

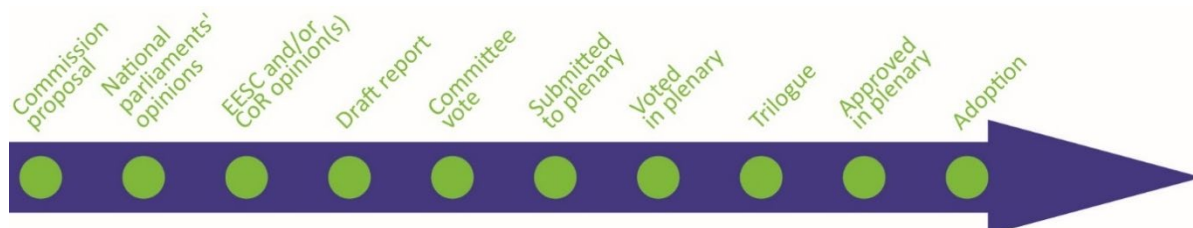
Revising the Energy Efficiency Directive: 'Fit for 55' package

OVERVIEW

On 14 July 2021, the European Commission adopted the 'fit for 55' package with a view to adapting existing EU climate and energy legislation to meet the EU objective of a minimum 55 % reduction in greenhouse gas (GHG) emissions by 2030, as required under the European Climate Law. The 'fit for 55' package includes a recast of the Energy Efficiency Directive (EED), aligning its provisions to the -55 % GHG target. The recast EED as proposed by the Commission required Member States to almost double their annual energy savings obligations, make exemplary efforts in the public sector, address energy poverty, and take other measures to deliver 9% more energy savings than anticipated under existing EU legislation. As part of the REPowerEU plan (May 2022), the Commission proposed a targeted EED amendment requiring 13 % more energy savings by 2030.

The trilogue negotiations concluded on 10 March 2023 with a provisional agreement, setting a reduction target for primary and final energy consumption of 11.7% at EU level by 2030 compared with energy consumption forecasts made in 2020. The Parliament adopted the revised directive on 11 July 2023, and then the Council completed its adoption. The act was signed on 13 September 2023 and published in the Official Journal of the European Union. On 10 October 2023 the revised directive entered into force.

Proposal for a directive of the European Parliament and of the Council on energy efficiency (recast)		
<i>Committee responsible:</i>	Industry, Research and Energy (ITRE)	COM(2021) 558 14.7.2021
<i>Rapporteur:</i>	Niels Fuglsang (S&D, Denmark)	2021/0203(COD)
<i>Shadow rapporteurs:</i>	Pernille Weiss (EPP, Denmark) Nicola Danti (Renew, Italy) Jutta Paulus (Greens/EFA, Germany) Grzegorz Tobiszowski (ECR, Poland) Markus Buchheit (ID, Germany) Sandra Pereira (The Left, Portugal)	Ordinary legislative procedure (COD) (Parliament and Council on equal footing – formerly 'co-decision')
<i>Procedure completed.</i>	Directive (EU) 2023/1791 OJ L 231, 20.9.2023, p. 1–111	



Introduction

On 14 July 2021, the European Commission adopted a [legislative proposal](#) to revise the Energy Efficiency Directive (EED), as part of a broader overhaul of climate and energy legislation referred to as the '[fit for 55](#)' package. The fundamental aim of this legislative package was to deliver the EU's climate action objective of a minimum 55 % reduction in greenhouse gas (GHG) emissions by 2030 (compared with 1990 levels), thus setting the EU more firmly on the path towards meeting its ultimate goal of net zero GHG emissions (climate neutrality) by 2050. The [European Climate Law](#) (July 2021) writes both the 2030 and the 2050 targets into European law.

The -55 % GHG target was originally proposed by the Commission in its [European Green Deal](#) communication (December 2019), which argued in favour of significant changes to the existing EU climate and energy legislation, which was designed to meet a -40 % GHG target by 2030 and not the much higher -55 % target. The European Green Deal proposes to revise the EED so as to accelerate and deepen the level of EU energy savings, and promote the take-up of renewable energy sources, especially in the building sector. The latter accounts for approximately 40 % of global GHG emissions and is therefore set to be a crucial focus of EU decarbonisation efforts.

