EuropeOn Reaction
EU Commission's "Fit for 55" legislative package (Renewable Energy & Energy Efficiency directives)

I/ Renewable Energy Directive (RED)

Skills & Trainings:

- The Commission has amended article 18(3) so that Member States shall ensure that trained and qualified installers of renewable heating and cooling systems are available in sufficient numbers and that enough training programs are available to them. Member States must also promote participation to trainings, especially for SMEs and self-employed professionals.

EuropeOn's comments:

- EuropeOn welcomes the Commission's endeavour to strengthen skills and training requirements in the RED. Indeed, through the Skills4Climate campaign, EuropeOn and fellow European associations have been raising EU and national policymakers' awareness on the need to intertwine the climate and skills agendas: no matter how high our ambitions for a green and digital transition are, we need skilled professionals (e.g. electrical installers) in sufficient numbers to implement this change.

- We see as a positive development that the Commission holds Member States accountable on providing enough training programs and enough qualified installers.

- However, this accountability is limited to renewable heating & cooling technologies. National electrical associations across Europe report shortfalls of installers for all clean energy technologies and for their efficient integration (from solar photovoltaic to electric vehicles' chargers, energy management and so on) ➔ **the new provision in 18(3) should be broadened to "*the installation, operation and integration of equipment and systems for the use of heating, cooling and electricity from renewable sources*"** (in line with Article 18(2)).

- In their vast majority, installers work in very small companies or are self-employed and therefore lack (financial and time) resources for training. ➔ **To accelerate the energy transition, targeted support schemes must be made easily available to SMEs, very small enterprises and self-employed in order for them to up-skill**.

- "*Promoting participation*" is indeed indispensable as many national electrical associations report a lack of applicants in their trade, because of the generally poor image of technical education.

- In order to tackle the double challenge of providing enough training programmes and attracting workers in sufficient numbers ➔ **a first step should be for Member States to assess the gap between available and needed installation professionals to achieve the EU's climate objectives.** This could be done in synergy with a related provision proposed by the Commission for the EED revision (see new article 26(4) and below on page 3).

Renewable energy targets:

- The Commission aims for the EU to achieve 40% of renewable energy in the EU energy mix by 2030 (Article 3(1)).

EuropeOn's comments:

- The new figure is in line with EuropeOn's position paper. However, **we regret that the Commission does not propose national binding targets to support this new objective.**

- The Commission sets a new indicative target of 49% of renewables (final energy consumption) in buildings by 2030 (Article 15a(1)).

EuropeOn's comments:

- We welcome this target and are convinced that electricity has a leading role to play, thanks to its higher efficiency and its majority share of renewables, which keeps rising. Again, skilled

professionals will be indispensable to implement this objective. EuropeOn recently estimated that, Europe-wide, over 270.000 new professionals must join our trade by 2030 to install rooftop solar panels and battery storage but we already face difficulties to attract and train new recruits. ➔ See our comments on Skills & Trainings (above).

Self-consumption:

- The Commission invites Member States to introduce in their building regulations and codes measures substantially increase renewable self-consumption (Article 15a(2)).

EuropeOn's comments:

- Self-consumption is key to unlock the demand-side flexibility of sustainable energy systems and to involve end-users in climate change mitigation (prosumer model). However, **EuropeOn regrets that there is only a very limited push in the Commission's proposal to foster more self-consumption**.

System integration & Data Access

- The Commission drafted a new comprehensive article to facilitate system integration of renewable electricity (Article 20a).

EuropeOn's comments:

- EuropeOn is thrilled with this new article, as electrical contractors contribute to the integration of renewable electricity in energy systems, from electrical systems in buildings and infrastructures to solar PV, EV chargers, battery storage and energy management solutions.

- This new article includes provisions to improve data access for third parties. Access to data is key for electrical contractors (or "integrators", as they like to emphasise) to enter the energy services market, making it more competitive, and to foster a consumer-centric energy transition. We look forward to a similar provision in the upcoming EPBD to fully harness building data.

Electro-mobility

- The Commission introduced a credit mechanism for renewable electricity in transport, under which economic operators that supply renewable electricity to electric vehicles (EVs) via public charging stations will receive credits they can sell to fuel suppliers who can use them to satisfy the fuel supplier obligation (Article 1(14)).

EuropeOn's comments:

- While the introduction of a credit mechanism is an important step forward to fairly value the contribution of e-mobility to the decarbonisation of transport, **EuropeOn strongly regrets the deletion of REDII article 27 provisions setting out multipliers for renewable electricity, which adequately conveyed the markedly superior efficiency of electric vehicles.**

- Overall, we are thrilled that the Commission identifies electrification as "*the most efficient way to decarbonise road transport*". We welcome the new pushes for EVs and the emphasis on smart charging, which we also support in AFID and EPBD revisions.

- Beyond RED, EuropeOn welcomes the phasing out of fossil fuels by 2035 in road transport and the shift from AFID to a Regulation. Both proposals send a strong signal to mobility stakeholders.

Permitting for renewable energy installations:

- The Commission acknowledges that overly complex and excessively long administrative permitting procedures constitute a major barrier for the deployment of renewable energy. Member States must improve permitting procedures by 15 March 2023. As of 2024, if deemed necessary, the Commission can take appropriate measures to improve such procedures (Article 15(9)).

