Creating Step Change in Europe’s Energy Efficiency Policies
Recommendations from Regions and their Energy Agencies

1. Strengthen the mandate of Regional and Local Energy Agencies as delivery agents of the Energy Efficiency Directive

While a strengthened regulatory framework will provide a clear direction to Members States, its implementation toward the 2030 targets will depend on effective delivery of technical assistance, practical support and strategic market facilitation. As market facilitators with public mandates, Regional and Local Energy Agencies already:

➢ support public authorities and advocate the exemplary role of public buildings by providing them with technical assistance services and raising their energy efficiency ambitions (art.5 EED);
➢ implement energy savings certificate schemes within their regions to support the renovation of buildings or the development of sustainable mobility solutions (art.7 EED);
➢ perform energy audits for the public and private sectors, implement their recommendations, monitor and promote energy management systems (art.8 EED);
➢ inform and empower consumers through awareness campaigns, training and facilitation services to develop energy communities (art.12 EED);
➢ contribute to the design and implementation of sustainable heating and cooling solutions and fuel switch strategies at local and regional level (art.14 EED);
➢ provide adequate and targeted information and advice to relevant market actors regarding available energy efficiency mechanisms and financial and legal frameworks (Art. 17 EED);
➢ stimulate the energy services market in their territories through their facilitation services and techno-economic competencies in renovation projects (art.18 EED);
➢ are in permanent dialogue with national and regional legislators in order to take appropriate measures to remove regulatory and non-regulatory barriers to energy efficiency (art.19 EED);
➢ promote to their national and regional authorities, best practices on innovative financing schemes and technical assistance programmes directed at energy efficiency (art.20 EED).

Despite their extensive experience as facilitators, their lack of recognition in EU law limits their visibility at national level and lowers their capacity to promote and implement more ambitious energy efficiency policies.

FEDARENE recommends referencing in the EED the role of energy agencies as publicly mandated energy efficiency market facilitators.
2. **Articles 1 and 3 - 40% EU headline with binding national targets**

- FEDARENE supports raising the EU’s headline target on energy efficiency by 2030 to achieve at least 40% energy efficiency (in both primary and final energy consumption), as recommended by the impact assessment supporting the 2030 Climate Target Plan.
- Achieving this target will require binding national targets as well as intermediate milestones.

3. **Article 5- Wider scope and tools for strengthened enforcement**

- **Wider scope of the obligation to renovate including public buildings of decentralised authorities:** the art.5 obligation of annual renovation should also include public buildings owned and occupied by regional and local authorities, as well as those serving the public’s interest (e.g. museums, schools, hospitals, social housing).

- **Mandatory deep renovation reaching at least 60% energy savings:** Art.5 should require the renovation of public buildings to reach at least 60% energy savings. Enhanced Minimum Energy Performance Standards could support this process. For example, according to the long-term renovation strategy of the Walloon Region (Belgium), public buildings must reach an EPC label A by 2030 and schools by 2035.\(^1\)

- **The current 3% annual goal on renovation of public buildings** is adequate only if: the scope includes all public buildings including local and regional ones; the energy renovations reach at least 60% energy savings.

- **Enhanced oversight and better data collection** could be guaranteed by ensuring synergies with and better enforcement of article 10.6b of the EPBD. Members States should also be required to cooperate with regional energy and climate observatories\(^2\) who are specialised in collecting data, processing it and informing local/regional policy makers.

- **Support the upscaling and replication of regional and local facilitation services:** Art.5 should require Member States to develop technical assistance programmes aiming at developing local/regional integrated renovation services. Many energy agencies and regions across Europe (Superhomes in Tipperary, Opengela in Basque Country, PassRénovation in Hauts de France) have been developing integrated renovation services at regional/local/neighbourhood levels with regional coordination, targeting both private and public buildings.

- **Public authorities should be required to install energy management systems** in light of the decreasing prices of EMS related equipment and the current digitalisation.

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\(^1\) Walloon Renovation Strategy: [Stratégie wallonne de rénovation - Site énergie du Service Public de Wallonie](https://energee-watch.eu/)

\(^2\) Find out more about observatories here: [https://energee-watch.eu/](https://energee-watch.eu/)
momentum. That data enables them to immediately identify issues with their energy consumption and savings potentials.

4. **Art. 8 : Beyond the obligation of energy auditing: embedding energy efficiency in the business model of companies**

- There is a need of strengthening the minimum criteria and monitoring to guarantee only **high-quality energy audits** are performed as they are more likely to be implemented. The mere obligation of performing audits has created a market for lower quality and cheaper audits that do not produce changes in the companies as their recommendations don’t focus enough on economically viable solutions, changes in processes or embedding energy efficiency in the business cases of companies.

- **From Audits to Energy Management Systems** – mandating senior management to address energy efficiency is essential. Interest and attention of top management could be fostered by requiring all larger businesses to monitor their CO2 performances (and compare it to the previous year as it has to be done for finance data). Synergies could be explored with **DIRECTIVE 2013/34/EU containing the rules on annual financial statements.** Phasing out fossil fuels through energy efficiency brings many more advantages beyond energy cost savings and a contribution to climate protection (e.g. productivity increase through better indoor conditions for people and machines, risk reduction for energy cost fluctuations, employer attractiveness etc.). Quantifying this data is necessary however in order for **CO2 to become a KPI.**

- **Energy efficiency solutions, funding approaches, know-how and expert networks developed for public authorities can be transferred to the business sector** through facilitation services. When it comes to many aspects of the practical implementation of the energy transition and the reasons for inaction (lack of management attention, internal expertise, transparency of consumption, financing etc.), larger businesses have a lot in common with city or regional administrations.

5. **Art 14 – Technical assistance programmes for the decarbonisation of heating and cooling at local and regional levels**

- There is an untapped potential of this provision’s requirement for Member States to encourage local/regional authorities to promote efficient heating and cooling systems and develop “**local and regional heat markets**”. As facilitators with public mandates, energy agencies are already supporting local/regional authorities to develop heating and cooling plans, using their knowledge of the local value chains related to
construction, building their capacity to develop and finance projects, but much more technical assistance is needed as the knowledge gap is considerable.

- Member States should favour technical assistance programmes to build the capacities of public authorities to implement comprehensive heating and cooling plans (such technical assistance programmes remain rare at national/regional levels).

6. Art. 18 – Greater focus on market uptake facilitation services

- Facilitation services such as the ones provided by local and regional energy agencies were a driver for market uptake in many regions in Europe. We recommend strengthening the wording on the role of “independent market intermediaries” at art.18 that currently does not reflect the actual value of facilitation and fails to reap its capacity to stimulate market uptake of energy services (see here an example of how EPC facilitation services can ignite an EPC market).

7. Art.20 – From project to programme approach

- **Member States should be encouraged to look beyond technical assistance at facilitation services** that proactively create the demand for technical assistance for energy efficiency, embed energy efficiency in the broader public agenda as well as create the market conditions for successful implementation of projects;
- We recommend the replication of the French regional “service public de la performance énergétique” provision from 2015 that streamlines at the regional level the support and facilitation services for the renovation of building, enacted notably through the creation of territorial renovation platforms;
- **Practical support programmes** will be instrumental to the success of the **gradual implementation of Minimum Energy Performance Standards** and raising in general the depth of renovations.

FEDARENE welcomes to opportunity to meet and discuss the recommendations above in greater detail by providing data and feedback from the ground.

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