



# **Energy Efficiency First: from principles to practice**

*Recommendation and guidelines from the European Commission*

# Energy efficiency first principle in the Fit for 55

**New Article 3 providing legal basis for application of the principle**

**Obligation** for Member States to ensure that energy efficiency solutions are considered in **energy system** and **non-energy sectors** planning, policy and investment decisions

**Verification** of application in regulated areas

**Requirements** for Member States to develop and ensure application of appropriate cost-benefit assessment methodology

**Monitoring** by a dedicated entity

**Reporting** as part of the Governance Regulation

**Supported with a dedicated recommendation and guidelines on application of the principle**

# Recommendations

Ensure that the EE1st is applied – in a proportional way and taking the context into account

Treat the principle as an overarching policy in conjunction with other objectives

Take a system approach and wider societal perspective for CBA

Verify the application of the principle – identify relevant entities

Provide the framework conditions to enable application of the principle

Provide information, guidance and assistance to relevant parties (methodology for CBA)

Collect data and monitor energy efficiency developments

Follow and promote the guidelines

# Guidelines

- Primary audience: public sector → inception and preparation phase
- Based on a study: [Analysis to support the implementation of the Energy Efficiency First principle in decision-making](#)

Explanation of the approach

Application in the decision making process – tools for CBA

Insight into specific sectors and areas

# Approach

Wider context

Social perspective

System approach

Action depending on the type and level of decision making process and decision maker

Possible divergent incentives: society-investor-user

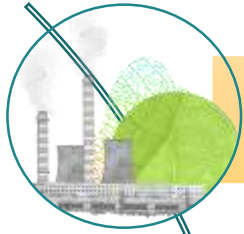
Enabling conditions

**EE**  
**1st**

# Various phases of decision making and decision makers

Phase	Policy makers	Regulatory authorities	Market entities
Inception			
Preparation			
Validation			
Implementation			

# Analysing policy impacts and alternatives



Use of impact assessments and cost-benefit analysis



Impacts on energy consumption with possible sensitivity analysis



Cost-benefit analysis looking at wider benefits, from various perspectives



Specific tools and methodologies

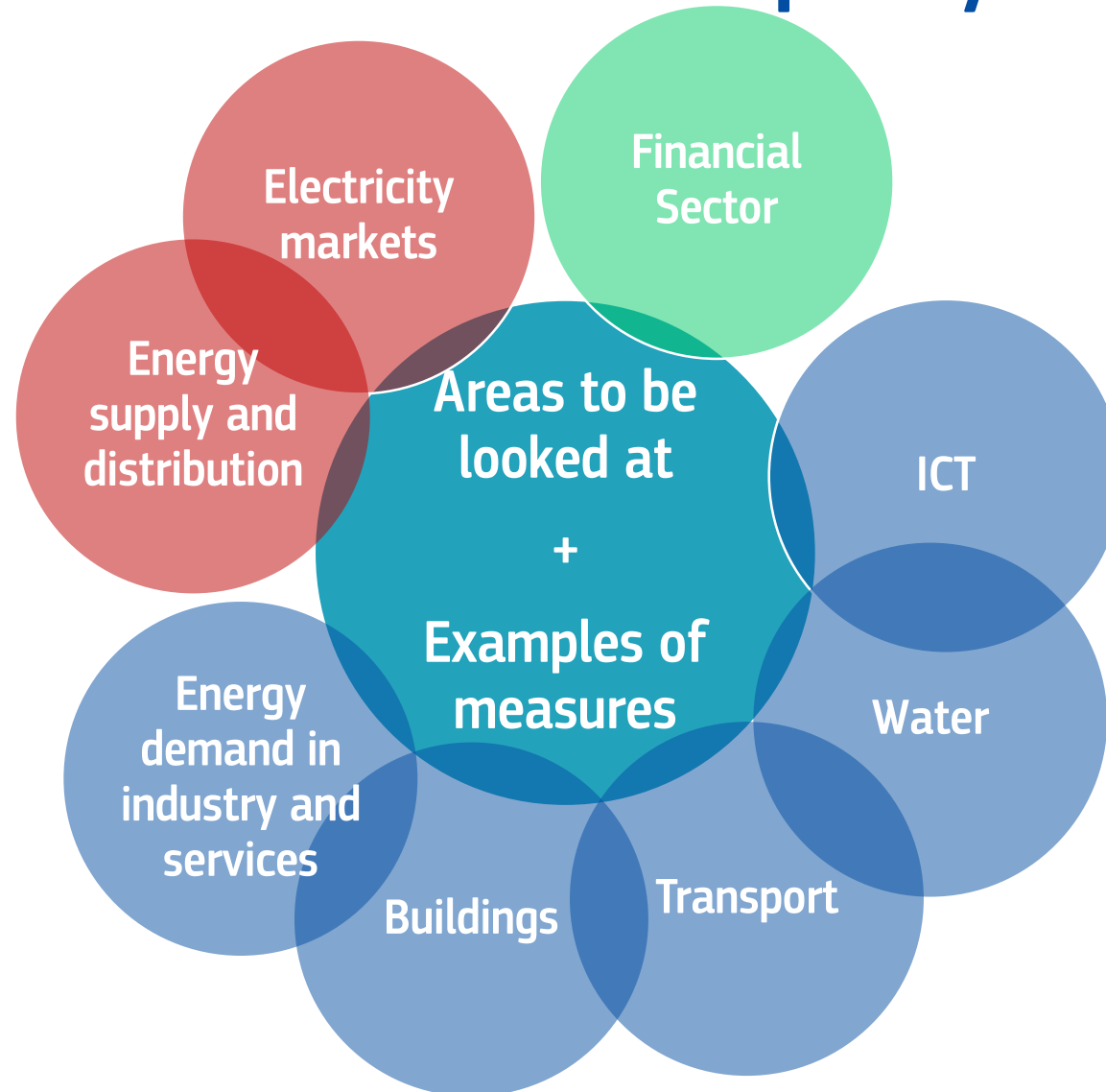
# Checking, approval and monitoring

- Defining supervisory competences → dedicated entity
  - Check the IA and CBA
- Take into account energy efficiency criteria in existing approval procedures
- Monitoring
  - Indicators – energy savings, investment costs and contribution to energy consumption targets
  - Reporting – setting a right threshold
- Evaluation – take into account behavioural and rebound effects





# Implementation in sectors and policy areas



# Further work

- Energy Efficiency Financial Institutions Group WG on EE1st
- Incorporation of the EE1st in specific legal proposals e.g. TEN-E
- Research projects on-going: ENEFIRST, sEEnergies, EERAdata, MICAT
- Follow-up discussions
- Possible review of the guidelines following new data and experience

**Thank you**