Existing situation

The 2012 Energy Efficiency Directive ([Directive 2012/27/EU](#)) established a first set of measures to help the EU reach its **20 % energy efficiency target by 2020**, defined in terms of energy savings compared to a business-as-usual scenario. The main features of the EED are still relevant today, and include: setting upper limits on EU final and primary energy consumption; requiring all Member States to use energy more efficiently at all stages of the energy chain; seeking to deliver annual energy savings through obligations schemes or alternative measures; prioritising energy efficiency renovations of public sector buildings; introducing mandatory energy efficiency certificates for the sale or rental of buildings; promoting energy-efficient products and services; and upholding energy consumer rights, especially in terms of accurate and frequent consumption data.

The EED encouraged the EU and its Member States to make significant energy savings and thus reduce the use of fossil fuels, but not quite enough to support the EU's growing climate ambitions. The 2020 [progress report on the EED](#) indicated that the EU and its Member States were likely to meet their 2020 efficiency targets, but only due to the exceptional combination of COVID-19 related reductions in economic activity and a warm winter. In fact, the pre-COVID trajectory of energy consumption across the EU was well above the limits imposed by the EED.

[Directive \(EU\) 2018/2002](#) amended the EED in a way that supported the **EU goal of at least 32.5 % energy efficiency improvements by 2030** (compared to a business-as-usual scenario). This amendment was necessary to allow the EED to continue functioning from 2021 onwards and to raise the level of EU energy savings up until 2030 (see [EPRS briefing](#) for details). The amended EED set new limits on primary and final EU energy consumption in 2030 (lower than for 2020), and required all Member States to deliver higher annual energy savings. In keeping with the 2012 EED, the amended EED did not impose binding EU or national targets. Nevertheless, in parallel to the amended EED, the EU agreed on an enhanced and integrated framework for assessing and enforcing Member States' progress towards meeting all their climate and energy goals, in the form of [Regulation \(EU\) 2018/1999](#) on governance of the energy union (see [EPRS briefing](#) for details).

The amended EED entered into force in December 2018 and most of its provisions, including the new energy consumption limits and energy savings obligations, had a transposition deadline of 25 June 2020, whereas the provisions on metering and billing had a deadline of 25 October 2020. According to the 2020 EED progress report, at the time many Member States had not fully implemented these changes. However, the subsequent **EU decision to increase its GHG emissions reduction target from 40 % to 55 % by 2030 will require much greater energy savings**, which the Commission [impact assessment](#) on the climate target plans estimates as at least 36-37 % savings

in final energy consumption and 39-41 % savings in primary energy consumption.¹ This explained the choice of the Commission to reopen the EED so soon after its last amendment, a decision also supported by the Council and Parliament.

Parliament's starting position

Parliament has consistently expressed support for a reform of the EED that sets **higher and more binding EU and Member State 2030 energy savings targets**.

The resolution of 15 January 2020 on the [European Green Deal](#) calls for the EED, as well as the related Energy Performance of Buildings Directive (EPBD), 'to be revised in line with the EU's increased climate ambition, and for their implementation to be reinforced, through binding national targets'.

The resolution of 17 September 2020 on '[Maximising the energy efficiency potential of the EU building stock](#)' calls on the Commission to 'revise energy efficiency targets upwards, as required by the EED, starting by increasing the headline target for 2030 ... and to propose minimum annual renovation rates for buildings and policy measures ensuring ... deep renovations'.

During interinstitutional negotiations over the European Climate Law, Parliament [pushed](#) for a **target of at least 60 % GHG emissions reductions by 2030**, which is significantly higher than the 55 % reductions sought by the Commission and the Council. Meeting the -60 % GHG target would have required higher energy savings and greater investment in clean energy sources. Although these negotiations resulted in confirmation of the more modest -55 % target, they did incorporate Parliament's demands to tighten the trajectory towards net GHG emissions by 2050.

