Danish Presidency of the Council

A copy of this letter was sent to:
Permanent Representations of Member States
Wopke Hoekstra, Commissioner for Climate, Net Zero and Clean Growth
Dan Jørgensen, Commissioner for Energy and Housing

We, the undersigned industry leaders and associations from the energy efficiency sector, including buildings, construction, and heating and cooling, are committed to securing and delivering an ambitious 2040 climate target. We believe that a strong EU Climate Law, together with measures enabling industrial competitiveness, will set a clear path to climate neutrality. It will provide European businesses with the stability and predictability needed for projects delivery, large-scale investments in new industrial production capacity, for skills development, research, and innovation.

In this context, we are concerned about the draft compromise text on the EU Climate Law from 31st July, which removes explicit references to the **Energy Efficiency First (EE1st) principle**.

This principle is a cornerstone of the EU's climate and energy policy, enshrined both as a general principle and in sector-specific legislation. **Removing it from the Climate Law would threaten the ongoing implementation of the energy efficiency regulatory framework and weaken our collective capacity to deliver on our climate objectives.** It would create confusion for policymakers, regulators, and investors who are still legally required to apply EE1st under the Fit for 55 Package.

You will also appreciate that this deletion goes against Commissioner Jorgensen's mission letter and his **new impetus for energy efficiency**[1] announced in June 2025. The European energy efficiency industry requires **consistent, long-term** political and legislative backing to be able to invest and deliver multiple benefits for the citizens, businesses, and the environment.

- The sector provides **direct local jobs to 1.2m Europeans**[2] and more than 6.5m[3] when including the broader building renovation supply chain. Investments in building renovations can create up to 30 jobs per million euros[4].
- The direct turnover of the EU energy efficiency industrial ecosystem is estimated at around **€150bn per year**[5].

The European energy efficiency ecosystem 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[6].
- Energy efficiency products and equipment manufacturers are planning and constructing new manufacturing facilities across multiple EU Member States, creating significant local employment opportunities and driving sustainable economic growth.
- Households saved on average €540 in their dwellings in 2023[7] thanks to energy efficiency policies.
- Between 2005 and 2022, total GHG emissions from buildings fell by 34%[8].

[1] New impetus for energy efficiency - European Commission
[2] IEA, 2025
[3] Navigant, 2019
[4] IEA, 2020
[5] EU ASE, 2024, compilation of market studies
[6] IEA, 2025
[7] Enerdata, 2025
[8] EEA, 2024

➢ Over the last 20 years, energy efficiency policies helped to save the total annual energy consumption of France, the Netherlands, Austria, and Finland combined.[9]

As the amended EU Climate Law will set a target to reduce the EU's emissions by 2040, we want to underline the importance of its **coherence with the EU's goals and objectives**. The EE1st Principle is essential to cost-effectively reach climate neutrality:

- The EE1st Principle helps policymakers and investors to adopt a **rational and cost-effective planning approach**. Its systematic application reduces grid costs, lowers household bills, and avoids unnecessary generation capacity, whilst also supporting electrification and renewables[10].
- **Energy efficiency, demand-side flexibility, and decarbonised energy sources work best together**: by lowering demand, efficiency ensures new variable energy generation **is better integrated and replaces fossil fuels.** For example, increasing the energy performance of buildings will save €44.2bn every year in distribution grid investments, and decrease shadow costs associated with transmission congestion by almost 4 times[11].
- Its application also reduces energy imports and contributes to European competitiveness. For every 1% of energy efficiency improvements, gas imports are reduced by 2,6%[12].

This is why we call on you to preserve the ambition and integrity of the EU Climate Law by maintaining explicit references to the EE1st Principle and its central role in delivering a secure, affordable, and fully decarbonised EU energy system.

We would be delighted to have the opportunity to discuss with you to share perspectives on advancing Europe's energy and climate objectives.

List of co-signatories:

Companies

[9] In focus: Reaching the EU's energy efficiency target
[10] ENEFIRST, Final report "Putting Energy Efficiency First into Practice" (2022). ENEFIRST_report_rev4.pdf
[11] Flattening the Peak Demand – Study (2024). Your Home Our Future
[12] Energy Efficiency: A new impetus to reduce energy consumption


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