Dear Minister,

While Europe's energy landscape is profoundly changing, the Clean Energy for All Europeans package is a crucial step in that process. European business is fully committed to stand at the core of this transformation adapting to new realities and solutions. The objective is a model that realizes unhindered flows of sustainable, clean and affordable energy and empowers consumers, a model based on more cooperation, competition and integration. In the context of the ongoing triilogue process, I would like to convey BusinessEurope's key messages on two main legislative proposals - the Electricity Market Regulation and the Energy Efficiency Directive.

**Electricity Market Regulation**
The proposal for the electricity market regulation correctly intends to strengthen the market-based approach as the main means to deliver the new market design. Together with the climate objective, the priorities must be security of supply and affordable prices, ensuring that price convergence is reached across the EU so that all consumers can benefit from a single internal market.

**Energy Efficiency Directive**
BusinessEurope agrees that energy efficiency should be a guiding principle for all activities in the society. As such, it will contribute to security of supply and the EU’s objective to tackle energy and climate challenges.

You will find more details on each of these points in the annex. We count on the Parliament, the Council and the Commission to address these key issues in their triilogue deliberations.

Yours sincerely,

Markus J. Beyrer
ENERGY EFFICIENCY DIRECTIVE

European industry is strongly committed to the principle of energy efficiency, i.e. doing more with less, rather than absolute limits to energy consumption. It is important to look into ways to use the energy more economically and effectively, respecting the physical limits of materials and processes.

Energy efficiency targets

- While increasing the efficiency target may trigger more investments in energy efficient projects and accelerate the implementation of innovative technologies and services, it could also have an adverse impact on cost-competitiveness and the leading role of the EU ETS in reaching the climate objectives. It is therefore important to complement the different policies aimed at improving the competitiveness and the climate objectives. To support further economic growth, the target in the article 3 of the energy efficiency directive has to be set realistically and economically.

- Furthermore, more flexibility regarding the formulation of the energy efficiency target by allowing adjustments in line with macro-economic developments (rather than putting limit on energy consumption) is needed. The following wording would provide higher flexibility to Member States and economic delivery:

  "The national targets may be subsequently adjusted to take into account unforeseen circumstances. Any adjustment of the national targets shall be done regularly through the updated national energy and climate plans and be based on Eurostat data."

- Regarding the EU headline target, BusinessEurope stresses not to go beyond 30% and keep the indicative nature of the targets on EU and national level. BusinessEurope proposes to include adjustment mechanism to adapt the target on the basis of economic development and specific circumstances.

Early measures and flexibility

- Maintaining the flexibility of the proposal in achieving the energy efficiency measures in the Member States, will secure most cost-efficient and optimal set of measures in different parts of Europe. Member States should continue to set their national energy targets on bottom-up potential and have sufficient flexibility to achieve these using variety of measures.

- BusinessEurope calls for more flexibility in achieving the efficiency measures, such as to count early measures in savings calculation. BusinessEurope fully supports the agreed position of the Council on the article 7, in particular to allow Member States to continue, up to a maximum of 35% of the amount of energy savings, to exclude specific energy use (especially energy consumption from ETS sectors) and count savings resulting from other measures, beyond 2020.

- All measures resulting in an increase in energy efficiency during 2021-2030 should be accountable, including those implemented before 2021, and renewables for own consumption as a measure under article 7.