



ENERGY EFFICIENCY FOR EUROPE'S

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Views on the revision of the Governance of the Energy Union and Climate Action

Energy Efficiency for Europe (formerly EFIEES) is the voice of 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.

Energy Efficiency for Europe welcomes the European Commission's intent to revise the Regulation on the Governance of the Energy Union and Climate Action ("the Governance Regulation"). This revision is an important step towards achieving the EU's newly adopted 2040 climate target and accelerating the transition to climate neutrality, while ensuring competitiveness, energy security, and resilience. Energy Service Companies (ESCOs) are fully committed to supporting the Commission's efforts and helping the EU deliver on its climate objectives. To this end, we have identified three main pillars that should guide the revision:

Preserving the Governance architecture to ensure stability and predictability

The revision of the Governance Regulation must **uphold the original spirit of the act** which is serving as the European Union's **central tool for planning, reporting, and monitoring climate and energy policy**. The evaluation conducted in 2024 confirmed that the current Governance Regulation's architecture has been both flexible enough to respond to crises and effective in supporting progress towards the 2030 targets.

Moreover, regulatory stability is a recurring demand from both the private sector and Member States in order to support competitiveness and avoid additional burden. **Investments in energy efficiency and renewable energy depend on market visibility and robust business cases** which are areas where **EU policies are needed to provide essential long-term visibility**. The existing Governance framework, with National Energy and Climate Plans (NECPs) combined with sectoral targets, has already helped stimulate demand. To further strengthen investors' confidence and projects development, it is critical to **maintain a clear, stable, and transparent policy framework** that ensures comparability while preserving flexibility.

Since the Fit for 55 revisions have not yet been fully transposed by all Member States, reshuffling the entire Governance architecture would **risk creating further confusion and undermining the implementation of both the existing and future policy frameworks for 2030 and beyond**.



Moreover, stakeholders, including national administrations and the private sector, both of which actively contributed to the recent NECPs updates, are now familiar with the current Governance architecture and the expected content of NECPs. To maintain continuity and effectiveness, the revision should **preserve the existing structures while pursuing targeted improvements**. It is essential that NECPs continue to serve as the EU's primary tool for planning, reporting, and monitoring, as they have done successfully thus far.

Strengthening Member States accountability and implementation

When defining the post-2030 framework, the priority must be to achieve the EU's agreed objectives and ensure the effective implementation of the Fit for 55 package within a stable regulatory environment. While simplification is important, **strengthening the Governance Directive, particularly in monitoring and enforcing timely, full implementation by Member States**, is critical to meeting the EU's post-2030 climate ambitions. In that sense, national objectives should support enforcement but remain flexible and non-binding.

The 2024 update of the National Energy and Climate Plans (NECPs) revealed weaknesses in enforcement and adherence to timelines. The revision of the Governance Regulation should address these issues by introducing targeted improvements and flexibility, while also **enhancing Member States' accountability** and **guaranteeing transparent consultation process**, with reinforced stakeholders participation. **Existing enforcement mechanisms** within the directive and EU laws should thus be **reviewed, reinforced, and more actively applied to ensure effective implementation**.

Improving the Governance to further support investments and simplification

Beyond reinforcing the existing mechanisms of the Governance Regulation, the revision should **prioritise stronger cooperation between Member States and the private sector**. This collaboration is essential to ensure NECPs become more supportive of investments in the energy transition. Participation could be facilitated by **adjusting timelines, giving Member States the flexibility to align their NECP work with other national processes**. Synergy and coordination between EU and national laws, and NECPs are key to achieving this goal.

To further enhance effectiveness, efforts should focus **on harmonising NECPs, making them easier to understand, compare, and monitor** for both the Commission and the private sector. Advancing the digitalisation of the system would also streamline these processes.

Including **optional sectoral Key Performance Indicators (KPIs) could help making NECPs more investment-oriented**. These KPIs should be designed to improve the visibility of national policies and enhance comparability across Member States, without adding unnecessary complexity or burden nor requiring sensitive data from the private sector.