Commissioner Dan Jørgensen
European Commission - Rue de la Loi 200
Brussels, Belgium

Dear Commissioner Jørgensen,

The roll-out of energy efficiency products, technologies, and services is one of the EU's unsung industrial success stories. It significantly contributes to the Union's competitiveness, energy affordability and security as well as its climate objectives:

- In manufacturing, the EU now produces 50% more value added with 25% less energy compared to 2000.[1]
- EU households saved on average 540€ in their dwellings in 2023[2]
- Between 2005 and 2022, total GHG emissions from buildings fell by 34%.[3]

EU standards and legislation fostered the emergence of global energy efficiency industry leaders and convinced homegrown and foreign players to invest and develop their supply chains locally. The EU energy efficiency industry is already a large contributor to the economy:

- It provides direct local jobs to 1.2m Europeans[4] and more than 6.5m[5] when including the broader building renovation supply chain. Investments in building renovations can create up to 30 jobs per million euros[6]
- This industry runs more than 600 manufacturing sites in the EU[7] [8], making the sector resilient to import tariffs.
- Its turnover is estimated at around €150bn per year.[9]

Our industry is committed to investing to maintain European global leadership. With the necessary supporting measures and a stable policy framework, we are confident our industries can deliver on European competitiveness, affordability, and security objectives. Here are our 5 demands to achieve this objective:

1) Delivering a stable, long-term policy framework

Providing a long-term perspective is key to securing commitments and investments from all actors: national governments, industries, building owners, financial institutions, etc. The Energy Efficiency Directive (EED) and the Energy Performance of Buildings Directive (EPBD) offer a clear framework for the industry to invest and deliver. While energy efficiency companies support efforts to reduce unnecessary administrative burdens, we strongly advise against reopening these critical Directives. Attempts to renegotiate these texts will freeze planned investments and threaten the achievement of European targets.

- **Focus on EPBD, EED implementation**, and guarantee policy predictability. For example, helping industries and local authorities to audit their energy consumption to identify savings potential; helping countries to identify and renovate their most inefficient buildings; supporting local authorities in the development and implementation of local heating and cooling plans; gathering data to drive investments in skills, research, and manufacturing capacity. This will maximise cost, energy, and CO2 savings and boost

[1] IEA, 2025
[2] Enerdata, 2025
[3] Greenhouse gas emissions from energy use in buildings in Europe | European Environment Agency's home page
[4] IEA, 2025
[5] Navigant, 2019
[6] IEA, 2020
[7] Jacob Winskell, Global Insulation, 2023, European Insulation in 2024
[8] Map of heat pump factories – European Heat Pump Association
[9] EU ASE, 2024, compilation of market studies

market demand for efficiency products and services: heat pumps, mechanical ventilation, building automation and controls, windows, thermal insulation, lighting, motors, digital and AI-driven solutions for industrial processes, excess heat recovery systems, submetering, etc.
- Reiterate the Commission's commitment to **energy efficiency beyond 2030**. A strong 2040 framework – including a binding 2040 target - will enable the energy efficiency industry to plan and secure investments into new manufacturing capacity.

2) Simplifying access to European funding & attracting private financing

Current national budgetary pressures (defence, potential trade wars…) make it necessary to ringfence energy efficiency spending and invest more effectively. In practice, this means complementing the traditional grant-based approach with a combination of loan guarantees, subsidised interest rates, and capital rebates.

- Dedicate sufficient EU funding to achieve the EU energy efficiency-related target
    - **Extend the Recovery and Resilience Facility deadline to 2028.**
    - **Ringfence energy efficiency funds** in the next MFF, ETS revenues, etc, in a way that reflects the sector's potential to cut emissions and boost GDP.
    - **Encourage** Social Climate Plans to support energy renovations and the roll-out of decarbonised and efficient heating and cooling solutions in buildings.
- Encourage Member States to develop **stable support programs** for energy efficiency.
- **Stimulate private investments through EU funds:** Use blended finance where relevant and empower national and local authorities through technical assistance on financial instruments (InvestEU, ELENA, etc.)
- **Set up / scale up loan guarantee funds in each Member State** through an InvestEU Renovation Member State compartment and unlock private funding through EU guarantees for low-cost, long-term European Renovation Loans distributed by commercial banks.
- Engage banks and private lenders through working with Member States on **mortgage portfolio standards and loan performance requirements**.
- **Encourage new financing and business models,** such as the EIB initiative promoting efficiency in SMEs and the pan-European investment platform for affordable and sustainable housing.

