

Commission's call for feedback on the Energy Efficiency Directive - EED

Eurelectric feedback

Eurelectric represents the interests of the electricity industry in Europe. Our work covers all major issues affecting our sector. Our members represent the electricity industry in over 30 European countries.

We cover the entire industry from electricity generation and markets to distribution networks and customer issues. We also have affiliates active on several other continents and business associates from a wide variety of sectors with a direct interest in the electricity industry.

We stand for

The vision of the European power sector is to enable and sustain:

- A vibrant competitive European economy, reliably powered by clean, carbon-neutral energy
- A smart, energy efficient and truly sustainable society for all citizens of Europe

We are committed to lead a cost-effective energy transition by:

investing in clean power generation and transition-enabling solutions, to reduce emissions and actively pursue efforts to become carbon-neutral well before mid-century, taking into account different starting points and commercial availability of key transition technologies;

transforming the energy system to make it more responsive, resilient and efficient. This includes increased use of renewable energy, digitalisation, demand side response and reinforcement of grids so they can function as platforms and enablers for customers, cities and communities;

accelerating the energy transition in other economic sectors by offering competitive electricity as a transformation tool for transport, heating and industry;

embedding sustainability in all parts of our value chain and take measures to support the transformation of existing assets towards a zero carbon society;

innovating to discover the cutting-edge business models and develop the breakthrough technologies that are indispensable to allow our industry to lead this transition.

Dépôt légal:

Feedback to the combined roadmap and inception impact assessment of the Energy Efficiency Directive

EC website reference: <https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12552-Review-of-Directive-2012-27-EU-on-energy-efficiency>

Electricity has been decarbonising fast: 59% of the electricity mix was decarbonised in 2019, and this is expected to grow up to 81% in 2030¹. While further decarbonisation of the current power mix is expected in the coming years, deployment of direct electrification should be pursued faster, further and stronger. In order to be on track with EU decarbonisation goals the level of direct electrification should be between 33 and 38% by 2030², compared to 23% in 2020. However, the current trends in RES capacity investments (in wind and solar) are not enough in a business as usual scenario. Wind capacity needs to double vis-à-vis 2019 levels, from 192 GW to 381 GW, while solar capacity needs to triple from 132 GW to 385 GW.

The recently published Energy System Integration Strategy sets the basis to create stronger links between energy carriers, infrastructures and the consumption sectors to deliver on a low-carbon European economy. The use of clean electricity into more areas such as heating and cooling, buildings, industry and transport will play a central role, coupled with the energy efficiency benefits that electrification entails as well as the use of clean gases for 'harder-to-abate' sectors. Eurelectric would like to draw attention to the necessity to adopt a coherent policy approach between the EU ETS and 2030 targets to ensure consistency between different policies and measures. In this context, the priority should be to leverage the revision of the Energy Efficiency Directive (EED) to support direct electrification in end-use sectors where fossil fuels remain the main fuel (transport, buildings and industry). Clean hydrogen – produced through decarbonised electricity - and other renewables gases will have a key role to play in decarbonising sectors where direct electrification is not possible, helping with bridging the gap towards EU climate neutrality and zero pollution goal.

The undisputable merits of direct electrification can be unlocked by prioritizing the following enablers during the revision of the EED that should be compatible, enhanced by and integrated with the Renovation Wave initiative:

A Primary Energy Factor that allows electrical appliances to access the market and be accounted on a level playing field

Electric heat pumps constitute market-ready solutions that can be deployed and which can produce up to 4 units of heat for each unit of electricity consumed. Higher benefits can be achieved in combination with PVs, batteries and integrated energy management systems, in well insulated buildings. However, when compared to a fossil fuel based alternative, these benefits do not add up because of the way in which savings from electricity are accounted for in the EED. While the 2018 revision recognised this and lowered the PEF accordingly, an additional review is needed as a high PEF for electricity is acting as a barrier for the decarbonisation of the heating sector. (see a [dedicated paper](#) on the topic).

¹ [Eurelectric, Power Barometer 2020](#).

² [Eurelectric, Power Barometer 2020](#).

Energy efficiency measures targeted to low-income households via dedicated instruments

Eurelectric's [E-quality study](#) shows it is possible to design EE measures in a way to compensate low-income households for regressive distributional effects of other energy policies. Effective EE solutions are those that help households to overcome the entry barrier of a lack of initial capital to invest in EE measures. Affordability and up-front costs of low-carbon solutions (EVs, PVs, batteries or heat pump) are sometimes holding back consumers from engaging in the energy transition, especially for low-income households that might benefit the most from adopting them. EE measures can be implemented to target low-income households. The financing of such measures should be based on revenues coming from policies that go beyond energy efficiency itself (i.e. EU funds, revenues generated from other climate and energy measures, JTF, etc.) and not via obligated parties (as it's done in some EEOS with mixed results, i.e. the UK).

Eurelectric pursues in all its activities the application of the following sustainable development values:

Economic Development

- Growth, added-value, efficiency

Environmental Leadership

- Commitment, innovation, pro-activeness

Social Responsibility

- Transparency, ethics, accountability



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