ENERGY EFFICIENCY FOR EUROPE'S

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Views on the revision of national targets and flexibilities in the EU climate policy framework after 2030

Energy Efficiency for Europe (formerly 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.

Energy Efficiency for Europe welcomes the Commission's work on national climate targets and its ambition to design a new framework that will be able to deliver the EU's 2040 climate objective, while fostering competitiveness, environmental sustainability, cost-effectiveness, and solidarity. This revision represents an important step towards advancing and accelerating the energy transition. Achieving this will require **a framework that builds on existing instruments, ensures long-term regulatory visibility, and strengthens effective implementation** across all Member States.

Regulatory stability is indeed 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 Effort Sharing Regulation and related national targets for 2040 should thus be designed to maintain coherence with the 2030 framework, ensuring that targets cover the same sectors and are structured in a consistent manner. Reshuffling the entire architecture would **risk creating confusion and undermining the implementation of both the existing and future policy frameworks for 2030 and beyond**.

Yet progress towards the EU climate targets remains uneven across Member States, reflecting diverse starting points, economic structures, and investment capacities. A one-size-fits-all approach would therefore risk undermining both effectiveness and fairness. **Greater flexibility in the design of national targets is thus essential** to ensure that all Member States can contribute meaningfully to the 2040 climate objective while following tailored, cost-effective transition pathways. Such flexibility should not weaken ambition, but rather enable it by aligning obligations with national circumstances and opportunities.

At the same time, maximising Member States' contributions depends primarily on **the effective and timely implementation of the Fit for 55 package**. Ensuring full delivery of existing legislation

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must remain the priority before introducing major structural changes. In this context, **strong coherence** between the Effort Sharing Regulation national targets and related sectoral legislation, such as the Energy Efficiency Directive (EED) and the Renewable Energy Directive (RED), is crucial. **Aligning objectives, metrics, and timelines across these frameworks** will provide clarity for investors, reduce administrative complexity, and reinforce policy effectiveness. The Commission should also **strengthen monitoring and compliance mechanisms** for Member States, ensuring these mechanisms remain streamlined, transparent, and supportive of implementation without creating unnecessary administrative burdens or overhauling the existing governance system.

National targets should therefore strike a careful balance between accountability and flexibility, ensuring full coverage of all emitting sectors, including those falling under the upcoming ETS II. While emissions trading systems play a key role as market-based instruments to drive cost-efficient emission reductions, national targets serve a complementary function by providing political direction, accountability, and sectoral coverage where market signals alone may not be sufficient. Both approaches are grounded in different logics but are equally necessary and mutually reinforcing. A well-designed framework should keep leveraging these complementarities to ensure that all sectors contribute effectively to achieving the EU's climate objectives in a coherent and economically efficient manner.