3) Addressing the skills gap and increasing the workforce

The EU is currently facing a shortage of workforce and skills for energy efficiency, especially in the construction sector. According to the Employment and Social Developments in Europe Report, in 2023, labour shortages in construction are now nearly three times the level observed 10 years ago.[10]

This challenge is shared with the public sector. The **Local Staff for Climate Report**[11] estimated the capacity local governments need for building renovation at 214,000 additional positions by 2030 on average across the European Union.

- The Commission must work with Member States and industry players to **map existing skills and anticipate future needs** and shortages in the sector.
- It must also **ringfence funds for skills and training**
    - To increase planning and staff capacity in ministries and local authorities.

[10] Employment and Social Developments in Europe 2023: Addressing labour shortages and skills gaps in the EU", European Commission, 06/07/2023

[11] Energy Cities, 2022

- To train project developers, contractors, and construction workers, with a specific focus on digital skills and young people, particularly women.

4) **Accelerating energy efficiency, electrification, and demand response**

Energy efficiency, demand response, and electrification are mutually reinforcing solutions. Combined, they will help achieve the EU's decarbonisation goals in a cost-optimal way. Improving thermal efficiency directly reduces emissions and further enables electrification: a higher renovation rate can cut grid curtailment fourfold and postpone €44.2 billion in network upgrades.[12] This **ensures that decarbonised and affordable energy is available to decarbonise harder-to-abate sectors**.

Europe's electrification rate has stagnated at around 23% over the last five years. Regulatory certainty and long-term political signals are needed to accelerate the economy's electrification. Electricity prices remain significantly higher than gas prices. This is slowing down the uptake of more efficient electricity-based HVAC technologies and should be addressed as a priority.

- **Set a target of 35% electrification by 2030** and promote energy efficiency, electrification, and demand response through the upcoming Electrification Action Plan, Grid Action Plan, the Affordable Energy Action Plan, and the Heating & Cooling Strategy. Recognise the role of thermal infrastructure in supporting a balanced energy system.
- **Support the implementation** of the revised **Electricity Market Design and the ETS2**.
- **Rebalance energy taxation** to favour energy efficiency and electrification, while protecting energy-intensive industries as well as households that do not qualify as "vulnerable" yet do not have the means to invest in new technology. **Review the VAT Directive** so that the minimum rate for energy efficiency products and equipment is lowered to zero, including for renovation works. Support the revision of the **Energy Taxation Directive**.

5) Supporting energy efficiency products and technologies manufacturing

The energy efficiency sector is one of the most local industries of the energy transition and a strategic European industrial ecosystem. Yet, it is currently not part of the 14 industrial ecosystems identified by the EU Industrial Strategy.[13] A full recognition of energy efficiency as part of these strategic ecosystems will ensure the needed support in terms of Single Market surveillance. It will support the identification of technological, financial and market barriers, as well as strategic dependencies and availability of raw material, and help identify skills needs and strategies for their development.

- Simplify permitting and grid access to speed up our EU-based production.
- Boost the uptake of energy efficiency products, technologies and services through **public procurement rules**.
- Ensure **energy efficiency products and technologies manufacturing** are covered by the **CISAF, NZIA and Innovation Fund**.

The undersigned co-signatories call on you, Commissioner, to **deliver on these action points and regularly engage in a structured dialogue with the energy efficiency industry, civil society, energy communities, national authorities, and financial institutions.**

This mandate is about turning the Green Deal into lower energy prices and better living conditions for citizens and businesses. The energy efficiency industry stands ready to deliver.

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[12] Y. Akhmetov, E. Fedotova, M. M. Frysztacki, 2025. https://doi.org/10.1016/j.apenergy.2025.125421.

[13] SWD(2021) 351 final

List of signatories: