

Open letter

A binding 14,5% energy efficiency target in 2030 for reviving Europe's economy

Brussels, 13 December 2022

To the attention of:

Kadri Simson, European Commissioner for Energy,
Niels Fuglsang, Member of the European Parliament,
Josef Sikela, Czech Minister of Industry and trade.

As business leaders, we urge the EU co-legislators to substantially raise the ambition in the Energy Efficiency Directive (EED) recast and **to set a 14.5%¹ target for energy efficiency in 2030**, with binding targets both for primary and final energy consumption and binding national contributions. This is all the more pressing in a time of unprecedentedly high energy prices and a devastating climate change.

In May 2022, following the Russian invasion of Ukraine and the destabilisation of European energy markets, the Commission proposed to amend the revision of the EED and raise the level of the target from a binding 9% to 13% by 2030. Since then, the Council has not raised the ambition any further from the 9%, but the European Parliament supports a target of 14.5% with mandatory contributions from all Member States. Certainly, a move in the right direction, but far from the cost-effective economic potential of at least 19%.²

The business community needs strong signals from governments to face today's economic challenges, to invest and create the jobs that are necessary for making the energy transition possible. Ambitious binding energy efficiency targets would create the market clarity and long-term predictability to attract investments where they are most needed.

A high energy efficiency target represents an economic opportunity that must not be overlooked, as a recent study confirms that well-designed energy efficiency policies can create significant macro-economic benefits.³ Indeed, a 14.5% efficiency target in 2030 would increase the EU GDP by 0.6% in 2030, representing €94 billion of added wealth. In addition, it would lead to the creation of 752.000 sustainable and local jobs in 2030. Last but not least, the 2022 report of the IEA on energy efficiency demonstrates that efficiency measures are the first-best policy to reduce energy bills.⁴

Since the start of the energy crisis, European countries have disbursed €674 billion of public spending to shield consumers from the rising energy costs,⁵ more than all grants and loans part of the Recovery and Resilience Facility, the landmark investment plan to relaunch the EU post COVID-19 economy. While we support economic short-term measures helping business and consumers, we believe the EU needs a more strategic vision of the structural changes the energy system needs with energy efficiency at full speed.

We believe Europe should not miss the opportunity to raise the bar to ensure energy security and affordable bills. By advancing the energy efficiency agenda, the European Union can still be the world's first major economy to go climate neutral by 2050 for the good of businesses, citizens and the environment.

¹ Based on the PRIMES 2020 reference scenario

² [Assessing the impact high energy prices on the economic potentials for energy savings in the EU](#), Stefan Scheuer & Fraunhofer ISI, April 2022

³ [2030 EU energy efficiency target: the multiple benefits of higher ambition](#), Cambridge Econometrics, November 2022

⁴ [Energy Efficiency 2022](#), IEA, December 2022

⁵ [National fiscal policy responses to the energy crisis](#), Bruegel, November 2022

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Co-signatories:

