
Energy Union: deals on efficiency targets and governance

- 32.5% energy efficiency target by 2030
- 0.8% target of real annual savings for 2021-2030
- Long-term planning and coordination needed to achieve Paris agreement objectives
- New mandatory requirement to use efficiency measures to tackle energy poverty
- Commission to check on progress achieved and adopt remedy measures if needed

A new 32.5% energy efficiency target for 2030 and a new instrument to help member states deliver on energy and climate goals were agreed by the EP and Council.

A first informal agreement reached on Tuesday night by Parliament and Council negotiators sets a 32.5% energy efficiency headline target at EU level, to be reviewed by 2023 to take into account significant cost reductions resulting from economic or technological changes. The target can therefore only be raised, not lowered.

A second deal reached in the early hours of Wednesday morning establishes the working mechanisms for the [Energy Union](#) project and a framework for member states in which to operate and deliver on EU energy and climate goals.

Energy savings

The provisional deal on energy efficiency obliges member states to increase their energy savings by 0.8% every year for the period 2021-2030. This provision could boost renovation of buildings and the use of more efficient technologies for heating and cooling.

A new governance to achieve an Energy Union

According to the other provisional deal reached on Wednesday morning, each member state must present an “integrated national energy and climate plan” by 31 December 2019, and subsequently by 1 January 2029, and every ten years thereafter. The first of these plans will cover the period from 2021 to 2030, taking into consideration also a longer-term perspective, and the following ones will cover the subsequent ten-year period.

These integrated national energy and climate plans will include national targets, contributions, policies and measures for each of the five dimensions of the Energy Union:

- decarbonisation,
- energy efficiency,
- energy security,
- internal energy market and
- research, innovation and competitiveness.

Member states must also prepare long-term strategies setting their policy vision until 2050. In order to meet these targets and objectives, the draft agreement calls on member states to cooperate with each other, using all existing forms of regional cooperation.

New mandatory provisions on energy poverty

For the first time, there is a mandatory requirement for member states to use a share of their energy efficiency measures to help vulnerable customers, including those affected by energy poverty.

The plans should indeed contain assessments of the number of households facing energy poverty in each EU country, as well as a national indicative objective to reduce it, if this figure is significant. Member states could also include policies and measures addressing energy poverty, including social policy measures and other relevant national programmes.

EU institutions role

The Commission will assess the integrated national energy and climate plans and make recommendations or adopt remedy measures, if it considers that insufficient progress was made or that not enough actions were taken.

Parliament and Council will evaluate on regular basis progress made on the path towards an Energy Union.

Quotes

[Claude Turmes \(Greens/EFA, LU\)](#), co-rapporteur for Industry and Energy committee on Energy Union governance said: “The deal concluded today sets up a credible, transparent and effective mechanism to ensure the collective achievement of the 2030 targets for renewables and energy efficiency. It also establishes new partnerships between member states and civil society, cities and stakeholders. It is quite ambitious on regional cooperation. On the 2050 climate vision, this Regulation is a big step forward as for the first time it anchors the concept of "carbon budget" into EU law and underlines the need to achieve a net-zero carbon economy as early as possible.

[Michele Rivasi \(Greens/EFA, FR\)](#), co-rapporteur for Environment and Public Health committee on Energy Union governance, said: “Strong governance rules are needed to respect the Paris

agreement. We have therefore ensured that the national plans are compatible with the objective of keeping global warming well below 2°C, with the ambition of reaching 1.5°C. We also welcome the establishment of a mechanism capable of guaranteeing a fair contribution by the Member States to the energy transition. Finally, our efforts to ensure that the problem of fuel poverty is taken seriously at European level have borne fruit. While we are satisfied with the compromise, improvements are still needed, particularly in terms of energy efficiency, renewable energies and the total decarbonisation of our economy by 2050”.

Energy efficiency rapporteur [Miroslav Poche \(S&D, CZ\)](#) said: “Increased energy efficiency really is a win-win policy for all Europeans. It is a good deal for our citizens, as it will bring about major reductions in energy consumption, thus reducing bills and improving health and wellbeing, helping to fight energy poverty. But it is also great news for the competitiveness of European industry, reducing costs and stimulating additional investment, growth and employment, particularly in the construction sector. Finally, it is even better news for our planet, given that energy efficiency is a key element of our climate policy and this Directive will play a crucial role in meeting our obligations stemming from the Paris climate change agreement.”

Next steps

The provisional agreement on Energy Union governance must be approved by the Energy and Environment committees, while the one on energy efficiency by the Energy Committee only. Both texts need to be endorsed by Parliament as a whole, which could happen during the October plenary session. Once the Council of EU Ministers has also given its green light, the law is published in the EU's Official Journal. After the publication, the regulation on governance will be directly applied in all member states, while for the new efficiency directive, member states will have 18 months to transpose it into their national legal systems.

Further information

[Legislative file - Governance of the Energy Union](#)

[Procedure - Efficiency directive](#)

[Press release after the plenary vote on the mandate for negotiations \(11.01.2018\)](#)

[EPRS Briefing on Efficiency](#)

[EPRS Briefing on Governance](#)

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