



## EUROPEAN COMMISSION

*Brussels, 23.6.2022  
C(2022) 4495 final*

*Ms Christine Schwarz-Fuchs  
President of the Bundesrat  
Dr Karl Renner-Ring 3  
A – 1017 WIEN*

*Dear President,*

*The Commission would like to thank the Bundesrat for its Opinion on the proposal for a Directive of the European Parliament and of the Council on energy efficiency (recast) {COM(2021) 558 final}.*

*The Commission appreciates that the Bundesrat supports the increase in the level of ambition of the energy efficiency objective in the EU in line with the proposal of the recast of the Energy Efficiency Directive proposal. This Directive, together with the other EU energy and climate legislation, is key for ensuring a green and fair transition that leaves no one behind.*

*On 8 March 2022, the Commission adopted a new Communication<sup>1</sup>, followed on 18 May 2022 by the REPowerEU Plan<sup>2</sup>, to respond to the hardships and global energy market disruption caused by Russia's invasion of Ukraine. There is a double urgency to transform the EU's energy system: end the EU's dependence on Russian fossil fuels and tackle the climate crisis. The measures in the REPowerEU Plan respond to this ambition, through increased energy savings and energy efficiency, diversification of energy supplies and accelerated roll-out of renewable energy to replace fossil fuels in homes, industry and power generation. In line with these ambitions, we must now accelerate our efforts to reduce our dependence of imported fossil fuels well before the end of this decade.*

*Energy efficiency is a key enabler of energy independence and notably reduces greenhouse gas emissions in a cost-effective way. As such, it delivers significant environmental, climate, economic and social benefits, including job creation, economic growth, alleviation of energy poverty, better living conditions and air quality, reduced energy bills and better health. This is why it needs to be prioritised as a precondition to any successful decarbonisation policy.*

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<sup>1</sup> COM(2022) 108 final.

<sup>2</sup> COM(2022) 230 final.

*Its essential contribution towards achieving the EU target to reduce net greenhouse gas emissions of at least 55% by 2030 is quantified in the Impact Assessment<sup>3</sup> accompanying the 'the 2030 Climate Target Plan'<sup>4</sup>. In fact, given the increased climate target, more energy efficiency efforts are required for 2030, in line with the assessment of the Climate Target Plan that estimated final energy consumption should be no more than 36-37% and primary energy consumption should not be more than 39%-41% compared to 2007 reference scenario projections. To this end, the Commission proposed, as part of the Energy Efficiency Directive recast, an increased binding EU energy efficiency target of 9% for 2030 compared to the Reference scenario projections of 2020<sup>5</sup> (which equals the estimated efforts in the Climate Target Plan).*

*At the same time, the Commission concluded, on basis of the Impact Assessment<sup>6</sup> accompanying the proposal for the Energy Efficiency Directive recast, that the proposed modifications for an increased energy efficiency target do not go beyond what is necessary, feasible, and cost-effective to achieve the objectives to reach the higher energy efficiency ambition in view of the increased climate target for 2030. Therefore, the amendments are proportional to the required Union ambition. The studies and modelling instruments demonstrate the untapped energy savings potentials across the Member States. In addition, even though the proposal for the Energy Efficiency Directive recast contains the increased EU energy efficiency target, Member States retain a significant level of flexibility on how the new EU target can be achieved. Member States shall calculate their national contributions based on a formula setting benchmarks for their level of ambition, but national contributions remain indicative. Furthermore, Article 4(2) of the proposal provides flexibility for Member States to take into account national circumstances when setting their contributions and the indicative trajectory for these contributions.*

*The Commission has updated its modelling to assess the impact of the phase out of Russian fossil fuel dependence on energy prices and use of natural gas. The results show that a further reduction of energy consumption compared to the previous Energy Efficiency Directive proposal and higher renewable energy targets would enable the EU to meet the REPowerEU objectives, with other parts of the Fit for 55 package unchanged. The Commission has therefore proposed to increase to 13% the binding target in the Energy Efficiency Directive.*

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<sup>3</sup> Commission Staff Working Document: Impact Assessment Accompanying the Proposal for a Regulation of the European Parliament and of the Council on the use of renewable and low-carbon fuels in maritime transport; SWD(2021) 635 final.

<sup>4</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Stepping up Europe's 2030 climate ambition Investing in a climate-neutral future for the benefit of our people; COM(2021) 562 final.

<sup>5</sup> The Union's energy efficiency target was initially set and calculated using the 2007 Reference Scenario projections for 2030 as a baseline. The change in the Eurostat energy balance calculation methodology and improvements in subsequent modelling projections call for a change of the baseline. Thus, using the same approach to define the target, that is to say comparing it to the future baseline projections, the ambition of the Union's 2030 energy efficiency target is set compared to the 2020 Reference Scenario projections for 2030 reflecting national contributions from the National Energy and Climate Plans.

<sup>6</sup> Commission Staff Working Document Impact Assessment Report Accompanying the Proposal for a Directive of the European Parliament and of the Council on energy efficiency (recast); SWD(2021) 623 final.

*The Commission takes note that a large proportion of the implementing measures are implemented by cities and municipalities and that this requires human and financial resources as well as flexibility.*

*The Commission appreciates that the Bundesrat supports the exemplary role of the public sector. The Bundesrat is right that a large proportion of the measures are implemented by municipalities, the proposal therefore aims at exemplary role of the public sector, including the municipalities. The Commission agrees with the Bundesrat that renovations of schools and social housing are crucial to create social benefits. This would foster an inclusive energy transition and the fight against energy poverty. The Commission notes that, while considering the definition of public bodies to be too broad, the Bundesrat supports the inclusion of bodies, which perform tasks in the public interest. The Commission also understands that the Bundesrat asks for maintaining alternative measures to buildings renovations. However, early, numerous and deep renovations are necessary to decarbonise the building stock before 2050. The Commission understands that protected historical buildings require a specific approach. However, given their high share in the Union building stock and in particular in the public sector, these cannot be entirely exempted from energy renovations. In any case, there is no obligation for the Member States to choose these buildings within the 3% renovation obligation.*

*The Commission also appreciates that the Bundesrat supports the requirements for the implementation of energy management systems, as well as the anchoring of the Energy Efficiency First principle in the Directive.*

*The Commission believes that the political dialogue with national Parliaments and their views are essential for bringing together the institutions and the citizens of the European Union for implementing the European Green Deal objectives in the most effective way. The Commission hopes that the clarifications provided in this reply address the issues raised by the Bundesrat and looks forward to continuing the political dialogue in the future.*

*Yours faithfully,*

*Maroš Šefčovič  
Vice-President*

*Kadri Simson  
Member of the Commission*