Council starting position

The European Council [conclusions of December 2020](#) endorsed a binding EU minimum target of at least 55 % reductions in GHG emissions by 2030, which would set the EU on the path towards climate neutrality (net zero GHG emissions) by 2050. The Council of the EU followed through on these high-level commitments when it negotiated the European Climate Law in 2021 and tasked the Commission with proposing the necessary measures to achieve these 2030 and 2050 targets, including the required changes to EU climate and energy legislation (including the EED).

Preparation of the proposal

The Commission carried out a detailed [evaluation of the existing EED](#), which was published alongside the new legislative proposal. The evaluation assessed implementation of the EED in Member States and looked at its overall effectiveness, with a view to identifying where further action was necessary to address shortcomings and to align the EED with more ambitious EU climate goals.

The evaluation used the findings of an external study commissioned for data collection and evidence-based assessment, carried out between June 2020 and March 2021. This was complemented by a smaller external study to analyse the submissions from an online public consultation that took place between 17 November 2020 and 9 February 2021 (344 replies). More targeted consultations also took place, including nine topical stakeholder workshops and a series of evaluation questionnaires or interviews. The Commission found that a majority of stakeholders supported revision of the EED, and a combination of regulatory and non-regulatory measures to achieve its energy efficiency goals.

The Commission carried out a full [impact assessment](#) (IA) to accompany its legislative proposal. This IA concluded with a series of preferred policy options to revise the EED and align it with the broader goals of the 'fit for 55' package. In particular, the Commission's IA proposed:

- a higher binding EU target of 36 to 37 % efficiency improvements by 2030;
- benchmarks for national energy efficiency contributions;
- more ambitious annual energy savings obligations (1.5 %);

- further guidance on the energy efficiency first principle;
- making the public sector set an exemplary role in energy efficiency;
- specific actions to improve efficiency in industry, heating and cooling, energy networks and transport;
- support measures to improve skills, empower consumers and address problems relating to energy poverty and vulnerable consumers;
- reinforced monitoring and reporting.

Most of these IA recommendations were later reflected in the text of the Commission's legislative proposal. On 19 April 2021, the Commission's IA received an initial negative opinion from the Regulatory Scrutiny Board (RSB), which made several recommendations for improvement that were immediately addressed by the Commission. The RSB delivered a second [positive opinion with reservations](#) on 28 May 2021. Annex A of the IA explains the RSB's recommendations and how these were addressed by the Commission.

EPRS carried out an [implementation appraisal of the energy efficiency directive](#) on behalf of the European Parliament in March 2021. This looked at how the EU and its Member States had been meeting the goals of the existing EED, and summarised some of the key views expressed by the European Parliament, other EU bodies and selected stakeholders. EPRS also published an [initial appraisal of the Commission's impact assessment](#) in December 2021.

The Commission has published a series of external studies relating to various aspects of the EED, including [implementation of the 'energy efficiency first' principle](#) (May 2021), [technical assistance to assess energy savings potential](#) (March 2021), [definition of SMEs under the EED](#) (March 2021).

The Commission also published an external study explaining the [EU's 2020 reference scenario](#) for energy, transport and GHG emissions until 2050. This is particularly important because the Commission intends to use the EU's 2020 reference scenario to calculate the precise level of energy savings that would be required under the terms of the revised EED (see below).

The changes the proposal would bring

The Commission's legislative proposal changes many provisions of the EED (approved in 2012, amended in 2018). The Commission has opted for a [recast EED](#) that would help to accelerate the pace of delivering energy savings and set more ambitious energy efficiency goals, in order to achieve much greater reductions in EU greenhouse gas (GHG) emissions by 2030.

The legal basis for the recast EED is Article 194(2) of the Treaty on the Functioning of the European Union, which is dedicated to energy and gives the EU a specific mandate to adopt policies relating to energy savings and efficiency. The Commission considered that a directive is still the instrument of choice because it can clearly define Union objectives while leaving sufficient flexibility for Member States to implement these in a way that considers national circumstances. The following is a selective analysis of the key changes introduced in the Commission's proposal.

