Parliament		
14/09/2022	Decision by Parliament, 1st reading	T9-0315/2022	Summary
14/09/2022	Results of vote in Parliament		
14/09/2022	Matter referred back to the committee responsible for interinstitutional negotiations		
25/04/2023	Approval in committee of the text agreed at 1st reading interinstitutional negotiations	PE746.697 GEDA/A/(2023)002818	
10/07/2023	Debate in Parliament		
11/07/2023	Decision by Parliament, 1st reading	T9-0263/2023	Summary
11/07/2023	Results of vote in Parliament		
25/07/2023	Act adopted by Council after Parliament's 1st reading		
13/09/2023	Final act signed		
20/09/2023	Final act published in Official Journal		

Technical information

Procedure reference	2021/0203(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Recast

Legislative instrument	Directive
Legal basis	Rules of Procedure EP 113 Treaty on the Functioning of the European Union TFEU 194-p2
Other legal basis	Rules of Procedure EP 165
Mandatory consultation of other institutions	European Economic and Social Committee European Committee of the Regions
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/9/06937

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE703.281	22/02/2022	
Amendments tabled in committee		PE729.910	18/03/2022	
Amendments tabled in committee		PE729.911	18/03/2022	
Amendments tabled in committee		PE729.913	18/03/2022	
Amendments tabled in committee		PE729.942	18/03/2022	
Committee opinion	TRAN	PE704.563	05/04/2022	
Committee opinion	ENVI	PE703.269	05/05/2022	
Committee opinion	FEMM	PE703.261	12/05/2022	
Committee report tabled for plenary, 1st reading/single reading		A9-0221/2022	26/07/2022	Summary
Specific opinion	JURI	PE735.811	06/09/2022	
Text adopted by Parliament, partial vote at 1st reading /single reading		T9-0315/2022	14/09/2022	Summary
Text agreed during interinstitutional negotiations		PE746.697	29/03/2023	
Text adopted by Parliament, 1st reading/single reading		T9-0263/2023	11/07/2023	Summary

Council of the EU

Document type	Reference	Date	Summary
Coreper letter confirming interinstitutional agreement	GEDA/A/(2023)002818	29/03/2023	
Draft final act	00015/2023/LEX	13/09/2023	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2021)0558	14/07/2021	Summary
Document attached to the procedure	SEC(2021)0558	15/07/2021	
Document attached to the procedure	SWD(2021)0623	15/07/2021	

Document attached to the procedure	SWD(2021)0624	15/07/2021	
Document attached to the procedure	SWD(2021)0625	15/07/2021	
Document attached to the procedure	SWD(2021)0626	15/07/2021	
Document attached to the procedure	SWD(2021)0627	15/07/2021	
Commission response to text adopted in plenary	SP(2023)459	30/10/2023	

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	ES_PARLIAMENT	COM(2021)0558	03/11/2021	
Contribution	ES_PARLIAMENT	SWD(2021)0623	03/11/2021	
Contribution	ES_PARLIAMENT	SWD(2021)0624	03/11/2021	
Contribution	ES_PARLIAMENT	SWD(2021)0625	03/11/2021	
Contribution	ES_PARLIAMENT	SWD(2021)0626	03/11/2021	
Contribution	ES_PARLIAMENT	SWD(2021)0627	03/11/2021	
Contribution	PL_SENATE	COM(2021)0558	30/11/2021	
Reasoned opinion	CZ_SENATE	PE700.507	02/12/2021	
Contribution	DE_BUNDESRAT	COM(2021)0558	03/01/2022	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES2419/2021	08/12/2021	
CofR	Committee of the Regions: opinion	CDR4548/2021	28/04/2022	

Additional information

Source	Document	Date
EP Research Service	Briefing	29/09/2021
European Commission	EUR-Lex	

Meetings with interest representatives published in line with the Rules of Procedure

