

## The Swedish Installation Federation's position on the EED Consultation

The Swedish Installation Federation believes that EU directives in general must focus on their main issue. The Energy Efficiency Directive must therefore steer towards increased energy efficiency throughout the energy chain. The Directive should therefore not impose requirements on renewable energy shares or measures within the circular economy. Those parts should be addressed by the Commission in the respective directives.

- Refine the directive by focusing on increased energy efficiency in all sectors
- Require Member States to identify significant energy use (high energy use, high savings potential) and present action plans to realize the potential
- Require Member States to monitor and evaluate both the impact of implemented measures as well as the implementation of measures themselves

### Article 1 and 3 - Energy efficiency targets

Availability of sustainable energy sources is a limited. Therefore, it is necessary with ambitious energy efficiency targets, both on EU level as well as national. Energy efficiency is needed in all sectors to be able to accelerate the transition to renewable and carbon neutral energy sources. An effective use of energy enables the access to these sources for more sectors.

The Swedish Installation Federation strongly recommend binding targets in order to start action and provide results. The targets should focus on reducing the end use of energy, making the "Energy Efficiency First" principle compulsory in relevant legislative, investment and planning decisions. The EU-commission should also focus on monitoring and verifying impacts of policies and results of other measures. Actual investment and actual energy efficiency of used energy needs to be mandatory to follow up.

Targets specific for certain sectors should be done at national level if necessary. Significant energy use, i.e. a large share of the total energy use in the member country and large savings potential, can be indicative.

### Article 5 – Exemplary role of central government buildings

The obligation to renovate central government buildings should also include regional and local authorities. It should also apply to buildings where authorities have activities. It should not be possible for Member States to select a limited number of authorities to fulfill the obligations. The exemplary role concept should also include the use of test beds and innovation to a greater extent.

When renovating, energy efficiency first principle and the Kyoto pyramid's basic renovation principles are especially important. Renovation should always lead to improved energy performance. Governmental buildings with long ownership horizons have no excuse not to renovate their buildings through energy efficiency.

Kyoto pyramid starts with minimizing the heating needed, followed by reducing the electricity need. After optimizing the heating and ventilation, the energy source is selected. The principle could be added to the annexes.

### Article 6 – Purchasing by public bodies

Public procurement is an excellent tool for improving the green procurement process. The energy efficiency requirement in public procurement must cover all levels of public administration. Both governmental, regional and municipal. References to restrictive conditions, cost-effectiveness and technical feasibility should be removed. Instead, public bodies must be required to clearly state why they invoke these exceptions.

### **Article 7 – Energy Savings Obligation**

Efficiency obligation schemes (Article 7) should include socio-economic costs and additional control mechanisms should be put in place to monitor effectiveness of policy instruments. This should be done to evaluate the actions plans and not just the achievement of targets.

It is better to focus on verified standards of how to follow up actual execution or energy efficient actions. Actual investment and actual energy efficiency of used energy needs to be mandatory to follow up. Only real capital investments will create real value.

### **Article 8 – Energy audits and energy management systems**

The focus of the EED should be on measures that lead to increased energy efficiency. Recommendations on the share of renewable energy use, must therefore be included in the RED.

If the directive should contain requirements that oblige the enterprises to implement certain measures identified in energy audits, these need to be linked to some type of incentive. For example, tax reduction in parity with the size of the energy savings. Member States should be able to control the type of incentive themselves. However, the European Commission should set requirements for verification of savings, see comment under Article 7.

The obligation to carry out energy audits should only depend on the size of the company. It would rise the administrative burden to increase with the parameter size of energy use. In Swedish legislation, the independent expert decides how large the significant energy use is. We believe that this should continue to be the case.

The Swedish Installation Federation encourages the directive to steer towards the implementation of package of measures instead of individual measures. We further believe that measures should steer towards increased flexibility and optimization of power needs in order to contribute to increased balance of network capacity.

### **Articles 9 - Metering for gas, electricity and heating**

Individual metering for gas, electricity and heating is a prerequisite for a smart, digitalized and flexible energy system. It is also necessary to be able to evaluate the saving effects of implemented measures. When revising the Directive, the Commission should review the necessary measures to speed up the installation of smart meters. The Swedish Installation Federation considers that individual metering is essential to identify energy saving potentials. Billing, however, could have the opposite effect and hinder the realization of saving potentials. The evaluation should consider different market barriers in the Member States.

### **Article 18 – Energy services**

Strengthening of requirements on independent market intermediaries/facilitators/one-stop shops to increase trust and facilitate the use of energy services and energy performance contracting is a prerequisite for creating smart sector integration. The measure contributes to increased collaboration between suppliers and customers. It also leads to an increased focus on selling function instead of energy. In the long run, this will lead to increased economic efficiency as a result of resource management. The review should the definition of Energy Services to facilitate local energy communities and distribution of renewable energy from prosumers.

### **Article 21 – Conversion factors and Annex IV**

A revision of the conversion factors is relevant. Our recommendation is to consider the purpose for the respective conversion factors and take for example the following aspects into account:

- Reduced emissions
- An effective energy system as a whole
- An effective energy end use
- Technological neutrality