



To the kind attention of the **Energy Ministers of the European Union**

Monica Frassoni

President of the European Alliance to Save Energy (EU-ASE)
Square de Meeus, 22 A
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Dear Ministers,

RE: Triologue negotiations on Energy Efficiency Directive (EED) and Governance of the Energy Union Regulation (GR)

I am writing to you on behalf of the European Alliance to Save Energy (EU-ASE). We are a multi-sectoral business organisation whose members have operations across the 28 Member States of the European Union, directly employ 340.000 people in Europe and have an aggregated annual turnover of €115 bn.

We are at a crucial moment of the triologue negotiations on the Energy Efficiency Directive (EED) and the Governance of the Energy Union Regulation (GR).

The benefits of energy efficiency for the economy, society and for the environment are underpinned by dozens of studies and businesses cases.¹

Yet, the discussion on the two main elements of the EED i.e. the energy efficiency target and Art.7 is inexplicably stalled. In Europe, 76% of the emission reductions necessary to achieve the objective set by the Paris Agreement will need to come from energy efficiency measures². This would translate in business opportunities and private investments in key sectors of our economies and with huge energy saving potential such as construction, water and transport. Adequate long term binding targets would provide investors with the much-needed certainty and predictability for investments and will create the conditions to keep our leadership in energy efficiency³.

Which economic and political considerations could justify missing this unique opportunity? Your decision can help to ensure that Europe remains a strong competitive and innovative market for energy efficiency from which European companies can spearhead the energy transition and sell their technologies and know-how globally.

Failing that, Europe will take the risk that competitors like China and India - for which, as in Europe, more than 70% of emission reductions will have to come from energy efficiency⁴ - will seize this opportunity and will ultimately be the ones reaping the economic benefits.

The lack of ambition and political direction is also detrimental to the discussion on the Governance Regulation which is key to create a business environment which allows long terms planning for business development and investments.

¹ Strategic investments for Europe: Evidence from cost-effective energy efficiency stories, 2016 <http://euase.net/eu-ase-publication-strategic-investments-for-europe-evidence-from-cost-effective-energy-efficiency-stories/>

² IEA World Energy Outlook Special Report (2015) <https://www.iea.org/publications/freepublications/publication/WEO2015SpecialReportonEnergyandClimateChange.pdf>

³ Europe is uniquely placed to be the global hub for investments in Renewable Energy and Energy Efficiency.. The 2017 Global Cleantech Innovation Index³ ranks five EU countries among the top 10 on emerging clean technology innovations <https://www.cleantech.com/2017-global-cleantech-innovation-index-a-look-at-where-entrepreneurial-clean-technology-companies-are-most-likely-to-emerge-from-over-the-next-10-years-and-why/>

⁴ IEA World Energy Outlook Special Report (2015) <https://www.iea.org/publications/freepublications/publication/WEO2015SpecialReportonEnergyandClimateChange.pdf>



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We understand that in the current text of the Regulation the Energy Efficiency First principle is merely mentioned in the recitals and there is uncertainty about the introduction of well-functioning mechanisms to monitor Members States' ambition and delivery of the energy efficiency target.

It should not be underestimated that more than 90% of Europeans favour public measures to boost energy efficiency⁵. The Efficiency First principle boils down to make informed choice to invest taxpayers' money in cost-effective energy measures and is of central importance in removing energy inefficiency as a major and persistent cause of energy poverty. By carrying out systematic consumer-centric value-for-money comparisons to prioritize investments, Efficiency First delivers concrete benefits to citizens and should be a pillar of Europe's energy transition.

Here below, in view of the Energy Council on June 11, we are pleased to provide you with our inputs to the discussions and we warmly encourage you to:

Energy Efficiency Directive

- Support the binding nature of the EU energy efficiency target to strengthen investor confidence
- Increase the level of ambition of the energy saving target to 35% by 2030, expressed both in primary and final energy terms
- Extend Art.7 1.5% annual cumulative energy savings obligations beyond 2020 (with a 2050 perspective) to provide Member States with the incentive to continue the good progress that they have reported to achieve until now⁶
- Avoid double counting and loopholes that would undermine the effectiveness of Art.7 and of the whole Directive
- Include transport energy consumption in the baseline when calculating Art. 7 1.5% annual savings.

Governance Regulation of the Energy Union

- Support a transparent, robust and forward-looking governance compliant with the Energy Efficiency First principle to drive business decision and guarantee an adequate implementation of EU energy efficiency legislations
- Strengthen the energy efficiency governance by allowing the Commission to check progress of individual Member states against a linear trajectory to ensure a steady flow of investment over the decade.
- Keep a strong emphasis on national, long-term, comparable strategies.

We wish you a fruitful Energy Council which we hope will provide the much needed ambition and political direction to successfully reach a deal that will set Europe on a coherent decarbonisation track by 2050.

Yours sincerely,
Monica Frassoni

President of the European Alliance to Save Energy (EU-ASE)

⁵ [EU](#) Eurobarometer, November 2015

⁶ Study shows that two thirds of the EU countries reported good progress in delivering annual energy savings as required by the Energy Efficiency Directive (Article 7) <http://stefanscheuer.eu/201805%20Reported%20Energy%20savings%20achieved%20under%20Article%207%20of%20the%20EED.pdf>



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About the European Alliance to Save Energy (EU-ASE)

EU-ASE was established in December 2010 by some of Europe's leading multinational companies. The Alliance creates a platform from which our companies (1E, Danfoss, Ingersoll Rand, Kingspan, Knauf Insulation, Philips Lighting, Schneider Electric, Saint-Gobain, Siemens and Veolia) can join with politicians and thought leaders to ensure the voice of energy efficiency is heard from across the business and political community.

EU-ASE members have operations across the 28 Member States of the European Union, employ over 340.000 people in Europe and have an aggregated annual turnover of €115 billion.

Members



Honorary Members

Bendt Bendtsen

Member of the European Parliament
(Denmark, EPP)

Bas Eickhout

Member of the European Parliament
(Netherlands, Greens)

Morten Helveg Petersen

Member of the European Parliament
(Denmark, ALDE)

Peter Liese

Member of the European Parliament
(Germany, EPP)

Kathleen Van Brempt

Member of the European Parliament
(Belgium, S&D)