EuropeOn Reaction Paper:
Energy Efficiency Directive

EuropeOn is the voice of electrical contractors and installers, the 1.8 million professionals implementing the energy transition by installing and maintaining electric technologies such as solar panels and EV charging infrastructure, or advising consumers on the best available clean energy technologies. We welcome the Fit for 55 Package as a turning point to reach climate neutrality while making the EU Green Deal our European growth strategy.

We are aware that the lack of workers and skills mismatches in our segment of activity are often pinpointed as being one of the "bottlenecks" to the acceleration of the green and digital transitions. This is a top concern for our members, who report difficulties hiring new talents while their order books are full. With this position paper, EuropeOn recommends that:

- **The EU must require Member States to assess the gap between available and needed installation professionals to achieve the EU's climate and energy objectives**. This assessment will confront Member States with the pressing discrepancy in available personnel and the challenges they will face in the attainment of said targets. This assessment must be followed by implementing measures to close this gap and ensure compliance with EU targets. Otherwise, climate efforts will miss their objectives (EED, Article 26 (4)).
- **Access to training programmes must be facilitated for SMEs.** The installation sector is mostly comprised of very small to medium enterprises, which have specific challenges in accessing these programmes (EED, Article 24(1)).

The electrical contracting sector would have less difficulties hiring professionals with more predictability in the energy transition. Therefore:

- **The 36% final energy efficiency target must be binding at national level** (EED, Article 1)
- **The PEF framework must be profoundly revised to bring clarity to the way forward for our energy system** (EED, Article 29)

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1. Attracting skilled installers in sufficient numbers is key for a successful green and digital transition

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.

The EU must require Member States to assess the gap between available and needed installation professionals to achieve the EU's climate and energy objectives.

Justification: Across Europe, national associations of electrical contractors and installers report severe difficulties hiring new talents, while order books are full. With higher climate and energy targets, this situation is set to worsen if not tackled head-on.

Yet, Member States have not taken sufficient action to address this shortage by promoting the attractiveness of technical education and energy efficient careers. To begin with, they have often not assessed the potentially dire consequences of lacking professionals working in energy efficiency on their climate and energy targets.

A first step is therefore to thoroughly estimate the gap between available and needed professionals. Such an assessment should be based on national projections for energy efficiency, and assess a short to medium time period (the next 5 - 10 years).

Quantifying the recruitment needs would help Member States take appropriate action in terms of career promotion and training facilities.

Proposal: Amend Article 26(4) as such: "*Member States shall assess by 31 December 2024 and every four years thereafter whether the schemes ensure the necessary level of competences for energy services providers, energy auditors, energy managers, independent experts and installers of building elements pursuant to Directive 2010/31/EU.* **They shall also assess the gap between available and needed professionals in the before-mentioned careers. They** ~~*,and*~~ *shall make the assessment and recommendations thereof publicly available*."

Access to training programmes must be facilitated to SMEs.

Justification: The electrical contracting sector is key to implement energy efficiency measures in all end-sectors. However, electrical contractors are mostly comprised of small enterprises and even self-employed professionals. This scope is characterised by a lack of financial and human resources to undergo up-skilling and training. As a consequence, 25% of SMEs across Europe identify the access to new skills and better skilled workers as their most important problem[1].

Proposal: Add a sub-paragraph to Article 26 (1), in the same spirit as what has been proposed by the Commission in the new Renewable Energy Directive (Article 18 (3)): "*Member States shall put in place measures to promote participation in such programmes, in particular by small and medium-sized enterprises and the self-employed*."

2. A predictable energy transition agenda is paramount to invest in the human capital behind a green and digital transition

The 36% final energy efficiency target must be binding at national level.

Justification: the electrical contracting sector would have less difficulties hiring professionals if the energy transition agenda was more predictable. Setting binding targets at national level can help meeting our climate and skills agendas.

Proposal: Amend Article 1 to make the 36% final energy efficiency target binding at national level.

The PEF framework must be profoundly revised to bring clarity to the way forward for our energy system.

[1] Survey on the Access to Finance of Enterprises (SAFE) - 20th round – European Central Bank (May 2019)

Justification: As expressed in our position paper, under the PEF framework, electricity remains at a competitive disadvantage compared to fossil fuels. The PEF must be revised in a more dynamic way to acknowledge that electricity is decarbonising fast, with renewables taking over fossil fuels in 2020 and consistently growing in the first semester of 2021. Such an update is instrumental to successfully meet the RED proposal target to reach 49% of renewables in buildings by 2030, for example.

Furthermore, given the EU's new ambition to be climate-neutral by 2050, the PEF framework and methodology should be revamped to integrate parameters such as a carbon index or a life-cycle perspective of different energy carriers.

Proposal: Amend the new Article 29 (7) as such: "*By 25 December 2022 and every* ***four*** *years thereafter, the Commission shall revise the default coefficient on the basis of observed data. That revision shall be carried out taking into account its effects on other Union law such as Directive 2009/125/EC and Regulation (EU) 2017/1369.* **A reflection should be conducted to integrate new parameters in the PEF methodology, such as a carbon index or a life-cycle perspective of different energy carriers.**"

3. Ensuring that energy audits lead to real energy efficiency gains

Energy audits' conclusions must be implemented

Justification: Electrical contractors are directly involved in energy audits and often report a lack of implementation of audits' conclusions, which is detrimental to achieving the EU's energy efficiency targets.

Proposal: New article 11 (2) sets out that "*Energy audits shall be carried out at least every four years from the date of the previous energy audit*." This is a good first step but the legislator could strengthen this provision by suggesting rewards or sanctions for enterprises which are respectively implementing or not audits' conclusions over the 4-year period.