

PROPOSALS FOR THE EU ENERGY UNION PACKAGE FOR THE DECADE AHEAD

MAY 2026

IN GENERAL

The Austrian Federal Economic Chamber (WKO) supports the long-term goals of the European Union to increase domestic clean energy production and to achieve a decarbonised and resilient EU energy system while strengthening European manufacturing capacity to avoid creating new strategic dependencies. On our way towards a robust and sustainable energy system WKO takes note of the European Commission announcement of an Energy Union Package for the decade ahead, recognizing its importance amid major geopolitical, economic, and environmental challenges. Expanding renewable energy as well as grid infrastructure and improving energy efficiency are essential for the EU's competitiveness and energy security. At the same time, however, European businesses are confronted with high energy costs, as well as legal, planning, and investment uncertainty in many areas, as exemplified by the recent agreement on the 2040 climate target, which introduces abrupt changes to decarbonization pathways and imposes overly ambitious implementation timelines.

The WKÖ thus calls for a **systemic approach** to completing the European internal energy market. The entire energy system, from generation to end use, must be considered as an integrated whole. Only a holistic view of climate-neutral energy sources, storage, grids, and consumer-side flexibility can ensure a secure, clean, and affordable energy future. This requires an energy policy that safeguards supply, lowers prices, reduces bureaucracy, promotes innovation, and advances decarbonization in ways suited to local conditions.

A systemic perspective also means **actively addressing conflicting objectives**. Politics, society, and the economy are shaped by diverse and sometimes competing interests. Understanding these motives and analyzing sectoral interactions is essential to finding the right balance for a sustainable energy system.

Resolving such conflicts demands a **willingness to compromise**. In legislative processes, workable solutions must be developed through constructive cooperation to create synergies and improve regulatory efficiency. Effective implementation likewise depends on balanced compromises. However, it is counterproductive to try and implement EU requirements prematurely or excessively through national targets and regulations, particularly in the energy domain; national rules must remain aligned with EU-level targets.

Finally, we advocate for a **stable and consistent legal framework that provides planning and investment certainty**. Businesses make medium- or long-term decisions and therefore need clear, coherent regulations that avoid overlaps which undermine the efficiency and credibility of energy policy. A solid legal foundation

enables long-term business strategies and investments in sustainable technologies. Regulation should support innovation in a technology-neutral, open-ended manner.

Accordingly, this position paper sets out first concrete recommendations drawn from the experiences of our members on the three focal points of the planned Package:

- the energy efficiency framework
- the renewable energy framework
- the development of CO₂ transportation infrastructure and markets

It highlights specific challenges our members face and identifies key aspects of existing EU laws that should be prioritized and reformed within this Energy Union Package, given their significant impact on the economic viability of affected sectors. Now is the time to take action so that companies can quickly benefit from tangible improvements in the energy sector.

WKÖ RECOMMENDATIONS OVERVIEW

We call for a comprehensive **EU strategy for future-oriented energy policy** that safeguards European competitiveness, economic security and facilitates the green transition for businesses. To this end, we propose the following:

ON THE ENERGY EFFICIENCY FRAMEWORK

On the Energy Efficiency Directive EED III (EU) 2023/1791:

- Set genuine energy efficiency targets focused on increasing energy productivity rather than energy savings targets that pursue a pure reduction in final energy consumption.
- Permit exemptions from the requirement for energy management systems (EMS) for certain sectors with little potential but high costs for EMS.
- Make reporting requirements practical and take security considerations into account.

On the Energy Performance of Buildings Directive EPBD (EU) 2024/1275:

- Ensure the economic viability of EPBD renovation targets.

ON THE RENEWABLE ENERGY FRAMEWORK

On the Renewable Energy Directives RED II (EU) 2018/2001 and RED III (EU) 2023/2413:

- Reduce the currently excessive and burdensome reporting points on sustainability criteria for biomass.
- Reduce RED III requirements to safeguard sustainable wood energy.
- Modify the scope of RED III to exclude waste from its scope, as these materials are already used as recovered fuels in an established, recognized process.
- Address readiness and practical feasibility challenges in the EU Biofuels and Biogas Union Database.

On the Production of Sustainable Renewable Fuels of Non-Biological Origin (RFNBOs):

- Streamline RFNBO Rules to enable scalable hydrogen production and trade.

On the European Hydrogen Bank:

- On pillar one: Consider landlocked Member States more strongly within the auction framework.
- On pillar two: Develop a subsidy tool to support the scale-up of hydrogen imports to the EU.

On the EU Methane Regulation (EU) 2024/1787:


- Address the excessive burdens in the EU Methane Regulation for oil, gas and coal operators.
- Delete the import obligations under the Methane Regulation to avoid creating a competitive disadvantage for European companies.

ON THE DEVELOPMENT OF CO₂ TRANSPORTATION INFRASTRUCTURE AND MARKETS


On CO₂ capture, utilization, and storage:

- Establish regulatory frameworks for CCUS and negative emissions to enable the expansion of and the investment in CO₂ infrastructure.

WKÖ RECOMMENDATIONS IN DETAIL

Energy Efficiency Directive EED III (EU) 2023/1791 	
Problem description	Proposal for simplification/burden reduction
<p>Genuine energy efficiency targets rather than energy savings targets</p> <p>Systematically improving energy efficiency is in the own best interest of companies: after all, this allows them to achieve their operational climate protection goals while simultaneously saving costs by reducing energy consumption.</p> <p>When it comes to achieving corporate climate protection goals, it makes no difference whether CO₂ is avoided through energy savings or through investments in renewable energy, for example. The WKÖ therefore opposes legally binding final energy savings targets in principle, as these, in their current form, are highly likely to have negative effects on economic development. In line with this, we oppose the binding pan-European final energy savings target for the 2030 target year set out in Article 4, para. 1, of the EED III (EU/2023/1791), which provides for a reduction of at least 11.7 % compared to the projections of the EU 2020 reference scenario.</p>	<p>It makes more sense to set policy efficiency targets focused on increasing energy productivity - which take output metrics such as economic output (GDP) into account - rather than pursuing a pure reduction in final energy consumption as currently mandated, a reduction that can also be achieved by shutting down production, i.e., through conservation rather than efficiency.</p> <p>As a second-best alternative, the indicative primary energy savings target enshrined in the EED III could be retained, but this target would then apply instead of the binding pan-European final energy savings target in Article 4.</p> <p>Overall, we advocate for greater flexibility in achieving these targets and oppose the annual percentage-based energy-saving obligations for member states and companies set forth in Article 8 in conjunction with Articles 9 and 10 of the EED III.</p>
<p>Exemptions from the requirement for energy management systems</p> <p>We oppose the requirement for energy management systems (EMS), laid down in Article 11 of the EED III, for certain sectors with little potential but high costs for EMS, such as:</p> <ul style="list-style-type: none"> • Logistics companies whose primary energy consumption does not stem from the dispatch office but rather from vehicle fuel consumption. This is already incentivized toward greater efficiency and sustainability by other regulations, such as CO₂ pricing or quotas for sustainable fuels. • Social services such as hospitals, nursing homes, and care facilities, whose consumption is largely determined by user needs. 	<p>Those sectors should consequently be exempted from the requirement for energy management systems.</p>
<p>Make reporting requirements practical and take security considerations into account</p>	<p>The EMS obligations in Article 11 of the EED III could best be fulfilled through internationally established standards and audits. Additionally, the action plans resulting from energy</p>

<p>The (national) implementation of the EED III imposes a large number of reporting and disclosure obligations, some of which are questionable when viewed through the lens of economic cost-benefit analysis and security policy considerations. These include the EMS obligations in Article 11, para. 2, lit. b, and the transparency requirements for data centers under Article 12. Regarding the former, the comprehensive disclosure requirements for implementation plans regarding operational energy efficiency and climate protection measures contain sensitive information on company-specific know-how and allow conclusions to be drawn about the processes and production patterns used, as well as the current competitive position of individual companies.</p>	<p>management audits should not be made publicly accessible.</p> <p>Concerning Article 12 on the transparency requirements for data centers, geopolitical and security considerations must also be taken into account. Data on the locations and performance classes of data centers is sensitive and should not be publicly accessible. The same applies to reporting and disclosure obligations in other areas of critical infrastructure, such as:</p> <ul style="list-style-type: none"> • The planning and assessment of heating and cooling supply (Article 25), particularly if such supply is to be based on waste heat from safety-critical enterprises • Reporting on progress in improving energy efficiency in the operation of gas and electricity infrastructure (Article 27)
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Energy Performance of Buildings Directive (EU) 2024/1275 (EPBD) 	
Problem description	Proposal for simplification/burden reduction
<p>Make EPBD renovation targets economically viable</p> <p>The EPBD's requirements are extremely ambitious with regard to</p> <ul style="list-style-type: none"> • the economic feasibility (financing, taxonomy) • the available workforce (shortage of required number and expertise) • the technical specification (achieving the new building standard during renovation, changes in energy supply) <p>The current framework needs to be carefully implemented, otherwise there is a high danger that buildings will be demolished rather than renovated. This would not serve the aim of decarbonisation of the building stock. The ETS-2 will put additional financial burdens on home owners.</p>	<p>Future reviews need to place a high importance on the (economic, technical, functional) feasibility of renovations.</p> <p>The owners of buildings/units are tasked with the costs of renovations. Currently there is a gap in available and affordable funding opportunities. Taxonomy needs to enable rather than restrict a step-by-step approach to renovations. The cost of ownership of buildings/units needs to be assessed so that it keeps being affordable.</p>

Renewable Energy Directives RED II & RED III (EU) 2018/2001 and (EU) 2023/2413



Problem description	Proposal for simplification/burden reduction
<p>Reduce reporting points on biomass</p> <p>The needed certification along the whole value chain to prove that used (forest) biomass (solid, liquid, and gaseous) meets the sustainability criteria is too complex and burdensome. Especially, as only certain certification systems, which are recognized, do currently exist.</p>	<p>Articles 29 and 30:</p> <ul style="list-style-type: none"> • Reporting points must be massively reduced. • What is needed in general is comprehensive simplification and standardization, in particular for the reporting points concerning greenhouse gas savings.
<p>Reduce RED III requirements for sustainable wood energy</p> <p>The revision of the Renewable Energy Directive (RED III) as part of the Green Deal has introduced a large number of new requirements and restrictions for the use of wood for energy in addition to the already extensive sustainability requirements of the previous directive. As a result, wood energy companies and foresters are confronted with numerous new bureaucratic regulations.</p> <p>The use of wood for energy is not only crucial for achieving climate neutrality and the expansion of renewable energies, but also for the conversion of forests for climate adaptation as well as value creation and jobs in rural areas. The disproportionate new requirements introduced by RED III must be urgently reduced so that wood energy can continue to fulfill its role as a local and affordable form of renewable energy in the future.</p>	<p>Article 29, para. 1 and 7a, in RED III should therefore be adapted in the event of simplifications in the area of sustainability:</p> <ul style="list-style-type: none"> • Re-raising the size limit for sustainability certification from 7.5 to 20 MW (size limit of RED II). This would ensure that no additional wood energy installations would have to undergo the expensive and complex sustainability certification process (Article 29, para. 1). • The new link to compliance with the climate targets for land use (LULUCF) should be deleted (Article 29, para. 7a), as it is already foreseeable that the climate targets cannot be achieved. The climate targets set out in the LULUCF Regulation are unrealistic and would require drastic restrictions on forestry in order to be achieved, thus massively reducing the availability of domestic wood.
<p>Modification of the scope</p> <p>Currently, recovered fuels in Austria must be certified in accordance with the Renewable Energy Directives RED II & RED III (EU) 2018/2001 & (EU) 2023/2413 (hereinafter: RED). This additional certification creates a significant administrative burden for the Austrian waste management sector.</p>	<p>For this reason, it should be pursued to exclude waste from the scope of the RED in principle. In our view, an additional certification of waste as 'sustainable' is not necessary, as these materials are already used as recovered fuels in an established, recognized process. This approach follows the fundamental principles of the waste hierarchy, as thermal recovery is always preferred over disposal. Thermal recovery of recovered fuels not only contributes to reducing waste volumes but also enables energy recovery from fuels that replace more emission-intensive alternatives. Furthermore, existing national and European regulations for recovered fuels must be adhered to, ensuring that the use of these materials is both environmentally and economically appropriate. Therefore, additional certification is redundant and creates unnecessary bureaucratic burdens for companies without providing any real added value in terms of sustainability.</p>

Union Data Base

There are concerns about the current development strategy and readiness of the European Union Data Base (UDB) for biofuels and biogas.

The UDB may - once in full operation serve a role in strengthening the fight against fraudulent biofuel and claims for the RED II targets. We support its implementation, but several major challenges remain unaddressed and need to be tackled before making the UDB a mandatory tool:

- **Legal and Procedural Issues:** The traceability requirement for feedstock used in biofuel and biogas lacks legal basis as the delegated act is still pending. The complexity of tracing feedstock from the first point of collection, especially for waste and residues, is likely to overwhelm the system and could lead to legal conflicts. For example, economic operators at the first point of collection do not necessarily know if their feedstocks will be processed into biofuel/biogas or not.
- **Impact on Economic Operators:** The proposed declaration process is incompatible with the expected data volume and real-world practices. This will be burdensome especially for smaller European companies and potentially harm their competitiveness in a harsh international economic environment (for example in biogas).
- **Data Visibility for Member States:** Currently, Member States have no access to transaction data in the UDB. Member States should be able to view details like characteristics, transaction specifics, and chain of custody for any raw materials/fuels collected, produced, traded, or exported from that Member State during any reporting period. This information should be available at both detailed and aggregated levels. Without it, drafting legislation that considers the UDB is challenging, and establishing links between the UDB and national databases is hindered.
- **Bidirectional linkage of UDB with National Databases:** Despite the Commission's political commitments in support of bidirectional linkages, the UDB is actually designed in a way that hinders national databases that have been reliable in recent years and should be kept operational and interoperable with the UDB. European Enterprises should not be forced to insert data in several different data bases ("Data Once Only"). Therefore bidirectional linkages should also be considered between the

Recommendations to ensure the success of the UDB:

- Launch an initial version of the UDB that only registers the final delivery of biofuel before their blending into fossil fuel;
- Set up a working group for in-depth discussions with experts from Member States and industry that are already managing national biofuel databases and have valuable experiences in order to effectively implement the bidirectional linking of national databases to the UDB;
- Set up a working group for in-depth discussions with experts from Member States and industry that are already managing national biogas databases and national guarantees of origin databases in order to effectively implement the bidirectional linking of national databases to the UDB;
- Implement a transitional period, e.g. one year, to develop the bidirectional linkage between national databases and UDB. During this transitional period, economic operators that already use the relevant national databases are exempt from the obligation to use UDB;
- Design the data module where transactional data is visible for the Member States and national database operators;
- Direct and effective collaboration is essential for the successful launch of the UDB, and will help to detect and fight against fraud;
- Member States and industry should be integrated on the reflexion process on other topics which are still in earlier stage, such as the development strategy and readiness of the UDB regarding hydrogen and e-fuels, including SAF.

<p>UDB and the MS (not only between the UDB and the voluntary and national schemes).</p> <ul style="list-style-type: none"> • Failure Risk: although we recognize the efforts deployed, our assessment indicates that the project is facing significant unresolved challenges that could result in its failure. In particular, we have concerns on the transparency, sufficiency and consistency in communication towards the MS. 	
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Rules for the Production of Sustainable Renewable Fuels of Non-Biological Origin (RFNBOs) Delegated Regulation (EU) [2023/1185](#) supplementing Directive (EU) [2018/2001](#) 

Problem description	Proposal for simplification/burden reduction
<p>Streamline RFNBO Rules to enable scalable hydrogen production and trade</p> <p>The necessary requirements for renewable electricity used to produce renewable fuels of non-biological origin (RFNBOs), so they can be counted as fully renewable, are additionality, temporal and geographical correlation. The complex requirements and extensive reporting obligations to prove that these conditions have been met are hindering the ramp-up of a broad-based hydrogen economy and making it difficult to implement (pilot) projects. They will also necessitate an own certification system for cross-border trade. As the requirements need to be met and proven by imported hydrogen as well, imports from countries with different electricity market systems could not be able to meet the geographical correlation requirements at all.</p>	<p>The rules are overboarding and weigh down any build-up of RFNBO-production capacities. Therefore, it is necessary to bring forward the review of the delegated act announced as part of RED III from 2028 to 2025. Results of the reviews should be, amongst other things:</p> <ul style="list-style-type: none"> • Delete or revise (e.g. by prolonging the transitional phase) the additionality requirements concerning the electricity used for the production of renewable hydrogen. • Keep the temporal correlation requirement on a same-month-basis instead of changing it by 2030 to be same-hour-based. • Offer alternative solutions to the geographical correlation requirement to ensure the possibility of imports from third countries with different electricity market systems. <p>Until then, proof that the electricity used for the production of the RFNBOs has been renewably sourced needs to be as simple as possible e.g. via a Power Purchase Agreement (PPA) should be sufficient. Cross-border trading needs to be as easy as possible.</p>

European Hydrogen Bank Communication [COM/2023/156](#) 

Problem description	Proposal for simplification/burden reduction
<p>Stronger consideration of landlocked Member States within the Hydrogen Bank Auction Framework</p>	<p>Future hydrogen auctioning should therefore put a greater focus on landlocked countries. A dedicated funding basket for landlocked countries such as the one for the maritime sector</p>

