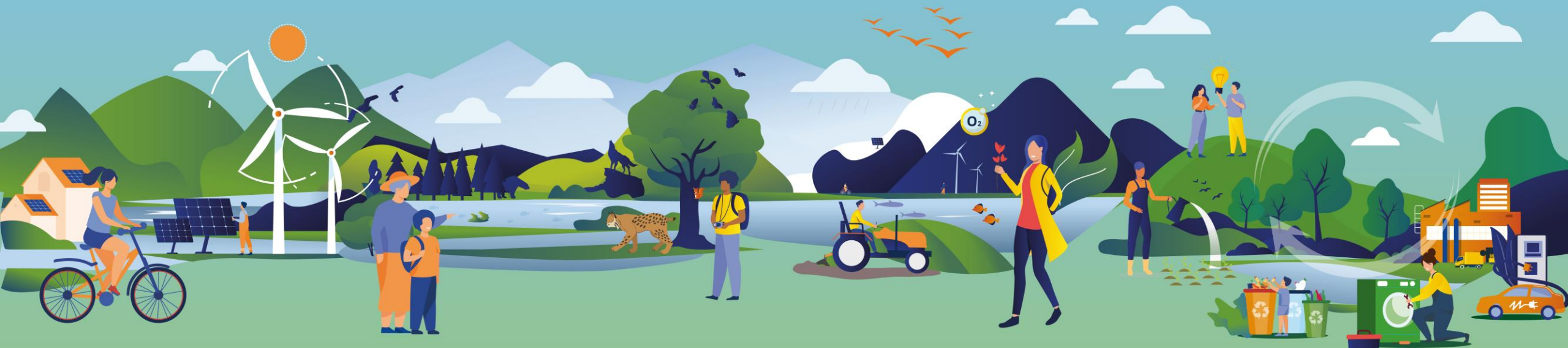


# EU Energy policy update

Clean Industrial Deal

Affordable Energy Action Plan

Fit-for-55 implementation



Pierluca Merola, Policy Officer –  
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European Commission DG ENER

**#EULIFE25**  
**INFO DAYS**

**15 MAY 2025**

## 2024-2029 European Commission priorities

- [Political guidelines](#) of 18 July set priorities for 2024-2029
- **Sustainable prosperity** and **competitiveness**, continued focus on **sustainability**
  - Reflected in the mission letters
  - **European Green Deal** as a cornerstone...
  - **Key role of clean and affordable Energy** for competitiveness
- European **Defence and Security** and a **Global Europe**
- Preparing the **Union for the future**: the next EU-budget
- [Commission priorities 2024-2029](#)

## Mission letter - Key priorities for energy

- **Secure(d) supplies of clean and affordable energy**, for:

- European competitiveness and security
- Decarbonisation efforts towards 2030; and
- Climate neutrality by mid-century

[Mission Letter](#) for  
Commissioner for Energy  
and Housing

- Implementation and **delivery of the 2030 framework**

- **Fit for 55 package** to stay on track with our common targets- Delivering the Green Deal and key legislations [EED](#), [EPBD](#), [RED](#)

