Swedenergy's response to public consultation on the energy efficiency framework for the decade ahead

The European Commission is preparing a revised energy efficiency framework for the period after 2030, as part of the broader climate and energy policy architecture aligned with the EU's 2040 climate target. The initiative aims to ensure that energy efficiency contributes to decarbonisation, competitiveness, affordability, and security of supply in an increasingly electrified energy system. A revised energy efficiency directive is expected to be presented by the Commission before the end of 2026.

Summary

Swedenergy welcomes the European Commission's review of the EU energy efficiency framework but stresses the need for reform to better support electrification and competitiveness. Swedenergy notes that there is limited quantitative follow-up of the recent revision in EED3 which still is in implementation phase, and it is therefore too early to assess whether current targets will be met. Any further changes should be preceded by a proper evaluation of existing measures.

- The current energy efficiency target is inconsistent with NECP assumptions, leading to an uneven distribution of efforts and distorted incentives between Member States.
- The current overarching energy efficiency target is failing to reflect electrification, where increased electricity use is necessary for decarbonisation but risks being penalised under current rules.
- A system-wide perspective is necessary, where energy efficiency policy considers the full energy system and focuses more on flexibility, storage, and peak demand reduction.
- Energy performance in buildings should be based on actual energy use, not only the purchased energy, ensuring technology neutrality between heating solutions.
- The EED is overly complex, detail-oriented and administratively burdensome and should therefore be simplified.
- Technology neutrality is essential, with equal support for all fossil-free energy sources, both renewables and nuclear.

A central concern is the design of the current target framework. The EU target is based on a 2020 reference scenario drawing on outdated national energy and climate plans (NECPs), which assume different trajectories for energy use. Some Member States planned reductions in final energy consumption, while others expected increases, which leads to an uneven distribution of effort: countries that projected rising energy use are effectively required to contribute less to the EU target than those that already planned reductions. Swedenergy argues that this creates distorted incentives and does not reflect the realities of the energy transition.

Furthermore, the framework fails to recognise electrification as a key pathway to decarbonisation. Increased electricity use is often necessary when replacing fossil fuels in industry and transport, yet it risks being penalised under the current system. Swedenergy therefore calls for a revised methodology

that better aligns with electrification. Member States that have already planned reductions should be able to count these efforts, while countries that electrify and reduce emissions should be recognised in the distribution of contributions.

Swedenergy also emphasises the need to move beyond a narrow focus on final energy consumption towards a system-wide perspective. Energy efficiency policy should consider the full energy system – from production to end-use. In an electrified system, the capacity dimension becomes increasingly important. Measures that improve flexibility, enable energy storage and reduce peak demand should be central.

In buildings, Swedenergy stresses that efficiency should be measured based on actual energy use rather than purchased energy. This requires widening system boundaries and ensuring technology neutrality, so that solutions such as district heating and heat pumps are treated equally.

When it comes to district heating and cooling, Swedenergy emphasises that waste heat should not be treated as conventional energy savings, as it represents energy that would otherwise be lost. Its use improves overall system efficiency rather than reducing demand.

Furthermore, Swedenergy highlights that the current EED framework is overly detailed and administratively burdensome. A simplification perspective should guide the upcoming revision to reduce costs and support investment. In particular, the thresholds for energy audits and management systems are considered too low and should be raised to focus on larger energy users, where benefits outweigh administrative costs.

Finally. Swedenergy stresses the importance of technology neutrality. The framework should support all fossil-free energy sources, including both renewables and nuclear. Definitions and rules should also reflect developments such as carbon capture technologies and their role in decarbonising and achieving efficient district heating and cooling systems and more integrated energy systems.