# ENERGY SYSTEM EFFICIENCY FOR A COMPETITIVE AND SUSTAINABLE EUROPE

## THE EUROPEAN ELECTIONS 2024 MANIFESTO OF THE EUROPEAN ALLIANCE TO SAVE ENERGY

EUROPEAN ALLIANCE TO
SAVE ENERGY
*Creating an Energy-Efficient Europe*

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As we approach the European Election in June 2024, we stand at a critical juncture. The decisions made by the next European Parliament and European Commission during the upcoming five-year period will profoundly shape the trajectory of European competitiveness and security and the fulfillment of the COP 28 commitment to double energy efficiency and triple renewable energy by 2030.

After the completion of the Fit For 55 legislation package, the challenge is now to implement it effectively to significantly contribute to our climate change mitigation and adaptation efforts, boost EU competitiveness and to leave no one behind.
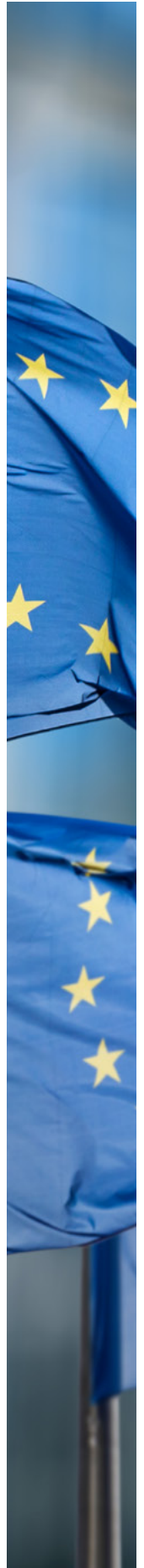
The Secretary General of the UN, Antonio Guterres, called the current situation as "global boiling" and Europe is the continent where climate deregulation is running faster than the global average; furthermore, recent reports of the European Environment Agency (EEA) and the European Commission state that we will not reach our targets without increasing the ambition of the current measures and introducing new ones.

At the European Alliance to Save Energy (EU-ASE), we believe that a climate-neutral Europe by 2050 hinges upon both substantially reducing and optimizing our energy demand and prioritizing energy system efficiency as the cornerstone of our transition to a sustainable energy landscape.

And energy system efficiency creates jobs, millions of them. According to the International Energy Agency's (IEA) first Employment in Energy Report (published in 2023), in 2019 in Europe, there were 1.1M jobs in energy efficiency (where efficiency refers to energy efficiency in buildings covering retrofits, heating, ventilation and air conditioning equipment, as well as appliances; and in industry). According to our elaboration and based on the IEA's Announced Pledges Scenario (APS), 2M new jobs in energy efficiency will be created by 2030. This figure could be even doubled up if we refer to the IEA's Net Zero Emission scenario by 2050.

An energy system efficiency approach, characterized by sector integration, namely the combination of energy efficiency solutions, renewable energy sources, demand side flexibility, and electrification in the whole energy system is the most beneficial and cost-effective way to promptly phase out fossil fuels and achieve the EU's 2030, 2040, and 2050 climate goals. Embracing energy system efficiency will unlock multiple benefits for the European Union:

· Lowering energy bills for citizens and operational costs for businesses, enhancing economic well-being while preserving natural resources and avoiding conflicts.
· Shielding against future energy crises, price volatility and social unrest, ensuring a stable energy supply and bolstering security for citizens and businesses.
· Accelerating the transition from fossil fuels to renewables by reducing overall energy demand and optimizing consumption.

We are convinced that the following actions should be discussed during the electoral campaign and should be prioritized in the next legislation as they will bring the EU greater security and significant competitive advantage:

# 1 Fully implement the Energy Efficiency First Principle

- Placing the Energy Efficiency First principle at the centre of the energy system and key upcoming policy initiatives such as climate targets for 2040, revision of the governance regulation and National Energy and Climate Plans (NECPs).

- Increasing energy efficiency across all energy policies and investments, emphasizing its importance over increasing energy demand as a means to increase the wellbeing of the EU's citizens and develop industry.