- **Key objectives:**

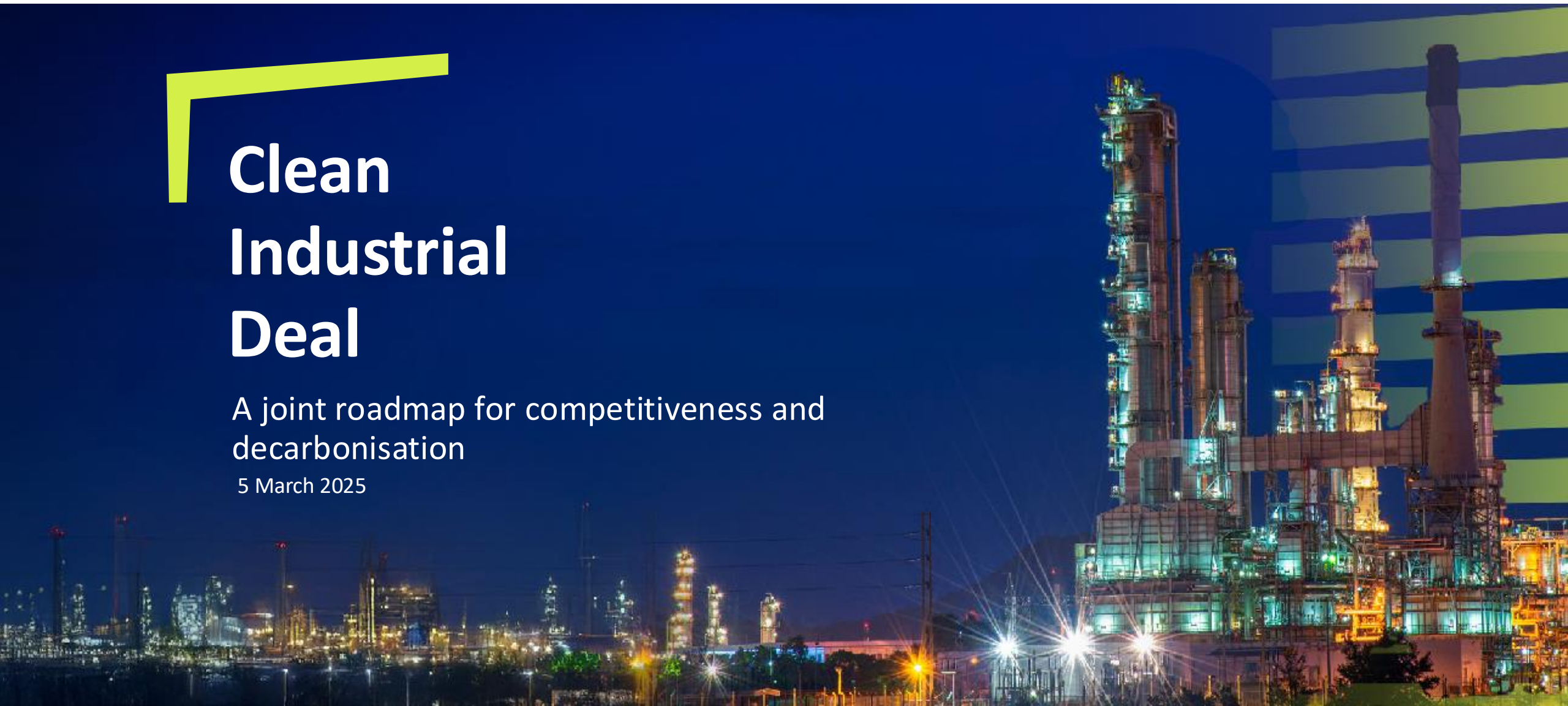
- Bringing down energy costs, upgrading grid infrastructures, boosting renewables and energy efficiency, bolstering energy security, attract investments, address energy poverty and ensuring a just transition, and completing a robust Energy Union



# Clean Industrial Deal

A joint roadmap for competitiveness and  
decarbonisation

5 March 2025



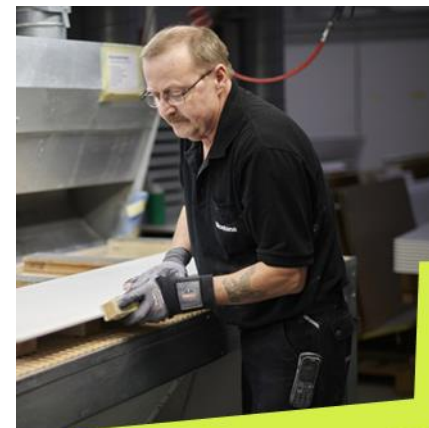
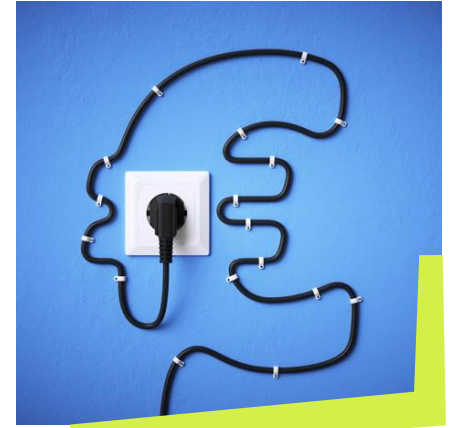
# What is the Clean Industrial Deal?

