

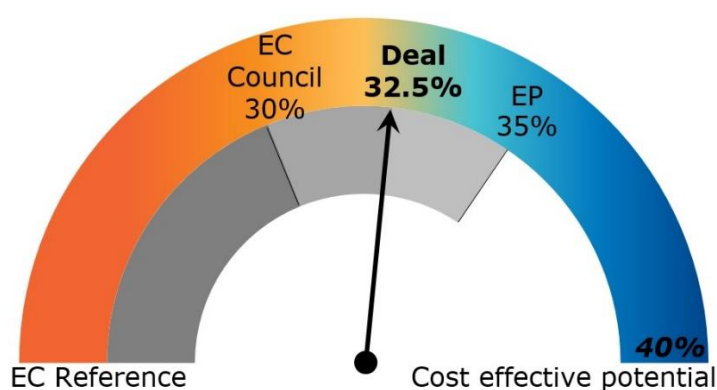
## BRIEFING

# Outcome of negotiations on the Energy Efficiency Directive

November 2018

An agreement on the future of the Energy Efficiency Directive (EED) post 2020 was reached on 19 June by negotiators representing the three EU institutions. This briefing summarises the main elements of the deal ahead of the vote of the Parliament on 13 November 2018.

## 2030 target



The EU's 2030 target is set at least 32.5%, a level which is still **below the 40% energy efficiency cost-effective potential**, but beyond the 30% level originally proposed by the European Commission. These additional 2.5% will notably create **840,000 additional jobs** in the EU and reduce **gas imports by 11%**. More details:



The deal

- **30%** compared to business-as-usual projections.

- **Minimum 35%.**

- **30%.**

- **Minimum 32.5%** and upward review clause in 2023.

- Set in **primary and final energy.**

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- Set in **primary and/or final energy.**

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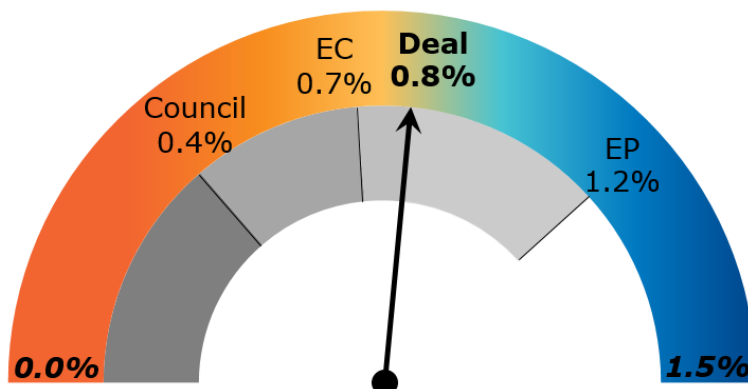
- **Binding** EU target, national contributions.

- **Binding** EU target, indicative national targets.

- **Headline** target, national contributions.

- **Headline** target, national contributions, and improved **governance mechanism** (in Governance Regulation).

## Article 7



Compared to the current period, the deal foresees a slight strengthening of the national energy savings obligation in Article 7 beyond 2020, an **important signal for the markets** of energy efficiency products and services but introduces **retroactive changes** to the eligibility of policy measures. More details:



The deal

<ul style="list-style-type: none"> <li>• <b>2050 perspective.</b></li> <li>• Effective savings rate of <b>0.7%</b> of final energy consumption after 2020. Equivalent to current period, where MSs are allowed to use loopholes to deliver less than 1.5%.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>2050 perspective.</b></li> <li>• Effective savings rate of <b>1.2%</b> of final energy consumption.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Stops in 2030.</b></li> <li>• Effective savings rate of <b>0.4%</b> of final energy consumption.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>2050 perspective.</b></li> <li>• Effective savings rate of <b>0.8%</b> of final energy consumption.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Baseline leaves door open to loopholes.</b></li> </ul>	<ul style="list-style-type: none"> <li>• Requires <b>transport energy consumption to be fully included</b> in the baseline, closing a major loophole.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Baseline leaves door open to loopholes.</b></li> </ul>	<ul style="list-style-type: none"> <li>• Effective savings rate based on <b>final energy consumption, no loophole allowed in baseline.</b> Simplifies implementation.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>No country-specific derogation.</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>No country-specific derogation.</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Malta/Cyprus</b> can achieve less savings.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Malta/Cyprus</b> can achieve less savings.</li> </ul>
<ul style="list-style-type: none"> <li>• Improves rules on <b>additionality and materiality.</b></li> </ul>	<ul style="list-style-type: none"> <li>• Provisions on <b>additionality</b> consistent with Commission proposal. Addresses effect of pre-2020 measures after 2020 with cumulative periods.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Weakens additionality</b> requirement.</li> </ul>	<ul style="list-style-type: none"> <li>• Improves rules on <b>additionality and materiality.</b></li> </ul>
<ul style="list-style-type: none"> <li>• <b>Clarifies eligibility</b> of measures.</li> </ul>	<ul style="list-style-type: none"> <li>• Supports Commission proposal on <b>eligibility</b> of measures.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Retroactive changes</b> about the eligibility of savings in the first period of Article 7.</li> </ul>	<ul style="list-style-type: none"> <li>• Containing proposed <b>retroactive changes</b> about the eligibility of savings in the first period of Article 7</li> </ul>

The Coalition for Energy Savings strives to make energy efficiency and savings the first consideration of energy policies and the driving force towards a secure, sustainable and competitive European Union. Its membership unites businesses, professionals, local authorities, trade unions, cooperatives, consumer and civil society organisations in pursuit of this goal. Coalition members represent:

- more than 500 associations, 200 companies, 1,240 cooperatives
- 15 million supporters, more than 2 million employees and 650,000 members of cooperatives
- 2,500 cities and towns in 30 countries in Europe

Transparency Register: 72911566925-69.

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