

Input on the Energy Union package for the decade ahead



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Reducing energy costs and Europe's dependence on energy imports remain key priorities for strengthening Europe's competitiveness and economic resilience. The upcoming Energy Union package for the decade ahead offers an opportunity to address these challenges by accelerating domestic renewable energy deployment and improving energy efficiency. Furthermore, a European framework for CO₂ transport infrastructure and markets can close existing regulatory gaps and create new opportunities for industrial decarbonisation. For the post-2030 framework to deliver on its ambitions, Eurochambres calls for realistic and workable targets, targeted simplification and stronger investment in the infrastructure needed to integrate a growing share of renewable energy and support carbon capture, utilisation and storage.

1. Executive summary

The Energy Union package for the decade ahead offers an opportunity to strengthen Europe's competitiveness and energy security, as well as to advance its decarbonisation efforts. At the same time, the existing renewable energy and energy efficiency frameworks have increased regulatory complexity for businesses and set ambitious targets without sufficiently ensuring that the necessary infrastructure and enabling conditions are in place. The upcoming framework must therefore deliver realistic and workable rules while ensuring coherence with relevant EU legislation, including the European Grids Package, the Electrification Action Plan and the EU Emissions Trading System. More specifically, Eurochambres highlights the following key priorities:

- **Ensure a realistic and workable renewable energy framework:** The upcoming revision must prioritise targets that are achievable, workable and supported by strong efforts to expand, modernise and digitalise Europe's energy system. It must also deliver targeted simplification, notably regarding sustainability and certification requirements for biomass and the rules governing renewable fuels of non-biological origin.
- **Pursue a productivity-based approach to energy efficiency:** The updated framework should replace the narrow focus on final energy consumption reductions with productivity-based energy efficiency targets. Furthermore, it should provide greater flexibility to reflect sectoral and local conditions, remove practical barriers to energy efficiency investments, deliver targeted support for SMEs and clarify the interaction between electrification and energy efficiency.
- **Accelerate the development of CO₂ transport infrastructure and markets:** The forthcoming legislative initiative should provide the legal basis for the swift construction of an EU-wide network for CO₂ transport and storage, establish clear rules for market access and network tariffs, and remove legal barriers to cross-border CO₂ transport.

2. Eurochambres priorities for the post-2030 renewable energy framework

The expansion of renewable energy remains critical for strengthening Europe's

competitiveness and energy security, as well as for advancing the energy transition. The chamber network therefore supports the objective of the Renewable Energy Directive (RED) to increase the share of renewable energy in the EU's energy mix. The latest revision of the directive introduced several important regulatory changes, notably accelerated and streamlined permitting for renewable energy projects and updated certification rules to help companies demonstrate the renewable origin of fuels and energy carriers.

At the same time, the RED has set out ambitious targets without sufficiently ensuring that the deployment of renewables is matched by the necessary expansion of grid infrastructure, cross-border interconnections and energy storage capacity. The stricter and more complex rules introduced under the RED for biomass and renewable fuels of non-biological origin (RFNBOs) also create significant compliance challenges for businesses, particularly SMEs. The upcoming post-2030 renewable energy framework must therefore prioritise targeted simplification, energy system integration and infrastructure readiness. This must also include ensuring coherence with the broader EU energy policy framework, including the European Grids Package and the Electrification Action Plan, while continuing to support member states with the effective implementation of RED III.

Key priorities:

- **Deliver realistic and workable targets:** While ambitious targets under the RED can provide long-term investment signals, they must be matched by the corresponding enabling conditions needed for businesses to deliver them, notably adequate infrastructure. Insufficient grid capacity, gaps in cross-border interconnections and limited energy storage continue to constrain renewable energy deployment, while the lack of refuelling networks limits the uptake of hydrogen and alternative fuels. The post-2030 renewable energy framework must ensure that targets are achievable, workable and supported by strong efforts to expand, modernise and digitalise Europe's energy system.
- **Accelerate and streamline permitting:** Lengthy and complex permitting procedures remain a major obstacle to the deployment of renewable energy, grid expansion, storage infrastructure and recharging stations. The RED III introduced important changes, notably simplified environmental assessment procedures for projects in renewables acceleration areas. Equally, the permitting proposal under the European Grids Package represents a step in the right direction, but its success will depend on swift and consistent implementation by member states once adopted by the co-legislators. The post-2030 renewable energy framework should build on these reforms by supporting shorter, more harmonised and digitalised permitting procedures and facilitating better coordination between authorities.
- **Prioritise market-based and technology-neutral approaches:** The existing directive relies heavily on sector-specific targets, sub-targets and fuel mandates rather than prioritising market-based mechanisms and enabling investment conditions. Instruments such as the EU Emissions Trading System (ETS) and reforms under the Electricity Market Design framework already provide strong investment signals to deploy renewable energy. The revision should therefore focus on creating a level playing field between fossil and renewable energy carriers, rather than prescribing specific technologies or fuels. Financial support should remain targeted and time-limited, focusing on technologies that are not yet commercially competitive,