- A response to strengthen **European industry's competitiveness**
- A set of **incentives** to encourage industrial decarbonisation in Europe.
- A clear commitment to the **2050 objective** of the EU becoming the first climate neutral continent.
- It focuses primarily on **energy-intensive industries** and the **clean tech** sectors, as well as circular business models.



## 6 core business drivers

- **Access to Affordable Energy**
- **Lead markets: boosting clean supply and demand**
- **Financing: public and private investments**
- **Circularity and Access to Materials**
- **Global Markets and International Partnerships**
- **Skills Enhancement**
- **Simplification**



# The Action Plan for Affordable Energy

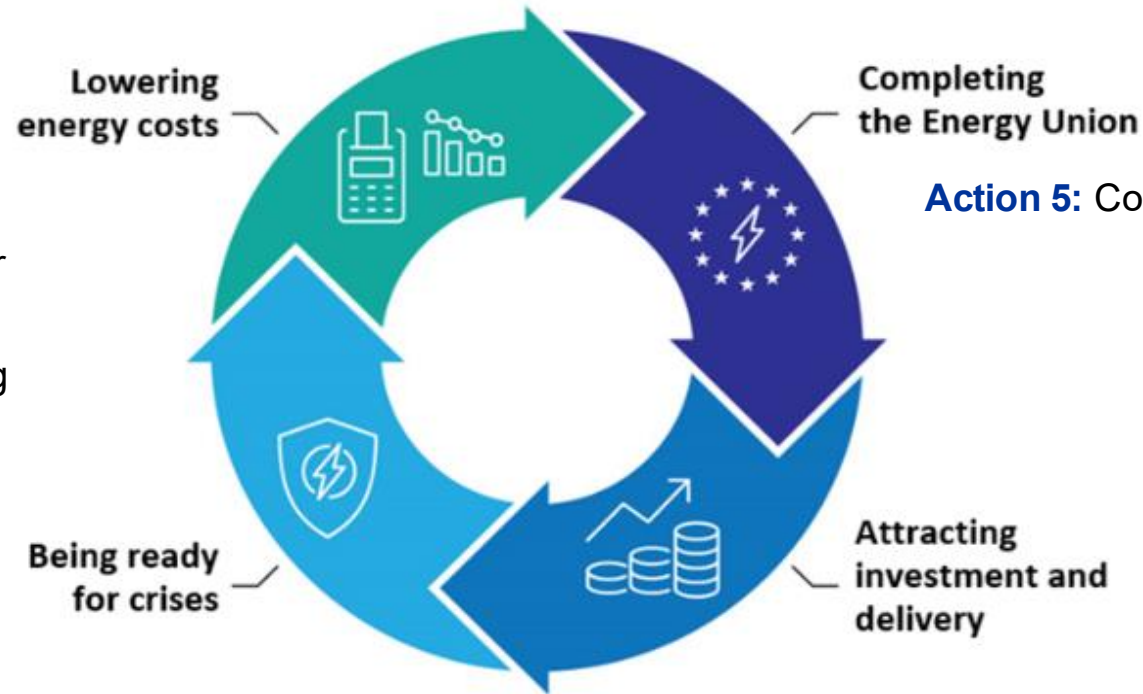
## 4 Pillars, 8 Actions

**Action 1:** Making electricity bills more affordable

**Action 2:** Bring down the costs of electricity supply

**Action 3:** Improve gas markets for fair energy prices

**Action 4:** Energy efficiency: delivering energy savings



**Action 5:** Completing the Energy Union

**Action 7:** Security of supply for price stability

**Action 8:** Price crisis preparedness

**Action 6:** A tripartite contract for affordable energy for Europe's industry

# Pillar I: Lowering energy costs

## Action 1

Making electricity bills more affordable

2025

More efficient network charges

Reduced taxes & levies

Increased retail competition

## Action 2

Bring down costs of electricity supply

2025  
2026

Long-term electricity supply contracts

Reduced permitting times

Grid expansion & modernisation

Boosting flexibility

## Action 3

Ensuring well-functioning gas markets

2025

Ensuring well-functioning gas markets

Harnessing EU purchasing power to get a better deal for imported natural gas

## Action 4

Energy efficiency – delivering energy savings

2025

An energy efficiency market of European dimension

Give consumers access to more efficiency appliances & products



# Pillar II: Completing the Energy Union

**Q1 2026**  
**Electrification Action Plan**



**2026**  
**Roadmap on Digitalisation & AI**



**Q1 2026**  
**Heating & Cooling Strategy**



**2025**  
**Clean Energy Investment Strategy**



**From 2025**  
**Deeper Electricity Market Integration**



**Timing tbc**  
**Simplify, strengthen & modernise Energy Union governance**



# Energy Efficiency Directive (EU) 2023/1791

- Transposition by **October 2025**