# 2 Prioritize the timely & rigorous implementation of Fit For 55 legislation

- Delivering on agreed legislations, especially the Energy Efficiency and the Energy Performance of Buildings Directives should be a top priority for the next European Parliament and Commission, to accelerate the energy transition and help meeting the Union's climate goals by 2030, 2040, and 2050.

- Monitoring and data-driven reviews of policies for effective adjustments in a fast-evolving technological environment.

# 3 Advance energy system efficiency through sector integration & digitization

- Updating and converting the 2020 energy system integration strategy into an action plan to deliver sector integration and increase overall efficiency and support decarbonization goals.

- Accelerating implementation and investment plans in smart technologies and digitalization to connect and empower consumers as well as optimize energy consumption, grid management and leverage excess heat recovery.

- Facilitating cross-sectoral collaboration for knowledge exchange among stakeholders encouraging integrated approaches that enhance synergies among energy efficiency, renewables, flexibility, and smart infrastructure.

- Embedding circular economy principles into energy policies to optimize resource use, reduce waste, and enhance overall system efficiency, focusing on the water-energy nexus and technologies that can save water and energy simultaneously.

# 4 Address the investments & the skills gap for energy efficiency

- Designing stable and predictable regulatory and financial incentives that encourage the adoption of energy-efficient technologies and practices in the decentralized, distributed, digitalized, and democratized energy system, rewarding entities that prioritize energy efficiency.

- Boosting capacity building and skills development supporting initiatives that increase awareness of energy-efficient practices, promote local renewable energy generation, and foster skill-building for citizens, businesses, cities, and regions to deliver tangible energy efficiency benefits.

- Withdrawing swiftly fossil fuel incentives at both the EU and national levels via redirecting financial support from fossil fuels towards energy efficiency, renewable energy, and flexibility. This strategic shift will boost market growth and maintain the leadership on energy efficiency technologies made in Europe while aligning with climate goals.

- Earmarking investment needs to scale Europe's electricity grid infrastructure in addition to determining the potential for electrifying non-electrified sectors. Identify financing models to scale up electricity infrastructure for clean heating and cooling solutions, in addition to removing existing barriers to the uptake of excess heat in the EU.

# 5 Unleash remaining energy efficiency across sectors

- Recognizing the pivotal role of the building sector in the energy system by increasing ambition in policies and incentives to boost the rate and depth of renovations, increase comfort and alleviate energy poverty via reduction of energy demand, optimization of energy consumption, integration of renewables and increased demand side flexibility.

- Leveraging the water-energy nexus with a dedicated strategy, to answer the EU's rising water scarcity issue. The use of digital technologies for better wastewater and water quality management should be supported, as well as data management and data sharing across the water value chain.

- Harnessing the potential for efficiency gains in sectors such as data centers and energy-intensive industries, where significant potential remains untapped.

We believe that by embracing and acting upon these actions, the new EU institutions can ensure continuity with the European Green Deal and deliver on its promises of a sustainable, competitive, and fair future for all European citizens and businesses.

# CHOOSE
# TO WORK WITH US

Civil society, governments at all levels, citizens and businesses must work together to realize the potential of energy system efficiency across the whole economy.

Join us at the front line in the campaign for an energy efficient, competitive, socially fair and climate proof Europe.

Are you a new Member of the European Parliament? Become an honorary member of our Alliance during your electoral mandate and leave a bright legacy for future generations.

# ABOUT THE
# EUROPEAN
# ALLIANCE TO SAVE ENERGY

The European Alliance to Save Energy (EU-ASE) is a business-led, multistakeholder platform allowing leading multinational companies to join environmental campaigners to advance energy efficiency in the European Union. The Alliance's business members have operations across the EU27, employ over 340,000 people in Europe and have an aggregated annual turnover of 115 billion euros.

Membership includes industry leaders Danfoss, Ecolab, Kingspan, Knauf Insulation, Owens Corning, Saint-Gobain, Schneider Electric, Siemens, Signify, Xylem and leading environmental organisation E3G, European Climate Foundation and Kyoto Club.