

Revision of Energy Efficiency Directive

Representing the technology sectors providing innovative solutions which can unlock a greener and more prosperous future for the European Union and its citizens, Orgalim welcomes the upcoming revision of the Energy Efficiency Directive (EU) 2012/27 (henceforth EED) as an opportunity to enhance the role of energy efficiency in ensuring system efficiency.

The most sustainable energy is energy which is not consumed. Energy efficiency improves air quality, creates jobs and growth, and reduces energy imports and energy poverty. Energy efficiency demonstrates multiple benefits far beyond energy aspects and is essential for a cost-efficient energy transition. To ensure that the **Energy Efficiency First principle** is applied consistently, **concrete guidelines are needed** to make it a core element at all levels of policymaking.

The EED revision should, in our view, be the occasion to **reinforce the level of ambition** needed to close the gap in the final National Energy and Climate Plans and to deliver on more ambitious EU climate goals. To this end, the focus should be on:

- Strengthening the renovation obligations for public buildings.
- Strengthening energy efficiency requirements for public procurement.
- Requiring local authorities to develop an energy efficiency action plan with measurable impact indicators.
- Requiring the offer of free energy audits for small and medium-sized enterprises.
- Strengthening the requirements for efficiency in energy transformation, transmission and distribution.
- Strengthening the requirements for using energy performance contracting in the renovation of public buildings.

Energy efficiency targets

The ambition of the existing EU energy efficiency targets is too low. We call for **higher targets**, in line with the 2030 Climate Target Plan. More ambitious targets would have more positive impacts on economic growth, employment, competitiveness and security of supply.

Buildings

Buildings should be the **centrepieces of energy efficiency** and should play a crucial role in achieving EU energy saving targets as they are the largest energy consumers in the EU, responsible for 40% of energy consumption and 36% of greenhouse gas emissions. In particular, existing buildings offer a big energy saving potential. Therefore, we call for a higher annual renovation rate.

Energy savings obligation

The current level of ambition on energy savings obligation is too low. To ensure a higher level of energy efficiency for 2030, it is important to **increase the ambition level** of energy savings obligation for 2021-2030. Furthermore, Member States should be required to set a certain level of energy savings to be achieved in building renovations and transport as well as targeting specific sectors with policy measures. **Monitoring and verification rules** should be strengthened.

Energy audits and energy management systems

We believe that current rules should be changed because the variations between Member States are too great, and this makes it difficult for companies operating in more than one country. The **legislation should be made clearer** so that it is interpreted/implemented in a more similar way in the different EU countries. Currently each country has its own interpretation of the meaning of the basic concepts and requirements in the EED, leading to inconsistent implementation. Furthermore, it is very difficult for multi-national companies to apply a consistent standard in all countries, and very time consuming to try to understand how the EED applies in specific countries. Moreover, there should be an obligation to implement some of the measures identified and incentives to support these actions.

Energy transformation, transmission and distribution

Energy losses are still observed in electricity grids, mainly at distribution level. In addition to technical losses due to ageing infrastructure, there is also renewable energy that cannot be accommodated by the networks and is therefore lost. The use of **digital technologies** in the energy system, including **smart grids** and **smart appliances**, can help to optimise the use of this intermittent renewable energy and has great potential for improving energy efficiency and smart energy use.

Heating and cooling

To achieve the decarbonisation objectives more effectively, **utilisation of waste heat and waste cold** from industry and services should be further supported and encouraged by the competent authorities. In addition, the recovery of waste heat from heating and cooling systems in individual buildings should be promoted.

Conversion factors

Regarding the Primary Energy Factor, an important tool that facilitates comparisons of savings across energy carriers, a **new approach** that is dynamic and based on evidence should be considered in future. A low factor applied to energy produced by renewables will highlight their efficiency.

Orgalim represents Europe's technology industries, comprised of 770,000 innovative companies spanning the mechanical engineering, electrical engineering, electronics, ICT and metal technology branches. Together they represent the EU's largest manufacturing sector, generating annual turnover of €2.126 billion, manufacturing one-third of all European exports and providing 11.326 million direct jobs. Orgalim is registered under the European Union Transparency Register – ID number: 20210641335-88.

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