Article 3 introduces a legal and operational definition of the **'energy efficiency first' principle** and specifies the scope of its application. This principle was included in the 2018 EED but proved hard to implement without a clear legal definition. The principle will henceforth apply to energy systems and all non-energy sectors that have an impact on energy consumption and energy efficiency; processes of public procurement (contracts and concessions) from a certain value upwards (Article 7); and energy transformation, transmission and distribution systems (Article 25). Article 4 sets new energy efficiency targets for the EU, which **must collectively ensure a further reduction in energy consumption of at least 9 % by 2030**, as compared to projections made under the [EU's 2020 reference scenario](#). This constitutes a new method of calculating EU energy efficiency that corresponds to 36 % savings in final energy consumption (FEC) and 39 % savings in primary energy consumption (PEC) by 2030. PEC is a broader measure of energy consumption than FEC because it also calculates the amount of energy used in energy production and transmission. The projections

of the EU's 2020 reference scenario include the energy savings envisaged by Member States as part of their 2021-2030 national energy and climate plans (NECPs). NECPs are the core requirement of [Regulation \(EU\) 2018/1999](#) on energy union governance.

Article 4 sets **upper EU limits on FEC of 787 Mtoe and PEC of 1 023 Mtoe by 2030**. These upper limits are considerably lower than in the 2018 EED (826 Mtoe in FEC, 1 128 Mtoe in PEC). Furthermore, the EU would be required to meet *both* FEC and PEC targets, whereas under the 2018 EED it is sufficient for the EU to meet *either* of these targets. These new targets will become binding for the EU as a whole, but the national contributions remain only indicative. This reflects the continued resistance of some Member States to binding national targets. However, Member States must adopt further efficiency measures within one year if Commission analysis concludes they are not in line with their indicative trajectory for higher energy savings.

Articles 5 and 6 **strengthen provisions on the exemplary role of the public sector** in leading on energy efficiency. Member States must ensure that the FEC of all public bodies (combined) is reduced by at least 1.7 % per annum (Article 5), and that at least 3 % of the floor space of buildings owned by public bodies (over 250m² in size) is renovated annually to nearly zero-energy building (nZEB) standards (Article 6). These standards are defined at EU level in [Directive 2010/31/EU](#) on the energy performance of buildings. In contrast, the 2018 EED does not contain binding energy consumption reductions for the public sector as a whole and applies the 3 % renovation requirement only to central government buildings. The recast EED would extend this requirement and make it **binding for all public bodies, including local and regional government buildings**.

Article 8 modifies the provisions on **energy saving obligations** (ESOs), which are currently set at 0.8 % per annum over the 2021-2030 period. Under the recast EED, the annual rate of ESOs would almost double (1.5 %) between 2024 and 2030. The reference period for calculating ESOs would be the average FEC over the years 2018, 2019 and 2020. From 2024 onwards, Malta and Cyprus would have to meet the new ESO rate (1.5 %) rather than the much lower rate (0.24 %) that applies to them currently under the existing EED. ESOs and related ESO schemes (Article 9) would also need to include measures that can **address energy poverty for vulnerable consumers**.

Article 11 includes new provisions on energy management systems and energy audits, and a requirement that **Member States must disclose the energy consumption of their data centres**.

Article 20 includes new provisions that give EU consumers some basic **contractual rights for heating, cooling and domestic hot water supply**. This complements the largely unchanged provisions of the existing EED relating to metering and billing requirements and consumer rights.

Article 21 creates '**one stop shops**' for the provision of technical, administrative and financial advice and assistance on energy efficiency, including the renovation of buildings in a way that is energy efficient and encourages the take-up of renewable energy.

Article 22 creates a new obligation on Member States to take measures to empower and protect people affected by energy poverty, vulnerable customers and people living in social housing.

Article 24 provides a definition of an **efficient heating and cooling system** (HCS) based on the minimum shares (in percentage terms) of renewable energy, waste and cogenerated heat that the HCS uses. The minimum shares required for an efficient HCS would increase at regular intervals (until 2025; 2026 to 2034; 2035 to 2044; 2045 to 2049; from 2050) on the path towards climate neutrality.

Article 26 reinforces the existing provisions on qualification, accreditation and certification schemes for different energy services providers, energy auditors, energy managers and installers. New provisions will require Member States to assess their relevant schemes every four years.

