



Subject: the inadequate review of the Primary energy factor will jeopardise the attainment of Green Deal and REPowerEU objectives

Brussels, 26 July 2022

Dear Director-General Juul-Jorgensen,

The signatories of this letter, all committed to an efficient and decarbonised energy system, want to express their concerns about the ongoing review¹ of the Primary Energy Factor (PEF), a technical yet far-reaching tool in EU energy policy. Without an in-depth update of the PEF methodology itself, this tool will hamper the attainment of EU policy goals for climate neutrality, increase of renewables and energy security.

While the urgency of climate change already made emissions reductions an essential priority, the Ukraine war has now pushed the phase out of (Russian) fossil fuels and specifically of gas to the top of the political agenda, further calling for the rollout of clean energy solutions and renewable electrification. However, following the stakeholders' meeting on 30 June, it appears that the Commission is reluctant to update the pre-Green Deal PEF methodology to make it suitable to deliver on the goals of the Fit for 55 package and REPowerEU plan. This is problematic for two main reasons.

First, the current PEF framework fails to reflect the twofold need to reduce our consumption of fossil fuels and frontload clean energy deployment as it attributes the same value to savings in fossil fuels as to savings in renewable electricity.

Second, it motivates end-users to make long-term investments in fossil fuel solutions rather than electric alternatives by discriminating electricity consumption over fossil fuels.

This status quo is not acceptable. The current PEF methodology clashes with major initiatives published since the Green Deal, such as the Strategy for Energy System Integration, the Renewable Energy Directive revision, the REPowerEU plan and the Solar Strategy which rely on rolling out clean electrification and electricity consumption.

Finally, the signatories would like to highlight the ITRE committee's 13 July vote on the Energy Efficiency Directive, which urges the Commission to ensure the PEF methodology is conducive to emissions reductions and to the phase out of fossil fuels (article 29).

¹ The review must be completed by the end of 2022, as set out in Annex IV, footnote 3 of Directive (EU) 2018/2002

Dear Director-General Juul-Jorgensen, the Commission has all the means to make it right: the 2016 assessment of the PEF methodology already offers alternative options² that can better weave together energy efficiency, emissions reductions and increases in renewables.

We call on your attention to ensure that the PEF review, only happening every 4 years, harnesses this opportunity to contribute to climate goals as well as to the phase out of (Russian) fossil fuels and gas.

Kind regards,

The co-signatories:

AVERE – European Association for Electromobility

EIHA - European Infrared Heating Alliance

EUEW – European Union of Electrical Wholesalers

EUHA - Electric Underfloor Heating Alliance

Eurelectric

European Copper Institute

EuropeOn – European Electrical Contractors' Association

Glen Dimplex

Green Power Denmark

RGI – Renewables Grid Initiative

SolarPower Europe

T&D Europe - European association of the electricity transmission and distribution

WindEurope

² Alternative options can be found in this report commissioned by DG ENER: Esser, A., Sensfuss, F., Review of the default primary energy factor (PEF) reflecting the estimated average EU generation efficiency referred to in Annex IV of Directive 2012/27/EU and possible extension of the approach to other energy carriers