Rapporteurs, Shadow Rapporteurs and Committee Chairs

Transparency

Name	Role	Committee	Date	Interest representatives
FUGLSANG Niels	Rapporteur	ITRE	23/11/2023	Ingeniørforeningen i Danmark (IDA)
FUGLSANG Niels	Rapporteur	ITRE	26/06/2023	SYNERGI
FUGLSANG Niels	Rapporteur	ITRE	17/06/2023	Dansk EL-Forbund
FUGLSANG Niels	Rapporteur	ITRE	16/06/2023	Maskinmestrenes Forening
FUGLSANG Niels	Rapporteur	ITRE	13/06/2023	DNV
FUGLSANG Niels	Rapporteur	ITRE	29/05/2023	SYNERGI
FUGLSANG Niels	Rapporteur	ITRE	03/05/2023	DIGITALEUROPE
FUGLSANG Niels	Rapporteur	ITRE	26/04/2023	Danske Regioner
FUGLSANG Niels	Rapporteur	ITRE	31/03/2023	Bygge-, Anlægs- og Trækartellet
FUGLSANG Niels	Rapporteur	ITRE	30/03/2023	EUFORES
FUGLSANG Niels	Rapporteur	ITRE	22/03/2023	Danfoss A/S
FUGLSANG Niels	Rapporteur	ITRE	07/03/2023	The Coalition for Energy Savings
WEISS-EHLER Pernille	Shadow rapporteur	ITRE	03/11/2022	ROCKWOOL International A/S
PAULUS Jutta	Shadow rapporteur	ITRE	28/09/2022	DENEFF
PAULUS Jutta	Shadow rapporteur	ITRE	21/09/2022	SolarPowerEurope
PAULUS Jutta	Shadow rapporteur	ITRE	30/08/2022	Avaaz Foundation
DANTI Nicola	Shadow rapporteur	ITRE	18/05/2022	Eni S.p.A.
DANTI Nicola	Shadow rapporteur	ITRE	18/05/2022	Eni S.p.A.
PAULUS Jutta	Shadow rapporteur	ITRE	17/05/2022	Permanent Representation of Czech Republic to the European Union
PAULUS Jutta	Shadow rapporteur	ITRE	12/05/2022	Deutscher Städtetag
DANTI Nicola	Shadow rapporteur	ITRE	11/05/2022	ItalCogen
DANTI Nicola	Shadow rapporteur	ITRE	11/05/2022	Edison Spa
BUCHHEIT Markus	Shadow rapporteur	ITRE	27/04/2022	The European Steel Association
DANTI Nicola	Shadow rapporteur	ITRE	26/04/2022	Ariston S.p.A.
NIINISTÖ Ville	Shadow rapporteur	ITRE	25/02/2022	Knauf Energy Solutions
DANTI Nicola	Shadow rapporteur	ITRE	15/02/2022	Italgas

Other Members

Transparency

Name	Date	Interest representatives
KATAINEN Elsi	13/10/2022	Parkkisähkö
PETERSEN Morten	08/03/2022	European Alliance to Save Energy

Final act
Directive 2023/1791 OJ L 231 20.09.2023, p. 0001 Summary

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 kgCO2e/m² (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.

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.

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.

Energy Efficiency Directive

2021/0203(COD) - 14/09/2022 - Text adopted by Parliament, partial vote at 1st reading/single reading

The European Parliament adopted by 469 votes to 93, with 82 abstentions, **amendments** to the proposal for a Directive of the European Parliament and of the Council on energy efficiency (recast).

The matter was referred back to the committee responsible for inter-institutional negotiations.

The main amendments adopted in plenary are 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.

Increasing 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 State should set binding national energy efficiency contributions for final and primary energy consumption to meet, collectively, the binding Union targets. They should notify those contributions together with a trajectory with two reference points (milestones) in **2025 and 2027** for those contributions.

The Commission should assess whether the collective contribution of Member States is sufficient to achieve the Union's energy efficiency target. If it concludes that it is not sufficient, it would propose to each Member State an adjusted national contribution that would allow the collective contribution of Member States to reach the Union target.

Energy efficiency first principle

In line with the energy efficiency first principle, energy efficiency solutions should be assessed in the design and planning of policy decisions as well as major investment decisions, including for non-energy sectors, where they have an impact on energy use and efficiency, such as the building, transport, water, ICT and agriculture sectors as well as the financial sector

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

- define a cost-benefit analysis methodology that assesses the wider benefits of energy efficiency solutions taking into account the entire life cycle and foreseeable developments, system and cost efficiency, security of supply and quantification from the societal, health, economic and climate neutrality perspective;

- 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.

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. Social housing could be exempted from the renovation obligation where such renovations would not be cost neutral.

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.

Empower and protect vulnerable customers and reduce energy poverty

Member States should, *inter alia*:

- develop a robust long-term strategy and take appropriate measures to empower and protect people affected by energy poverty, vulnerable customers and low-income households and, where applicable, people living in social housing;

- put in place proper monitoring and evaluation instruments to ensure that people affected by energy poverty are supported by energy efficiency improvement measures;

- ensure that measures to promote or facilitate energy efficiency, in particular those concerning buildings and mobility, do not lead to a disproportionate increase in the cost of these services or to greater social exclusion;

- take appropriate measures to protect people affected by energy poverty against unfair price setting and price increases in the supply of heating, cooling and domestic hot water.

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.

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.