EuropeOn's comments:

- We welcome these provisions that are instrumental to achieve EU's renewables objectives.

II/ Energy Efficiency Directive (EED)

Skills & Trainings:

- The Commission has amended article 26(1) so that Member States shall ensure that enough training programs are available for energy efficiency professions including installers.

EuropeOn's comments:

- EuropeOn welcomes the Commission's endeavour to strengthen skills and training requirements in the EED. Indeed, through the Skills4Climate campaign, EuropeOn and fellow European associations have been raising EU and national policymakers' awareness on the need to intertwine the climate and skills agendas: no matter how high our ambitions for a green and digital transition are, we need skilled professionals (e.g. electrical installers) in sufficient numbers to implement this change.

- We see as a positive development that the Commission holds Member States accountable on providing such training programs.

- In their vast majority, installers work in very-small companies or are self-employed and therefore lack (financial and time) resources for training. ➔ **To accelerate the energy transition, targeted support schemes must be made easily available to SMEs, very small enterprises and self-employed in order for them to up-skill**.

- Besides trainings availability, another obstacle to the energy efficiency first principle that needs to be simultaneously tackled is the lack of applicants in the installation sector, because of the generally poor image of technical education ➔ **Members States must actively promote technical education and energy efficiency careers.**

- The Commission has amended article 26(4) to mandate Member States to assess by 31 December 2024 and every 4 years thereafter whether the schemes ensure the necessary level of competences for energy efficiency professions including installers and shall make the assessment and recommendations publicly available.

EuropeOn's comments:

- We are satisfied with this provision which will contribute to make Member States accountable to provide enough trainings and qualifications to electrical installers, however this is not enough as the sector faces a dual shortage of both skills and applicants. The lack of applicants must be addressed. ➔ **This provision can be strengthened by asking Member States to assess the gap between available and needed installation professionals to achieve the EU's climate objectives.**

Energy efficiency & energy savings targets:

- The Commission aims for the EU to achieve a binding target of 36% of energy efficiency in the EU by 2030 in final energy consumption and 39% in primary energy consumption (Article 1).

EuropeOn's comments:

- The new figures are in line with EuropeOn's position paper. However, **we regret that the Commission does not propose national binding targets to support this new objective.**

- The Commission sets new annual energy savings obligations for all Member States of 1.5% (currently: 0.8%) (Article 8). Besides, Member States shall ensure that the total final energy consumption of all public bodies combined is reduced by at least 1,7% each year (Article 5).

EuropeOn's comments:

- EuropeOn welcomes the new saving obligations and the principle that public bodies should lead by example, in line with Article 6.

- **We also want to outline that electrification is an efficient way to save energy, because electricity delivers equivalent results with less energy input**. For instance, battery electric vehicles have a conversion efficiency of 80-90% from tank to wheel, compared to 20-30% for internal combustion engines. This allows EVs to drive 3 to 4 times the distance with the same amount of energy. In the heating sector, heat pumps powered with clean electricity use 2/3 of the energy used by fossil boilers.

Renovation:

- The Commission proposes that at least 3% of buildings owned by all levels of public bodies are renovated each year to become nearly zero-energy buildings (NZEBs) (Article 6).

EuropeOn's comments:

- This proposal is in line with our position paper and will contribute to the Renovation Wave objectives, although much more measures need to be proposed in the upcoming EPBD revision to achieve a doubling of energy renovation rates across Europe.

- In a report we just released, we estimated that doubling renovation rates across Europe could lead to the **creation of 270.000 direct jobs in our sector by 2030**.

Energy audits:

- The criterion for energy audits and energy management systems is shifted from the type of enterprise to the levels of energy consumption. Besides, the definition of energy audit will now include "*identifying the potential for cost-effective use or production of renewable energy*" (Articles 11 and 2(28)).

EuropeOn's comments:

- These proposals head in the right direction. However, the revision does not tackle the lack of follow-up on energy audits (raised in our position paper) ➔ **the EED must ensure the implementation of energy audits, otherwise they will not contribute to the new energy efficiency targets.**

Primary Energy Factor (PEF):

- A slight evolution of the PEF provisions has been proposed: Member States shall (and no longer "may") apply a default coefficient of 2,1 unless they use their discretion to define a different coefficient based upon justified national circumstances. As is the current EED, the Commission shall revise the default coefficient on the basis of observed data by 25 December 2022 and every 4 years thereafter (Article 29(2) and (7)).

EuropeOn's comments:

- The new phrasing for the 2.1 default coefficient is not clear: it could equally mean that Member States can go above this figure if they can provide justifications, or that they can only go below provided that they have relevant justifications ➔ **to achieve climate-neutrality, the EU must not open the door to a default coefficient over 2.1 and the latter must be revised downwards.**

- As expressed in our position paper, under the PEF framework, electricity remains at a competitive disadvantage compared to fossil fuels. While electricity has been decarbonising fast (with renewables taking over fossil fuels in 2020 and consistently growing in the first semester of 2021), the current default PEF risks undermining the RED proposal target to reach 49% of renewables in buildings by 2030. ➔ **the default PEF should be reviewed on a more regular (at least annual) basis. It must also be reshaped to include GHG-intensity of energy carriers in the methodology.**