

European Commission

Stockholm, 5 February 2021

## Response to the Consultation on the evaluation and revision of the Energy Efficiency Directive

The Confederation of Swedish Enterprise would like to thank the Commission for the opportunity to send our comments on this Consultation and would like to make the following observations.

The Confederation of Swedish Enterprise supports the EU's ambitions for net-zero greenhouse gas emissions (climate neutrality) by 2050, in order to reach the objectives of the Paris Agreement. One important step in achieving these targets will be to ensure that where energy is consumed, it is consumed in the smartest and most efficient way possible. Energy efficiency is therefore an important tool in reaching our climate targets.

Using finite resources in the most efficient way is a prerequisite for success in our transition towards climate neutrality. Clear and well-defined regulations make it simpler for businesses to make decisions that are the most cost-efficient. The Confederation therefore believes that each EU regulation should focus on its main target, its problematic when different EU directives regulate the same area. The focus of Energy Efficiency Directive should be on increased energy efficiency; requirements by the Commission for renewable energy shares or measures within the circular economy should be addressed in the relevant Directives. It is also important to remove existing overlaps between the Energy Efficiency Directive and the Energy Performance of Buildings Directive when addressing heat and ventilation systems.

### How to measure energy efficiency

Continued economic growth is an important requirement for accomplishing our climate targets and continued growth in EU Member States. Its therefore vitally important that the EU target for energy efficiency is focused on decreasing the absolute energy consumption of Member States. At the same time, it needs to identify those efforts that will lead to more efficient energy use. It is important that, in future, energy efficiency can be measured as consumption relative to GDP. If targets for energy efficiency are perceived as a cap on energy consumption in a Member State, it can lead to increased costs for the industry and can risk slowing down the transition from fossil fuels to electrification.

### Clarity on climate neutralities

The highest priority for the Energy Efficiency Directive should be to contribute to delivering climate neutrality and net-zero greenhouse gas emissions by 2050. However, the Directive's main principle, Energy Efficiency First, can, on occasion, create competing objectives that do not necessarily promote energy efficiency first and foremost. For example, decarbonisation efforts often lead to more energy-intensive production (e.g. fuel switching, carbon capture) yet are in line with reducing GHG emissions. The Confederation of Swedish Enterprise

suggests that the Energy Efficiency First principle should be clarified to better reflect the overall climate targets.

#### Energy audits and energy management systems

The energy audits obligations defined in Article 8 of the Directive continue to create a significant administrative burden for many large industries that already routinely perform these exercises internally.

There are currently wide variations in how the Energy Efficiency Directive, and particularly Article 8, is implemented in different Member States. Currently, each country uses its own interpretation of the basic concepts and requirements of the Directive. This in turn makes it difficult for multinational companies to apply consistent standards in all countries. It is also very time consuming and costly to identify precisely how the Directive is being applied in specific countries. The Confederation suggests lowering the barriers to entry by making the implementation of the Directive, and particularly Article 8, more uniform among Member States.