- Updated **EU energy efficiency targets to 11.7% reduction** in primary and final energy consumption: indicative **PEC target of 992.5 Mtoe**, binding **FEC target of 763 Mtoe**
- Strengthen annual **national energy saving obligations to 1,49% in average with step-wise approach**
- Reinforcement of the **Energy Efficiency First Principle** across sectors
- Update the definition of **energy efficient district heating and cooling**, introducing the **2050 trajectory for efficient district heating and cooling system**, and introduce **local heating and cooling plans** for municipalities (over 45.000).
- Update **thresholds for energy audits (10TJ/year)** and **energy management system requirements (85TJ/year)** for enterprises
- Increase the **exemplary role from the public sector: annual reduction of 1.9% of public sector energy consumptions**, increase the annual renovation rates to 3% of the public buildings over 250 m<sup>2</sup>.
- Reinforces **provisions on financing** to leverage further private capitals, introduce measures to alleviate **energy poverty and boost consumer empowerment**



11.7%

Decrease  
in energy  
consumption

Stepwise increase  
in annual cumulative  
energy savings  
obligation in end use:

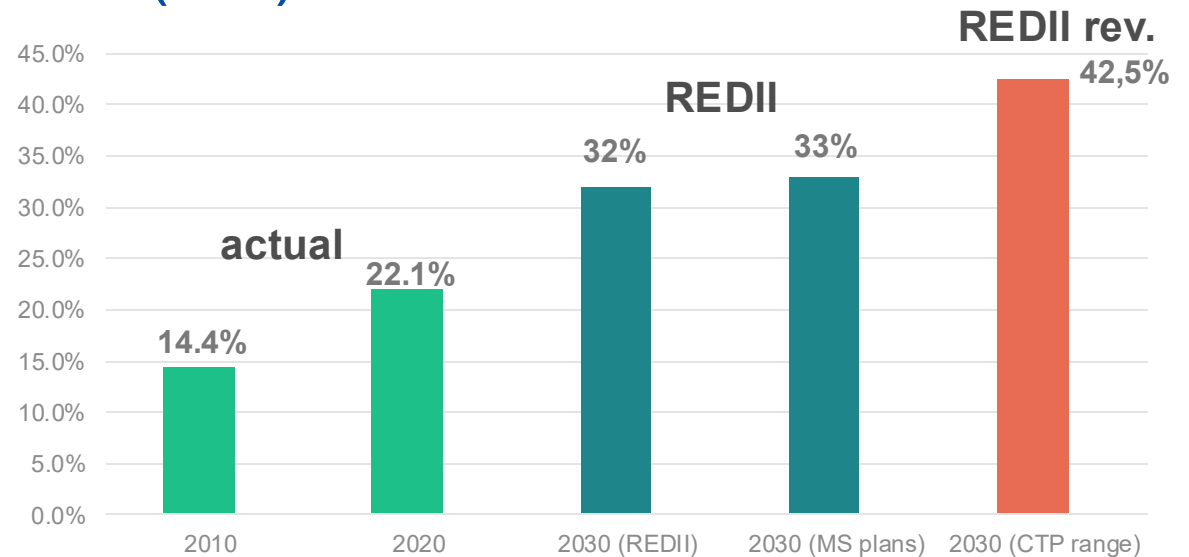
1.3% as of 2024

1.5% as of 2026

1.9% as of 2028

# Renewable Energy Directive (EU) 2023/2413

- Transposition by **November 2025** (permitting provisions frontloaded)
- Increase **RES target by 2030 to 42.5%**
- Increased **renewables ambition in key sectors**: heating and cooling, transport, industry, buildings
- Complementing REPowerEU targeted amendment on accelerating **RES permitting, overriding public interest and 'go to areas'**



- Boosting the deployment of and the investment in renewable energy, including **small-scale RES in buildings and local renewable energy communities.**
- **Sustainable bioenergy reinforced criteria** in line with the EU Biodiversity Strategy, **ensuring application to also small scale installations (7.5MW)** and that forest biomass is not sourced from relevant biodiversity and carbon stock areas.
- Measures to foster Energy System Integration via electrification and increase uptake of **RES heat and waste heat in centralised district heating and cooling systems** via waste heat uptake, including indicative target for RES share in DHC networks.