while upholding the principle of technology neutrality. Further efforts are also needed to facilitate long-term electricity contracts, such as power purchase agreements (PPAs), in particular in a cross-border context.

- **Ensure workable sustainability and certification requirements for biomass:** The certification obligation along the whole value chain to prove that biomass meets sustainability criteria represents a significant administrative burden for businesses. The revision of the renewable energy framework must reduce the number of reporting points and simplify documentation requirements. In addition, the chamber network calls for raising the capacity threshold for the application of the sustainability and greenhouse gas saving criteria for biomass installations from 7.5 MW back to 20 MW, to ensure that smaller installations are not subject to a disproportionate and complex certification process.
- **Promote a practical and interoperable Union Database (UDB):** While the UDB for biofuels, biogas and renewable fuels can increase transparency, its implementation has also created several legal and operational challenges for businesses, including limited compatibility with existing national databases. The chamber network therefore calls for stronger efforts to ensure full interoperability between the UDB and existing national systems, enable bidirectional data exchange, minimise reporting burdens, and fully apply the 'Data Once Only' principle. Future extensions of the database to hydrogen, e-fuels, sustainable aviation fuels and renewable gases must follow the same principles of workability, interoperability and proportionality.
- **Streamline RFNBO rules to scale hydrogen production:** The strict and rigid requirements for producing renewable fuels of non-biological origin from renewable electricity represent a major obstacle to ramping up hydrogen production. The chamber network therefore calls for a revision of these requirements. This should include removing or revising the additionality requirements for the electricity used to produce renewable hydrogen, maintaining the temporal correlation requirement on a same-month basis instead of moving to a same-hour basis, and offering workable alternatives to the geographical correlation requirement. Demonstrating that the electricity used for RFNBO production has been renewably sourced should be as simple as possible, for example by recognising a PPA as sufficient evidence.

Flanking measures for the deployment of renewable energy:

- **Support the deployment of renewables by advancing electrification across sectors:** In view of the recently presented Electrification Action Plan, the chamber network recognises that electrification is essential for strengthening energy security and creating demand for a growing supply of renewable electricity, thereby supporting the objectives of the RED. However, Eurochambres opposes a binding electrification target. Instead, the focus should be on providing businesses with the economic conditions needed to invest in electrification. This must include making electricity more affordable, addressing upfront investment barriers and accelerating grid connections.
- **Match the increase in renewables with stronger demand-side flexibility and a fair distribution of network costs:** While renewables can contribute to lower electricity prices, their integration into the electricity system requires significant

investment in grids, storage and system flexibility, which can contribute to rising network costs. The post-2030 framework must therefore be accompanied by efforts to reduce overall system costs, alongside a fair allocation of grid expansion costs. This should include better use of existing infrastructure, stronger demand-side flexibility, digitalisation and, where appropriate, dynamic grid charges. In this context, the proposal on future-proof network charges represents a step in the right direction. At the same time, network tariff design should remain sufficiently flexible to reflect national circumstances and the role of national regulators.

3. Eurochambres priorities for the post-2030 energy efficiency framework

Increasing energy efficiency is in the direct interest of businesses, as it can reduce costs, improve competitiveness and support decarbonisation. However, the existing energy efficiency framework does not sufficiently reflect economic considerations, as it prioritises energy savings over genuine energy efficiency gains. In addition, many businesses face practical constraints, such as insufficient grid flexibility and smart grid capabilities, limited technological alternatives, financing barriers and administrative burdens that tie up resources needed for implementation. Moreover, many large companies have already implemented the most readily available and cost-effective energy efficiency measures, making it increasingly difficult to identify further measures that are economically viable and proportionate. The post-2030 energy efficiency framework must better reflect these economic realities and operational constraints by focusing on productivity-based efficiency gains, addressing practical barriers and reducing administrative complexity.

