



EUROPEAN ALLIANCE TO
SAVE ENERGY
Creating an Energy-Efficient Europe

To the kind attention of:

Frans Timmermans, Executive Vice-President for the European Green Deal
Valdis Dombrovskis, Executive Vice-President for an Economy that works for people

Cc:

John Berrigan, Director General of DG Financial Stability and Services and Capital Markets Union
Céline Gauer, Director-General - Head of the Recovery and Resilience Task Force
Kerstin Jorna, Director General of DG Internal Market, Industry, Entrepreneurship and SMEs
Ditte Juul Jørgensen, Director General of DG Energy
Mario Nava, Director General of DG Structural Reform Support
Mauro Petriccione, Director General of DG Climate Action

Subject: EU Taxonomy and alignment of public and private investments to deliver economic recovery, resilience and long-term sustainability

Brussels, 16 December 2020

Dear Executive Vice-President Dombrovskis,
Dear Executive Vice-President Timmermans,

We appreciate the long-lasting work carried out so far to develop a **science-based methodology to qualify sustainable investments and prevent greenwashing**.

The Covid-19 pandemic is hitting the economy of the European Union hard. This urges a rapid, coordinated, and forward-looking response to cope with unprecedented health, economic and social consequences for all.

From a business perspective, we are convinced that such response requires the EU to **support sustainable investments in projects and reforms fully aligned with the Paris agreement objectives and the goal to achieve climate neutrality by 2050**.

Indeed, many authoritative studies and economic research^{1,2} show that a green recovery holds the opportunity to provide short term boost to local economies and job creation while supporting, in the long term, the modernisation of our economic system and the ecological transition.

¹ IEA, Sustainable Recovery (2020), see: <https://www.iea.org/reports/sustainable-recovery>

² BPIE, Building Renovation: A kick-starter for the EU recovery (2020), see here: https://www.renovate-europe.eu/wp-content/uploads/2020/06/BPIE-Research-Layout_FINALPDF_08.06.pdf



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For these reasons and in view of the ongoing Commission's work on the development of technical criteria for climate mitigation and adaptation activities, we would like to share with you the following four considerations:

1. The next decade represents a unique window of opportunity to address the devastating impact of climate change on our society. Europe cannot afford the risk to direct financial flows to activities which are not aligned with the Paris Agreement and with the increased EU climate target for 2030 and climate neutrality by 2050 at the latest. In this context, the technical criteria under development in the Delegated Acts of the EU Taxonomy should be developed to **exclusively promote investments which help us to address the economic, health, environmental and social consequences of climate changes, especially on the young and future generations.**
2. The technical screening criteria should **systematically factor energy efficiency considerations in the qualification of sustainable activities.** This approach should encompass a broad range of economic activities including buildings' construction, renovation and management, all products manufacturing, and services, in particular energy services.

In the area of manufacturing of energy efficiency equipment for buildings, the EU Taxonomy should clearly **help businesses and investors identifying key economic activities aimed to deliver the objectives of the recently published EU Renovation Wave.** In this respect, the manufacturing section for energy efficiency equipment for buildings should include essential technologies for energy efficiency which are currently missing. These include insulation products and systems, EV charging stations or electrical equipment deployed in the building sector.

In the area of energy services, we recommend to not overlook the potential of energy services and maintenance in industry.

3. The screening criteria should be **fundamentally ambitious and future-proofed to push investments towards innovation and performance.** They should provide a certain and clear signal to businesses and investors and drawing their path for sustainable economic growth and the modernisation of the economy.

For example, the draft taxonomy screening criteria define as sustainable the renovations that deliver 30% primary energy savings. Yet, readily available energy efficiency technologies can produce much higher savings with energy efficiency improvements up to 75%. In the same section, the criteria set excellent requirements for new buildings where energy use must be at least 20% lower than the threshold set by each Member State's 'nearly zero energy building' definition.

To reap the full range of energy efficiency benefits (GHG cuts, job creation, improved comfort, reduced energy poverty, faster integration of renewables) produced by buildings renovations, we advise the Commission to **strive for a set of more consistent and ambitious screening criteria and apply this approach across economic activities** including manufacturing and power generation. In relation to the latter, we commend the Commission for including the 100gCO₂e/kWh threshold for energy activities, which is in line with the science-based thresholds recommended by the Technical Expert Group.



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4. As a matter of fact, the EU Taxonomy is already an integral part of the strategic thinking of businesses and investors. We count on the Commission to fully support the **use of an unequivocal Taxonomy methodology developed along the lines outlined above.**

We consider this essential to design effective public recovery plans which will catalyse private investments and work for European citizens, families, and enterprises along the transition towards a sustainable and resilient economy.

The Commission's draft Delegated Act has already taken into account many of the good and documented recommendations of the Technical Expert Group (TEG). We trust you will consider our recommendations and look forward to seeing the final draft of the Delegated Acts integrated according to the principles outlined above.

Yours Sincerely,

Monica Frassoni
President
European Alliance to Save Energy (EU-ASE)

About us

The European Alliance to Save Energy (EU-ASE) was established in December 2010 by some of Europe's leading multinational companies. The Alliance creates a platform from which our companies (Danfoss, Kingspan, Knauf Insulation, Schneider Electric, Siemens, Signify) can ensure that the voice of energy efficiency is heard across the business and political community.

EU-ASE members have operations across the 27 Member States of the European Union, employ over 340.000 people in Europe and have an aggregated annual turnover of €115 billion.