On 18 May 2022, the European Commission adopted the [REPowerEU plan](#) to end the EU's dependence on Russian energy imports, while continuing to support the transition towards climate neutrality. The plan includes a [targeted amendment](#) of the EED to ensure that Member States collectively reduce their energy consumption by at least 13 % in 2030, as compared to the 2020

reference scenario. Under this new proposal, **the upper limits on FEC and PEC are set respectively at 750 Mtoe and 980 Mtoe.**

Advisory committees

The European Economic and Social Committee (EESC) adopted an [opinion](#) (TEN/749-EESC-2021) on the review of the Energy Efficiency Directive on 8 December 2021. The rapporteur was Alena Mastantuono (Employers – Group 1, Czechia). The EESC welcomes the Commission's proposal because it addresses an area of action that is key to achieving full decarbonisation of the EU's economy and society, while also setting out the leading role of the public sector, including local and regional authorities. The EESC also appreciates the greater emphasis on informing and empowering consumers – for example, in the area of contract requirements or the use of clear and comprehensible language – and stresses the important role of civil society in information campaigns on the benefits of energy efficiency. The EESC also supports the incentives and tools for implementation of the EED to help vulnerable customers and households. At the same time, the EESC points out that ambitious targets for district heating/cooling may worsen the conditions of social housing.

The European Committee of the Regions (CoR) adopted an [opinion](#) (CDR 4548/2021) on amendment of the Energy Efficiency Directive on 28 April 2022. The rapporteur was Rafał Kazimierz Trzaskowski (EPP, Poland). The CoR reiterates the crucial role that local and regional action plays in engaging with citizens and promoting the green transition through successful community-led best practices. It welcomes the explicit reference to the need to combat energy and mobility poverty using energy efficiency measures and the subsequent need for Member States to support the local and regional level in this sense. The CoR also underlines that the proposed reductions in final energy consumption of all public bodies by 1.7 % each year will be a huge challenge for most Member States that will require extensive capacity-building. The CoR welcomes the requirement to renovate 3 % of the public building stock on an annual basis (which will also need extensive capacity-building), and calls on the Commission and the Parliament to set up a pilot project dealing specifically with the challenging renovation and increasing of energy efficiency of historical and/or particular landmark buildings.

National parliaments

National parliaments were [consulted](#) on this legislative proposal. The [Irish Houses of Oireachtas](#) and the [Czech Senate](#) submitted reasoned opinions on the 'fit for 55' package, although only the latter focused its criticism on the EED proposal. Four national parliaments, from Austria, Germany, Poland and Spain, entered into political dialogue with the European Commission on this proposal.

Stakeholder views²

The Commission's 'fit for 55' package received a mixed reaction from stakeholders, with some praising it as an important milestone in tackling climate change, while others felt it lacked ambition for a task of this magnitude. Given the numerous legislative proposals, covering all aspects of climate and energy legislation, only certain stakeholders discussed the EED in any detail.

Environmental groups were generally critical of the 'fit for 55' package, including the recast EED. [Greenpeace](#) argued that an energy efficiency target of 36 % (for final energy consumption) is too low to keep global temperature rises below 1.5 °C, as confirmed in the [energy scenario](#) modelled by the Climate Action Network (CAN). CAN made a [rapid assessment](#) of all the main 'fit for 55' files, and concluded that the recast EED needed a higher EU target of 45 % energy savings supported by binding national targets. Nevertheless, CAN noted that the EED would now contain a delivery mechanism should national contributions fall short, and this was a significant improvement on the current situation. [Friends of the Earth](#), together with the Right to Energy Coalition, welcomed the changes to raise and strengthen EU energy efficiency targets but were concerned that the lack of

binding national targets made them hard to enforce, and that the target of 39 % (for primary energy consumption) was too low to limit global temperature rises to 1.5 °C. The [European Environmental Bureau](#) argued that the Commission had missed a historic opportunity to phase out fossil fuels from the energy system, and a minimum efficiency target of 45 % by 2030 was necessary for decarbonisation.