Key priorities:

- **Shift from energy savings targets to productivity-based energy efficiency targets:** Under the current approach of the EED, economic considerations are inadequately taken into account. Rather than focusing on the relationship between energy consumption and economic output, the directive prioritises reductions in final energy consumption. The current framework therefore risks penalising economic growth, as companies may limit production in order to achieve the necessary savings, instead of being incentivised to improve energy efficiency. The revision of the energy efficiency framework should replace the narrow focus on final energy consumption reductions with productivity-based energy efficiency targets, which relate energy use to economic activity.
- **Remove practical barriers to energy efficiency investments:** Improving energy efficiency is an effective way to help companies cut energy costs, reduce peak demand and lower total system costs. However, practical constraints such as insufficient grid flexibility and smart grid capabilities, limited technological alternatives for the decarbonisation of process heat, and inadequate access to financing continue to undermine companies' efforts. The revised EED should therefore be accompanied by concrete measures to improve the enabling conditions for energy efficiency investments. This includes adequate financing for energy efficiency projects, greater grid flexibility and faster grid connections, as well as research, development and scaling of clean technologies, in particular for process heat applications in hard-to-abate sectors.

- **Provide more flexibility to better reflect sector characteristics and local conditions:** Energy efficiency obligations must take into account operational realities, technical constraints and local conditions. For example, requirements concerning the recovery and use of waste heat are often determined by company-specific parameters and may not be feasible due to the lack of suitable heat sinks or district heating connections. The revised energy efficiency framework should allow for exemptions where compliance is technically or economically disproportionate. This should also apply to energy management system requirements for sectors with limited efficiency potential but high compliance costs, such as logistics companies or social services, where energy use is largely determined by operational needs.
 - **Focus on coherence rather than creating additional burdens:** The revision of the energy efficiency framework should refrain from introducing additional reporting obligations. Instead, the focus should be on simplifying existing rules and preventing additional national requirements from being imposed on top of the EED. The revision must also support coherence between EU energy-efficiency legislation, notably the Energy Performance of Buildings Directive and the EED, by avoiding overlaps, duplicative reporting and inconsistent measurement, verification and disclosure requirements.
 - **Strengthen safeguards for reporting and disclosure obligations:** Transparency requirements should better take into account safety, security and competition-related concerns, particularly where they concern company-specific processes, critical infrastructure or commercially sensitive data, such as in the case of data centres. For example, action plans resulting from audits or energy management systems should not require public disclosure of commercially sensitive operational information.
 - **Provide targeted support for SMEs:** As shown in several LIFE programme projects managed by Eurochambres, SMEs often face greater financial, technical and administrative barriers when adopting energy efficiency measures. The post-2030 framework must ensure that requirements are tailored to the capacities of SMEs while also providing them with targeted support and practical guidance, including through EU-funded initiatives.
 - **Clarify the interaction between electrification and energy efficiency:** The post-2030 framework should provide clear guidance on how the Energy Efficiency First principle interacts with electrification. Switching from fossil-based processes to electric solutions can deliver significant efficiency gains, particularly where powered by low-carbon or renewable electricity. At the same time, electrification may increase energy consumption in absolute terms, even where it reduces emissions and improves system efficiency. The EED must ensure that electrification investments are not penalised solely because they increase energy consumption, and that companies retain flexibility to choose the most cost-effective decarbonisation pathway.
- 4. Eurochambres priorities on the development of CO₂ transport infrastructure and markets**

As outlined in the adopted 2040 climate target, carbon removals play a central role on the path towards climate neutrality by 2050. Particularly in hard-to-abate sectors, carbon capture,

utilisation and storage (CCUS) often represents the only viable option for advancing decarbonisation. However, this requires companies to have access to adequate infrastructure, predictable regulatory conditions and affordable transport and storage solutions. The forthcoming legislative initiative for CO₂ markets and infrastructure must therefore support the development of an EU-wide CO₂ transport and storage network, remove cross-border barriers, de-risk investments and ensure that companies of all sizes and sectors can integrate CCUS into their processes.

