



Brussels, 11.3.2026
C(2026) 1486 final

COMMISSION RECOMMENDATION

of 11.3.2026

setting out guidelines for the design of cost-benefit methodologies for the application of the energy efficiency first principle pursuant to Article 3(6) of Directive (EU) 2023/1791 of the European Parliament and of the Council

COMMISSION RECOMMENDATION

of 11.3.2026

setting out guidelines for the design of cost-benefit methodologies for the application of the energy efficiency first principle pursuant to Article 3(6) of Directive (EU) 2023/1791 of the European Parliament and of the Council

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 292 thereof,

Whereas:

- (1) In its Communication of 28 November 2018 on ‘A Clean Planet for all – A European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy’¹, the Commission stated that energy efficiency is a key area of action, without which the full decarbonisation of the Union’s economy cannot be achieved.
- (2) The Regulation (EU) 2018/1999 on the Governance of the Energy Union and Climate Action² defined for the first time the concept of ‘energy efficiency first’. The energy efficiency first principle is also at the core of the EU Strategy for Energy System Integration³.
- (3) In the Regulation (EU) 2021/1119 of 30 June 2021 establishing the framework for achieving climate neutrality (‘European Climate Law’)⁴, the Union’s climate ambition has been raised by setting the net greenhouse gas (GHG) emissions reduction target to at least 55 % below 1990 levels by 2030.
- (4) To achieve this objective, in its Communication of 19 October 2020 on ‘Commission Work Programme 2021 – A Union of vitality in a world of fragility’⁵, the Commission adopted a legislative package to reduce GHG emissions by at least 55 % by 2030 (the

¹ Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank ‘A Clean Planet for all — a European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy’, COM(2018) 773 final.

² Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, pp. 1–77).

³ Established in the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions “Powering a climate-neutral economy: An EU Strategy for Energy System Integration”, COM(2020) 299 final.

⁴ Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 (‘European Climate Law’) (OJ L 243, 9.7.2021, pp. 1–17).

⁵ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions “Commission Work Programme 2021 - A Union of vitality in a world of fragility”, COM(2020) 690 final.

‘Fit for 55 package’), and to achieve a climate-neutral European Union by 2050. That package covers a range of policy areas including a proposal for a recast of the Energy Efficiency Directive.

- (5) Energy efficiency is a cornerstone of Europe's strategy to achieve its ambitious energy transition and decarbonisation goals, and it has been increasingly recognised internationally as an important driver for reducing greenhouse gas emissions. At the same time, energy efficiency delivers powerful dividends for energy security and affordability in Europe.
- (6) As highlighted by Mario Draghi in his Report of 9 September 2024 ‘The future of European competitiveness – A competitiveness strategy for Europe’, using energy more efficiently is also vital for the competitiveness of European industries. By cutting energy – and hence operational costs, companies can reinvest in R&D, skills and jobs, and their products can become more attractive on global markets, and therefore boost the Europe’s leadership and competitiveness. Moreover, the European energy efficiency sector is a global technology leader, and – as highlighted in the recently adopted Competitiveness Compass⁶ for the EU – energy-efficient technologies are to a large extent made in Europe, thus providing a competitive edge for the EU economy.
- (7) The Action Plan for Affordable Energy⁷, adopted on 26 February 2025 as part of the Clean Industrial Deal⁸, includes key actions to reduce energy costs to households and enterprises, and help build a genuine Energy Union that delivers on competitiveness, security, decarbonisation and just transition. The Action Plan is based on four pillars and eight key actions, including a dedicated Action to increase energy efficiency and deliver energy savings, emphasising energy efficiency role as a key contributor for affordable energy, decarbonisation, and industrial competitiveness. To advance energy efficiency, the European Commission will support market actors and financial institutions in fostering a single market for energy efficiency. In addition, as part of the Action aiming at completing a genuine Energy Union, the Commission is working on a new Heating and Cooling Strategy and a Clean Energy Investment Strategy.
- (8) On 13 June 2025, the Commission pledged a renewed commitment towards energy efficiency and presented the Energy Efficiency Roadmap, outlining 10 priority areas to guide EU action. One of those key areas focuses on supporting and simplifying implementation. This Commission Recommendation is part of this ongoing effort to support Member States with guidance and tools to ensure effective and aligned implementation.
- (9) Recommendation (EU) 2021/1749 of 28 September 2021 on Energy Efficiency First⁹ provided guidelines to make the principle more operational and examples for its

⁶ 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’, COM(2025) 30 final.

⁷ 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 “Action Plan for Affordable Energy Unlocking the true value of our Energy Union to secure affordable, efficient and clean energy for all Europeans”, COM(2025) 79 final.

⁸ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee, and the Committee of the Regions “The Clean Industrial Deal: A joint roadmap for competitiveness and decarbonisation” COM(2025) 85 final.

