

## Feedback: Effort Sharing Regulation (ESR) Revision Roadmap

*This Paper sets out the EuroACE view in the framework of the stakeholder feedback sought by the European Commission by 26<sup>th</sup> November 2020 on its inception impact assessment of the Effort Sharing Regulation (ESR).*

EuroACE strongly supports the Commission work in raising the 2030 climate target to at least 55% and the objective of reaching climate neutrality by 2050. All sectors will need to contribute and in particular, the buildings sector, as it represents 40% of the EU energy consumption and 36% of its GHG emissions. **The ESR ambition should be raised in order to match with the updated climate & energy targets** (as in Option 2 outlined in the Roadmap). The current ESR target to reduce non-ETS emissions by at least 30% compared to 2005, is for sure not compatible with climate neutrality by 2050. **EuroACE is in favour of keeping the current ESR sectoral scope, i.e. the buildings sector should remain under the ESR** and should not be moved to the EU ETS or to a newly created specific ETS. Carbon pricing is not an appropriate tool for the buildings sector, as most barriers which need to be overcome are non-economic barriers. The impact of an extended ETS to buildings would be marginal at best, and even counterproductive, as it is very likely to disrupt the energy efficiency policy ecosystem by appearing to be a silver bullet solution to a challenge that requires joined up policies. **Repealing the ESR would be detrimental for energy efficiency**, as it would reduce the **Member States accountability for putting in place adequate measures**. Public authorities should remain in the driving seat to deliver energy savings and therefore GHG emissions reduction. More details on our position is included in our [Feedback to the ETS Roadmap](#).

Concerning the linkages with the energy efficiency regulatory framework (EED - Energy Efficiency Directive and EPBD - Energy Performance of Buildings Directive), which will also be reviewed in 2021, we reckon there is a strong link with the ESR. **The ESR and the energy efficiency policies are strongly interconnected and mutually reinforcing**. On one side, national energy efficiency policy measures put in place to transpose and implement the EED and the EPBD are often an important instrument used by Member States to meet their ESR targets (on GHG emissions reduction). More specifically, the contribution of the buildings sector through energy renovation, will become even more crucial in the next decade, with Long-Term Renovation Strategies and National Energy & Climate Plans in place to drive policies and actions in that sector, delivering a considerable amount of energy savings, and therefore, reducing GHG emissions. On the other side, **the robust enforcement mechanism, and the national binding targets in the ESR are key**, as they trigger (additional) energy efficiency action at national level in sectors such as buildings. The revisions of the ESR, EED and EPBD should therefore be an opportunity to **reinforce those synergies, raise the ambition** and help achieving both higher GHG and energy efficiency targets. **All in all, EuroACE is in favour of keeping the current architecture of the ESR (including the buildings sector) and increasing its ambition.**

**For further information**

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**About EuroACE - Energy Efficient Buildings**

EuroACE represents Europe's leading companies involved with the manufacture, distribution and installation of energy saving goods and services for buildings. EuroACE members employ more than 220,000 people in these activities in Europe and have over 1,100 production facilities and office locations. The mission of EuroACE is to work together with the EU institutions to help Europe move towards a more efficient use of energy in buildings, thereby contributing to Europe's commitments on climate change, energy security and economic growth.

**EuroACE Members (2020)**