Key priorities:

- **Build an EU-wide network for CO₂ transport and storage:** The swift construction of adequate infrastructure, alongside the repurposing of existing facilities, to transport and store CO₂ is a prerequisite for scaling industrial carbon management and developing a functioning single market for CO₂. This also requires taking into account all relevant infrastructure and transport modes, including pipelines, ships, rail and road, to allow regions and companies to select the most suitable option. Terminals, hubs and temporary or intermediate storage facilities should also be treated as vital parts of the CO₂ value chain, particularly where they are needed to connect smaller emitters, industrial clusters or landlocked regions. The forthcoming EU legislative initiative should deliver a harmonised European framework for planning and coordinating CO₂ infrastructure at EU and national level, set out a clear timeline for the development of the CO₂ network and provide streamlined permitting procedures.
- **Ensure interoperability along the CO₂ value chain:** The unhindered flow of CO₂ across borders and transport modes is key to establishing a genuine single market for CO₂. The future framework should consider minimum CO₂ quality standards and specifications where they are needed to ensure safety and interoperability. While such standards can help prevent market fragmentation, they must remain proportionate and practical and avoid imposing unnecessary purification costs on companies.
- **Provide a strong financing framework and de-risk investments:** The development of CO₂ infrastructure involves high upfront costs, long lead times and significant coordination efforts between the different stakeholders along the value chain. The future framework must therefore provide appropriate de-risking and financing mechanisms, covering the entire CO₂ value chain and respecting the principle of technological neutrality. This should include public risk-sharing, guarantees, support for strategic cross-border infrastructure and improved access to EU funding instruments such as the Connecting Europe Facility and the Innovation Fund.
- **Establish clear rules for market access and network tariffs:** A functioning CO₂ market will require transparent and non-discriminatory access to transport networks, terminals and storage sites. The future framework should establish clear principles for access conditions, tariff structures and capacity allocation, while avoiding excessive administrative complexity. It should also clarify responsibilities along the CO₂ value chain to provide the different stakeholders with legal certainty. With regards to network tariffs, particular emphasis should be placed on predictable and affordable access for industrial users, especially during the ramp-up phase and for companies and regions located far from storage sites or without direct access to pipeline infrastructure.
- **Remove legal barriers to cross-border CO₂ transport and storage:** The EU

framework must remove regulatory barriers that prevent the cross-border transport, storage and utilisation of CO₂ within the EU and with third countries. This should include clarifying the treatment of CO₂ under international agreements, developing arrangements with key partner countries where storage capacity or transport infrastructure is relevant and advancing ratification of the London Protocol amendment by member states to enable international CO₂ transport. A predictable cross-border framework is particularly important for member states and regions without sufficient domestic storage capacity.

- **Ensure technology neutrality and fair access across sectors:** The CO₂ infrastructure and market framework should remain technology-neutral and open to companies of all sizes and sectors. This is particularly important for process emissions and hard-to-abate sectors where electrification, renewable hydrogen or other alternatives are not technically or economically viable. The forthcoming framework must avoid limiting CCUS to a narrowly predefined list of sectors, technologies or applications. Companies should have the flexibility to select the most technically feasible and cost-effective decarbonisation pathway.
- **Create market demand by integrating carbon removals into the EU ETS:** With the recent proposal to incorporate carbon removals into the EU ETS, the Commission responded to a key demand from the chamber network. The decision to kick-start the carbon removals market through a mechanism managed by the Commission can be considered an appropriate interim solution. However, to further strengthen the business case for carbon removals, it is critical to establish a market allowing companies to trade certified removals freely for use in ETS compliance. While the corresponding review clause in the proposal requiring the Commission to assess the feasibility of such a market can be supported, the review should take place earlier than 2034.



Eurochambres – the association of European chambers of commerce and industry – represents more than 20 million businesses through its members and a network of 1700 regional and local chambers across Europe. Eurochambres is the leading voice for the broad business community at EU level, building on chambers' strong connections with the grass roots economy and their hands-on support to entrepreneurs. Chambers' member businesses – over 93% of which are SMEs – employ over 120 million people.

Previous inputs can be found here.

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