Industry responses tended to be more positive, especially those of renewables producers, who also called for greater ambition in certain areas. [Hydrogen Europe](#) welcomed the introduction of the notion of 'energy system efficiency' (in parallel to the 'energy efficiency first' principle) and believed this opened the door to a greater role for hydrogen in terms of energy production and storage. [EPEEE](#), representing the heating, cooling and refrigeration industry, was generally enthusiastic about the 'fit for 55' package but also called for greater ambition in terms of decarbonisation of the heating and cooling sector, by phasing out fossil fuels and replacing current stock with highly efficient, renewable-based investments. [Bioenergy Europe](#) supported the greater emphasis on heating and the establishment of 'one stop shops' in the recast EED, but was disappointed that national targets would remain non-binding and therefore make it difficult to reach the stated goals. This producer association argued that 'the obligation to renovate 3 % of the total floor area of public buildings is not ambitious enough to bring a real change and decarbonise the current building stock'. Eurofuel (heating oil association) had previously published a [position paper](#) on the review of the EED (February 2021) that argued for a flexible approach encouraging the most cost-effective energy saving measures and helping to alleviate energy poverty, rather than banning certain fuel types, imposing uniform obligations and increasing the overall administrative burden.

The [Coalition for Energy Savings](#) issued a press release specifically on the recast EED, which in its view strengthened the existing EU climate and energy framework but did not tap the full potential for energy efficiency savings, in part because the proposed EU savings target was too low. The Coalition advocated a target of at least 40 % savings, defined in terms of final energy consumption.

Legislative process

The [file](#) was referred to the European Parliament's Committee on Industry, Research and Energy (ITRE), which appointed Niels Fuglsang (S&D, Denmark) as rapporteur. The Committees on Environment, Public Health and Food Safety (ENVI), Transport and Tourism (TRAN), and Women's Rights and Gender Equality (FEMM) adopted supporting opinions. The Committee on Legal Affairs (JURI) adopted an opinion specifically on the use of the recast technique. On 13 July 2022, the ITRE committee adopted a **final report**, which garnered cross-party support after compromise amendments were agreed. Parliament approved this report during plenary session in September 2022.

The Parliament [report](#) sets **more ambitious targets on lowering energy consumption by 2030**, consisting of a reduction of 40 % in FEC, with an upper limit of 740 Mtoe, and a reduction of 42.5 % in PEC, with an upper limit of 960 Mtoe. While these energy savings are much greater than in the original Commission proposal (July 2021), they do not differ hugely from the Commission's targeted EED amendment as part of the REPowerEU plan (May 2022), which proposes upper limits of 750 Mtoe (FEC) and 980 Mtoe (PEC). However, unlike in the Commission's proposals, the ITRE report would assign **binding national targets accompanied by milestones for 2025 and 2027**.

Furthermore, Parliament's report contains **more ambitious targets for the public sector**. The total FEC of all public bodies combined should be reduced by at least 2 % each year, whereas the Commission's proposal requires an annual -1.7 % reduction in FEC. The report proposes that buildings owned by public bodies for a social purpose be specifically covered by these EED requirements, with an exemption only for social housing if the energy savings are not cost-neutral and would lead to increased rents. The report also contains incentives to frontload investment in public building renovations, so that Member States which renovate more than 3 % of floor space in earlier years can count this towards their 3 % target in subsequent years.

Parliament's report proposes **annual energy savings obligations (ESOs) of 2 % between 2024 and 2030**, a third higher than in the Commission's proposal (1.5 %). The report provides considerably more detail on how to implement the 'energy efficiency first' principle (including a delegated act by the Commission), address energy poverty in the Member States (including long-term strategies and improved data collection), monitor energy use of data centres (Commission report by 15 March 2025), and establish 'one stop shops' on energy efficiency. Last but not least, Parliament's report proposes the development of **energy efficiency partnerships** in specific economic sectors, encompassing public authorities, industries, social partners and other relevant actors.

Under the French Presidency, the Council agreed a [general approach](#) (27 June 2022) in view of 'trilogue' negotiations with the Commission and the Parliament. The general approach differs in important ways from the ITRE report. It sticks with the targets set out in the original Commission proposal (July 2021), with upper limits on energy consumption of 787 Mtoe (FEC) and 1 023 Mtoe (PEC). However, unlike in the Commission's proposal, only the FEC target would become collectively binding on the EU as a whole, whereas the PEC target would be indicative. Member State contributions would remain indicative (non-binding), and based exclusively on FEC (not PEC). The -1.7 % FEC targets for public buildings would become binding only after four years and would be limited to buildings owned by public bodies. Member States could alternatively set a higher target of -1.9 % FEC that excludes the transport sector and armed forces.

