

Appliances at the forefront of the newly published energy efficiency directive

Brussels, 20 September 2023 - The recast Energy Efficiency Directive has been officially published today in the EU Official Journal and will enter into force in 20 days. New, energy efficient home appliances are recognised as a cost-effective solution for Member States to unlock higher energy savings and address most vulnerable consumers.

The new directive introduces a series of measures to help accelerate energy efficiency, including the “energy efficiency first” principle in the energy and non-energy policies. The potential energy savings that can be reached by broadening energy access, are substantial. “Public policies promoting the replacement of old and inefficient home appliances by highly energy efficient ones would not only help national authorities reach their targets, but also increase the overall welfare of EU citizens,” explained Paolo Falcioni, APPLiA Director General. This is also the case for appliances with smart functionalities as well as highly efficient appliances, overall delivering significant reductions in energy bills, creating the conditions for an increased penetration rate of dishwashers, and home appliances more in general, ultimately addressing the primary issue of energy poverty.

Energy poverty is affecting 90 million households in Europe. About 55% of households in Europe cannot afford to buy a dishwasher. This makes it essential to apply the new energy efficiency first guidelines at all levels, from local to European.

Reducing the overall burden of the energy transition and fighting against energy poverty are two core concepts at the heart of the EU’s ‘energy efficiency first’ principle, one of the pillars of the EU decarbonisation strategy. Traditionally conceived as a guiding tool for the design of energy-related policies in the EU, “the newly introduced principle will serve as a key leverage to remove existing market and regulatory barriers to energy efficiency and ultimately unleash the full potential of the energy transition,” pointed Falcioni. In a nutshell, the less energy demand via increased energy efficiency, the less CO2 that would need to be abated by policy measures. This is a revolutionary shift in the run to climate neutrality, putting demand on equal footing with supply when defining future energy regulations.

According to the new directive, the ‘energy efficiency first’ principle implies adopting a holistic approach, which looks at the “overall efficiency of the integrated energy system, security of supply and cost effectiveness and promotes the most efficient solutions for climate neutrality across the whole value chain.” Demand-side flexibility is one good way of doing it. The new legislation enhances the role of demand-side flexibility in that it can increase the efficiency of the energy system and decrease the energy costs. According to a study run by SmartEN, flexible consumption from energy demand sectors alone could slash consumer bills by 71 billion a year. This is a clear warning to not undervalue the role of



consumers in light of the huge potential impact they play toward an efficient, clean electricity system. To get there, “a market for demand-side management must be developed with opportunities for consumers to participate in it,” said Falcioni. This can only happen through consumer engagement and proper rewards. Tariff reductions offer one possible solution to increasing demand-side flexibility by making it more affordable for consumers to shift their energy consumption to times when electricity is cheaper. Introducing demand-side functionalities directly in the appliances is another viable route, amongst a wide range of solutions. This way, consumers would be given the possibility to make a free, conscious choice and would be motivated to adopt a flexible demand side.

Today’s publication marks the final step in the legislative process that started with the Commission proposal in July 2021, as part of the ‘Fit for 55’ package, which was supplemented by an additional proposal as part of the REPowerEU plan in May 2022.

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