# Energy Performance of Buildings Directive Recast adopted

## 12/04/2024

**Twofold objective:** → Contribute to **reducing buildings' GHG emissions and final energy consumptions by 2030**

### Renovation

- Minimum Energy Performance Standards
- National trajectories for the progressive renovation of the residential building stock
- National Building Renovation Plans

### Enabling framework

- Strengthened Energy Performance Certificates
- Renovation passports
- Sustainable finance & energy poverty
- One-stop-shops
- Deep renovation standard
- National energy performance databases

→ Provide a long-term vision for buildings and ensure an adequate contribution to achieving **climate neutrality in 2050**

### Decarbonisation

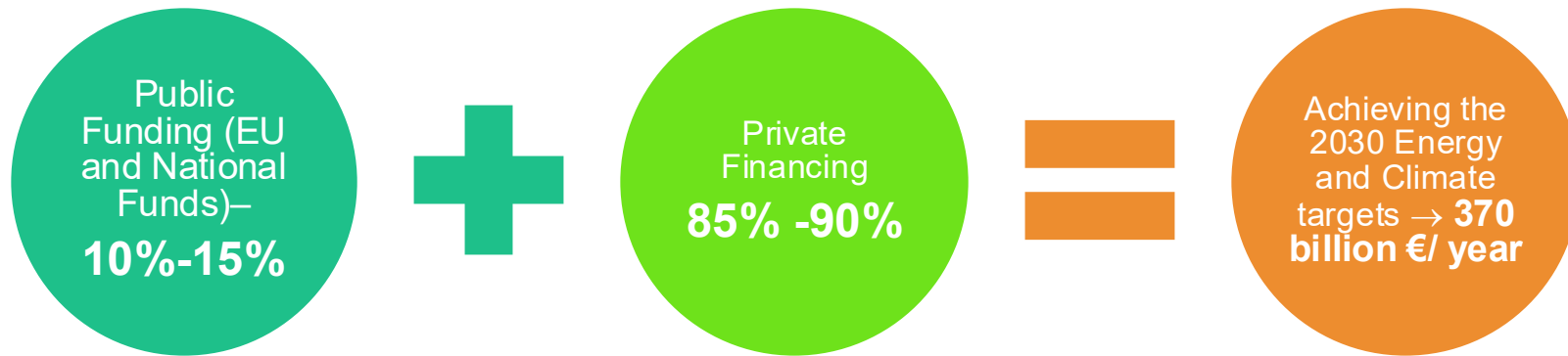
- Introduction of zero-emission buildings as standard for new buildings
- Solar deployment in buildings
- Calculation of whole life cycle carbon
- Phasing out incentives for fossil fuels and new legal basis for national bans

### Modernisation & system integration

- Infrastructure for sustainable mobility
- Smart Readiness Indicator
- Indoor air quality: ventilation and other technical building systems
- Digitisation, data access and exchange

# Energy Efficiency Financing

Leveraging private financing and investments **is conditional** to achieve the Union's climate and energy targets.



## Drivers:

- **Public Funds as a catalyst for private investments** (grants models are insufficient).
- Default public support option, blending financing combining grants, financial instruments and technical assistance
- Deploy financial instruments at scale for long-term support and access to finance, including revolving and guarantee funds
- Development of innovative financing schemes at scale/innovative/performance based (On-tax and On-bills, energy performance contracting, pay-for-performance, pay-as-you-save, etc).
- Project development assistance (e.g. replicating ELENA model) and technical assistance (ELENA, LIFE PDA), support to One-Stop-Shops for integrated home renovation
- Development of energy efficiency lending products (EEM, Green Loans, etc).
- De-risking investments

# Thank you

*Pierluca Merola, Policy Officer – LIFE CET coordinator, Energy Efficiency Unit - ENER.B2*