The general approach contains similar incentives to frontload investment in renovating public buildings as those contained in the ITRE report. The increase in annual ESOs would be more gradual than in the Commission proposal, rising from 1.1 % (2024-2025) to 1.5 % (2028-2030), and would include greater flexibility in accounting between years. Malta and Cyprus would continue to be able to deliver lower ESOs. The general approach includes additional measures to address energy poverty, monitoring the energy consumption of data centres (including an EU database by 30 June 2024), and setting up optional 'one stop shops'.

EP and Council negotiators reached a [provisional agreement](#) on 10 March 2023. This sets a reduction of primary and final energy consumption of **11.7% at EU level by 2030**. This translates into a limit to the EU's final energy consumption of **763 Mtoe** and of **992 Mtoe** for primary consumption. The amounts set by the preliminary agreement are not very far from the level of ambition proposed by the [REPowerEU plan](#), that is a 13 % reduction in energy consumption, limit of 750 Mtoe for FEC and 980 Mtoe for PEC. The limit for final energy consumption is binding for Member States collectively, while the primary energy consumption target is only indicative.

According to the agreement, annual energy savings by Member States shall reach **1.5 % on average by 2030**. They will begin with a **1.3 % decrease in the period to the end of 2025, then 1.5 % by the end of 2027** and move towards **1.9 % by the end of 2030**. To fulfil this target, Member States may include in the calculation the energy savings realised under the current and revised [Energy Performance of Buildings Directive](#); measures resulting from the [EU ETS](#) (for installations and for buildings and transport); and emergency energy measures.

The public sector will have to reduce its **final energy consumption by 1.9 % each year, with the possibility to** exclude public transport and armed forces. Member States should also ensure that **at least 3 % of buildings owned by public administrations** are renovated each year into near-zero energy buildings or zero-emission buildings. The agreement provides a revised definition for efficient district heating systems and sets new requirements aiming at a fully decarbonised supply for these systems by 2050.

The agreement includes the **EU definition of energy poverty**. The agreed provisions aim at reducing energy poverty and empowering consumers by, among other things, the creation of one-stop-shops. The agreement tasks the Commission to assess whether existing energy partnerships sufficiently address energy efficiency, and propose, if needed, the establishment of sector-specific energy efficiency partnerships, as proposed by the European Parliament.

The provisional agreement was endorsed by the ITRE committee on 24 April, after Coreper had done so on 29 March 2023. Parliament formally adopted the directive in [plenary](#) on 11 July 2023, and then the Council followed suit. The act was signed on 13 September 2023 and published in the Official Journal of the European Union. The revised [directive](#) entered into force on 10 October 2023.

EUROPEAN PARLIAMENT SUPPORTING ANALYSIS

Eisele K., [Fit for 55 package: Recasting the Energy Efficiency Directive](#), Initial Appraisal of a European Commission Impact Assessment, EPRS, European Parliament, December 2021.

Widuto A., [Energy Saving and demand reduction](#), EPRS, European Parliament, September 2022.

Zygierewicz A. and Salvador Sanz L., [Energy Efficiency Directive](#), implementation appraisal, EPRS, European Parliament, March 2021.

OTHER SOURCES

[Energy Efficiency Directive, Recast, 'Fit for 55' package](#), Legislative Observatory (OEIL), European Parliament.

ENDNOTES

- ¹ The estimates of final and primary energy consumption compatible with a 55 % GHG target are based on the findings of an impact assessment carried out by the Commission in preparation of its [2030 climate action plan](#) (September 2020), which proposed the -55 % GHG target as well as related targets that may be necessary to achieve this goal.
- ² This section aims to provide a flavour of the debate and is not intended to be an exhaustive account of all different views on the proposal. Additional information can be found in related publications listed under 'European Parliament supporting analysis'.

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