EFIEES

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EFIEES' VIEWS ON THE UPCOMING ELECTRIFICATION ACTION PLAN

EFIEES is the voice of private energy service companies (ESCOs) and their national associations across Europe. Our members represent over 100.000 professionals committed to the design and implementation of energy efficiency measures in public and private buildings, industrial facilities, as well as to the efficient operation of district heating & cooling networks.

EFIEES welcomes the European Commission's commitment to ensuring energy affordability and strengthening industrial competitiveness by delivering the benefits of clean energy and renewables to consumers, while at the same time improving system efficiency. In this context, an EU-wide Electrification Action Plan can play a key role in helping the EU reach its climate objectives **provided that it fully integrates energy efficiency measures and aligns with the Heating & Cooling Strategy.**

First, to effectively support the EU's energy transition, the Electrification Action Plan must consistently uphold the **Energy Efficiency First principle.** This requires that **energy efficiency is fully integrated across all stages of the energy system,** from generation and distribution to end-use. Energy efficiency measures, including **energy management solutions**, not only **contain overall energy and electricity demand** but also **enhance system security and flexibility.** They achieve this by **engaging building and facility users through energy coaching, managing peak loads**, **smoothing demand fluctuations**, and **alleviating stress on energy networks and grids**. By embedding energy efficiency at the core of the Electrification Action Plan, the EU can ensure that decarbonisation is achieved in a cost-effective, resilient, and consumer-oriented manner, while maximising the benefits of existing and emerging clean electric technologies.

Yet, electrification should not be pursued as an end in itself, but rather as a **means to decarbonise the economy in an efficient, cost-effective, and resilient way**. To be successful, the Electrification Action Plan must be designed in order to ensure that **grid infrastructure can adequately meet the growing demand for electricity,** particularly from energy-intensive sectors such as transport and emerging technologies like artificial intelligence. This means **fully encompassing Europe's diverse energy sources and safeguards the further development of clean and efficient thermal solutions**, which remain a cornerstone of the EU's decarbonisation pathway alongside electrification. **Thermal solutions**, including local renewable sources, waste heat recovery and district networks, play a vital role in balancing the system notably by **providing additional storage solutions, containing costs, and in ensuring security of supply, particularly during peak demand periods.** In this sense, it is highly positive that the Electrification Action Plan and the Heating & Cooling Strategy are being developed in

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parallel and with full complementarity, as this approach will help ensure coherence, maximise synergies, and strengthen the overall effectiveness of EU energy policy.

Most importantly, to fully support the energy transition and the companies driving it, the Electrification Action Plan must support **providing a predictable and stable regulatory framework while addressing the volatility of electricity prices.** Energy Service Companies (ESCOs), together with other key actors enabling the transition, develop and invest in energy efficiency projects whose lifespans often extend over 20 years. To **secure these long-term investments**, they require visibility not only on the future trajectory of energy prices, but also on the **consistency and reliability of the legal and policy environment** governing this market.

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