

EFIEES' views on the Clean Industrial Deal: the role of energy efficiency in economic competitiveness

EFIEES is the voice of private energy service companies (ESCOs) and their national associations across Europe. Our members represent over 100.000 professionals committed to the design and implementation of energy efficiency measures in public and private buildings, industrial facilities, as well as to the efficient operation of district heating & cooling networks

EFIEES welcomes the Commission's Clean Industrial Deal communication and its efforts to bring together climate and competitiveness in times of intense economic competition, and after facing recent energy crises of different origins.

As emphasised by the Competitiveness compass for the EU¹ published on the 29th of January 2025, what is at stake for this new EU mandate is not just to boost economic growth, but to safeguard the future of European model. This highlights the necessity of ensuring the EU's sustainable prosperity and competitiveness while maintaining its unique social market economy and successfully achieving the twin transition. This model is - and must continue to be - firmly rooted in the European Green Deal, as an engine for a sustainable economic prosperity. As emphasised by Mario Draghi in his report on EU competitiveness, **decarbonisation can and will be a source of growth**, also paving the way for the mid and long term future of the EU industry.

Therefore, energy efficiency has a huge role to play. **To make the Clean Industrial Deal happen, Europe needs to support ready-to-use and scalable solutions such as energy efficiency measures.**

★ Energy efficiency and energy management solutions: enhancing EU industries' competitiveness while advancing decarbonisation

Between 2010 and 2019, energy expenses in European manufacturing industries represented approximately 1-10% of total production costs.² Although this share has declined across many sectors

¹ Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions - A Competitiveness Compass for the EU (2025). <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52025DC0030>.

² European Commission: Directorate-General for Energy, Smith, M., Jagtenberg, H., Lam, L., Torres, P. et al., *Study on energy prices and costs – Evaluating impacts on households and industry – 2023 edition*, Publications Office of the European Union, 2024, <https://data.europa.eu/doi/10.2833/782494>

over this period, it still represented a significant opportunity for cost savings, which is key for EU industries especially in times of intense international competition. Moreover, the energy crisis and the high energy prices seen in Europe since then have impacted and dramatically increased the importance of energy costs and highlighted the competitiveness impact of lower energy prices in other markets for European industries.

In a study from 2020, energy intensity effect was analysed to see the extent to which industry structural change or fuel switching contributed the improvements in energy intensity. Over the period observed, neither structural change nor fuel switch was found to be a substantial driver of the energy intensity effect, suggesting that **energy efficiency improvements drove the reduction in energy intensity**.³ Energy efficiency measures thus enable European industries to **lower their energy intensity and subsequent overall productions costs**, by reducing the share of energy-related costs, a significant asset in times of intense international competition. Therefore, energy efficiency measures should not be forgotten when discussing how to support EU industries, whose decarbonisation is often seen as fuel switch or electrification operations, in their twin transition while boosting their competitiveness.

Energy Efficiency First principle should be at the heart of the Clean Industrial Deal implementation. For European industries, improving energy efficiency means decarbonising without deindustrialising. The reduction in the primary and final energy consumption of a given industrial site allows for optimising investments in alternative energy sources and equipment.

In that sense, **energy management solutions** have a key role to play as they allow to **contain energy consumption while guaranteeing energy and CO2 performance over time**. Thus, these solutions, not only ensure energy efficiency improvements but also give the long-term guarantee and visibility that industries need while **lowering their sensitivity to energy prices**.

Moreover, industries need focused, and specialised skills to navigate the energy transition. Such outsourced resources are exactly what Energy Service Companies (ESCOs) are providing to their industrial clients. Such virtuous partnerships between the energy services sector and European industries have to be promoted and kept in mind when rethinking our energy and economic systems within the Clean Industrial Deal. Competitiveness is not all about costs, but also about **modernisation** of the industry, and this is also what partnering with ESCOs bring to the industries.

★ Energy efficiency solutions: net-zero technologies that need to be supported by the State Aid framework

Another very important element to keep in mind when re-thinking Europe's support to industries is that **energy efficiency and renewable energy sources go hand in hand**. The energy we do not need, produce or use will always be the greenest and, on the long term, the cheapest. This is why **energy**

³ European Commission: Directorate-General for Energy, Rademaekers, K., Smith, M., Demurtas, A., Torres Vega, P. et al., *Study on energy prices, costs and their impact on industry and households – Final report*, Publications Office, 2020, <https://data.europa.eu/doi/10.2833/49063>

efficiency solutions should be recognised as net-zero technologies, alongside the already identified technologies.

Thus, **the framework for State Aid measures to support the Clean Industrial Deal should ensure that investments in any solutions improving the energy efficiency of industries are eligible, as such, to State Aids**. In particular, it should be made possible for project aggregators like ESCOs to collect public support for a given project, in the name of the project beneficiaries. ESCOs can indeed play the role of single contact points within energy efficiency projects that mix financing instruments of various nature, alongside a variety of tasks. This aggregator role is currently⁴ not recognised for ESCOs of all sizes, and, as a consequence, for large (industrial) projects.

Finally, in a context of limited financing resources for public support, it is key to ensure the projects will deliver the expected energy and CO2 performance. Public support should thus grant a bonus in the intensity for projects based on **guaranteed** energy performance. By the same token, that would facilitate the mobilisation of private co-financing in such projects.

⁴ [General Block Exemption Regulation - 2023/1315 - EN - EUR-Lex](#)