⁹ Commission Recommendation (EU) 2021/1749 of 28 September 2021 on Energy Efficiency First: from principles to practice — Guidelines and examples for its implementation in decision-making in the energy sector and beyond C/2021/7014 (OJ L 350, 4.10.2021, pp. 9–59).

implementation in decision-making in the energy sector and beyond. The recommendation calls for a system approach when applying the energy efficiency first principle and for assessing cost-effectiveness and wider benefits of energy efficiency measures from a societal perspective when making strategic decisions, designing regulatory frameworks, and planning future investment schemes.

- (10) Article 3 of Directive (EU) 2023/1791 on energy efficiency (recast) ('EED recast')¹⁰ of 13 September 2023 established a structured framework for the implementation, monitoring and reporting of the energy efficiency first principle.
- (11) To achieve the desired impact, Article 3 of the EED recast states that the energy efficiency first principle needs to be consistently applied by national, regional, and sectoral decision makers in all relevant scenarios and policy, planning and major investment decisions – large-scale investments with a value of more than EUR 100 000 000 each or EUR 175 000 000 for transport infrastructure projects – affecting energy consumption or supply. The principle needs to be applied in both the energy and non-energy sectors, and it is not limited to the public sector.
- (12) The EED recast sets conditions for the practical application of the principle, as it requires Member States to promote and, where cost-benefit analyses are required, ensure the application of cost-benefit methodologies that allow a proper assessment of the wider social, environmental and economic benefits of energy efficiency solutions when applying the principle. Moreover, to set enabling conditions for energy efficient solutions and allow for the proper monitoring of the application of the principle, Member States have to identify an entity or entities responsible for its monitoring.
- (13) Cost-benefit analyses should be systematically developed and carried out to provide an incentive to apply energy efficiency solutions and measures. These analyses should be based on the most up-to-date information on energy prices and should include scenarios for rising prices of energy produced from fossil fuels, such as due to decreasing Union's emission trading system (EU ETS) allowances pursuant to Directive 2023/959¹¹.
- (14) To facilitate the transposition and proper implementation of these provisions on the cost-benefit analyses, the EED recast asks the Commission to adopt guidelines providing a common general framework including supervision, the monitoring and reporting procedure, which Member States may use to design the cost-benefit methodologies.
- (15) Member States are to bring into force the laws, regulations and administrative provisions transposing Article 3 on energy efficiency first principle by 11 October 2025.
- (16) Member States have some margin of discretion to transpose and implement the requirements regarding Article 3 on the energy efficiency first principle in a way that is best suited to their national circumstances. In particular, cost-benefit analyses methodologies may be adapted to national and local circumstances.

¹⁰ Directive (EU) 2023/1791 of the European Parliament and of the Council of 13 September 2023 on energy efficiency and amending Regulation (EU) 2023/955 (recast) (OJ L 231, 20.9.2023, p. 1–111).

¹¹ Directive (EU) 2023/959 of the European Parliament and of the Council of 10 May 2023 amending Directive 2003/87/EC establishing a system for greenhouse gas emission allowance trading within the Union and Decision (EU) 2015/1814 concerning the establishment and operation of a market stability reserve for the Union greenhouse gas emission trading system (OJ L 130, 16.5.2023, pp. 134–202).

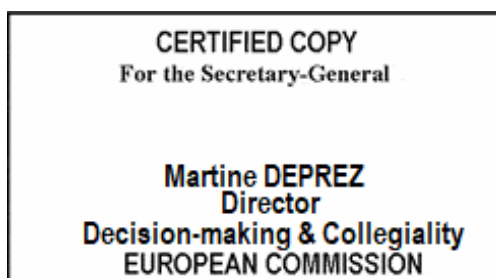
- (17) The European Citizens' Panel on energy efficiency that took place from February to April 2024 brought together 150 European citizens to discuss how energy is used in the EU and how the energy system may change in the future. The Panel adopted thirteen final recommendations to feed into upcoming EU initiatives, including prioritising actions, which contribute the most to energy independence within the framework of the energy efficiency first principle (Recommendation No. 3 – Increase energy independence and efficiency, becoming a global example)¹².

HEREBY RECOMMENDS THAT MEMBER STATES:

Follow the guidelines provided in the Annex to this Recommendation when designing cost-benefit methodologies for the application of the energy efficiency first principle and when establishing a framework for the supervision, monitoring and reporting on the application of the energy efficiency first principle. The guidelines provided in the Annex complement Recommendation (EU) 2021/1749 of 28 September 2021 on Energy Efficiency First.¹³ This Recommendation does not alter the legal effects of the EED recast and is without prejudice to the binding interpretation of the EED recast as provided by the Court of Justice. It focuses on the provisions relating to the energy efficiency first principle and concerns Article 3 to the EED recast.

Done at Brussels, 11.3.2026

For the Commission
Dan Jørgensen
Member of the Commission



¹² European Citizens' Panel on energy efficiency, https://citizens.ec.europa.eu/european-citizens-panels/energy-efficiency-panel_en

¹³ Commission Recommendation (EU) 2021/1749 of 28 September 2021 on Energy Efficiency First: from principles to practice — Guidelines and examples for its implementation in decision-making in the energy sector and beyond C/2021/7014 (OJ L 350, 4.10.2021, pp. 9–59).

