

Energy Efficiency Directive (EED)

Subject Overview

The Energy Efficiency Directive sets goals for energy efficiency but also imposes a cap on energy use. Additionally, the directive includes obligations for member states to implement measures to improve energy efficiency and report on efficiency improvements.

Objective of the Chemical Industry

In the future, the industry will need more emissions-free energy as many climate-friendly technologies and solutions are energy-intensive, especially electricity-intensive, such as electrolyzers needed for the hydrogen economy, carbon capture and utilization (CCS/CCU), and power-to-X technologies. Greenhouse gas emissions have already been capped in Europe, so the production and use of emission-free energy needed for new solutions should not be restricted. Therefore, the Energy Efficiency Directive should focus on energy efficiency rather than setting an upper limit on energy use.

The chemical industry is concerned that, based on the climate plans of previous member states, energy use targets have been extremely challenging. The Commission should abandon current unrealistic tightening measures. The Commission should also not jeopardize member states' green transitions with additional obligations related to energy use if a member state is not reaching its energy use target.

Finland has a long tradition of energy efficiency agreements between the government and the business sector, which have produced good results. During the current agreement period, chemical industry plants have reported energy efficiency improvements totaling 1127 GWh/year by 2021. According to the chemical industry, energy efficiency agreements should continue to serve as a means to meet the requirements of the Energy Efficiency Directive and environmental permit energy efficiency requirements.

Current Situation and Timeline

The Energy Efficiency Directive was updated in 2022, and national implementation began in 2023. The directive is likely to be further updated in 2024 as part of the Commission's work program after the European elections in the summer of 2024.

Energy efficiency agreements in Finland will be updated for the period after 2025, likely in 2023-2024.

What We Influence

1. Finland's stance
2. Parliament and Commission
3. Cefic's position

What We Monitor

1. Positions of other countries

Additional information:

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