<p>The current design of the auction framework of the European Hydrogen Bank under the <i>first pillar</i> disproportionately favors maritime applications and, at the same time, disadvantages landlocked Member States, which already face structural challenges such as lack of direct access to hydrogen imports. This imbalance is problematic given that all EU countries - including landlocked ones - are obligated to meet the RFNBO targets under the RED III. Past auctions have demonstrated that landlocked projects struggle to compete under the current system.</p>	<p>in the first domestic auction by the European Hydrogen Bank, the IF24 auction, should be set up in the next auctioning round to ensure fair participation and to support a balanced hydrogen market ramp-up across Europe. Moreover, given that the auction funding (e.g., under the European Hydrogen Bank) is sourced from all Member States, it is only fair that the design reflects the needs of all contributors.</p>
<p>Subsidy tool needed for the scale-up of hydrogen imports to the EU</p> <p>The <i>second pillar</i> of the European Hydrogen Bank is aimed at facilitating the import of renewable hydrogen from third countries. In this regard, the EU intends to import 10 Mt of renewable hydrogen by 2030. However, no concrete activities have taken place so far. The EU has created a joint procurement scheme. Whereas we welcome this new mechanism, this does not replace subsidies to encourage hydrogen import.</p>	<p>A subsidy tool is also needed in the import area to scale up the use of renewable hydrogen across Europe and meet the import targets.</p>

Regulation (EU) 2024/1787 on Reduction of Methane Emissions in the Energy Sector



Problem description	Proposal for simplification/burden reduction
<p>Reduce burdens in the EU Methane Regulation for oil, gas and coal operators</p> <p>The EU regulation aims to reduce methane emissions from oil, gas and coal infrastructure operators. It includes detailed provisions on the measurement, quantification and reporting of methane emissions as well as on the inspection of infrastructure and repair obligations. Three articles are particularly relevant:</p> <ul style="list-style-type: none"> • Article 12 (Monitoring and reporting): Operators must submit an annual report on methane emissions from their installations to the competent authorities. • Article 14 (Leak detection and repair): Networks and installations must be checked regularly for leaks. These inspections must cover 100 % of the inventory in the first 12 months after the regulation comes into force. Any leaks found above a defined limit value must be repaired quickly and documented. • Article 15 (restrictions on blowing and flaring): There is a blow-out ban, which stipulates that residual quantities must generally be reinjected, used on site or flared. 	<p>The Austrian gas industry has already invested heavily in infrastructure safety and emission reduction, making the pipeline network one of the most modern in Europe. While the reduction of methane emissions and the creation of a European framework are welcomed, the requirements of the regulation are excessive in many areas from the operators' point of view. They lead to high bureaucratic hurdles and unnecessary additional costs. We therefore call for these points to be reconsidered and the regulation to be amended accordingly.</p> <ul style="list-style-type: none"> • De-minimis Value for emissions: The definition of a De-minimis value for emissions (LDAR, venting) is urgently recommended, as the lower limit for emissions is currently zero or one methane molecule. With the lowest emissions, the cost of justification, reporting and repair is disproportionate to the possible emission reduction of the leakage. For leaks above 500ppm that cannot be repaired immediately, simple justifications should be sufficient and this without the

<p>Some key elements of the regulation, such as requirements for measuring devices and measuring techniques, are still open and are to be defined by an implementing act of the Commission. Until then, the best available technologies are to be used, which causes uncertainty when making investment decisions.</p>	<p>explicit approval of the competent authority. In Austria "approval" means the issuing of an official notice.</p> <ul style="list-style-type: none"> • LDAR Program: LDAR programs require measurements of several 100.000 measuring points at relatively short intervals with extensive reporting. The intervals should be extended and the reporting obligation should be reduced, e.g. only to points with positive and significant emission values. This would save around 95-99 % of the documentation - concentrating on the essentials. This also applies to the repair- and monitoring schedules in Appendix II.
<p>Delete Import Obligations</p> <p>The obligation for crude oil and gas importers to ensure, from 2027 onwards, that producers in third countries comply with EU requirements constitutes a serious competitive disadvantage for European companies, as the extraterritorial application of EU law shifts economic risk onto European businesses.</p> <p>Key supplier countries such as the United States have already stated that they will not adopt the regulation's requirements. The current non-transparent discussion on exemptions for selected suppliers is insufficient, increases bureaucracy and legal uncertainty, and risks undermining supply from countries that may not receive exemptions. Growing EU dependence on globally traded LNG could further weaken security of supply, price stability, and industrial competitiveness.</p> <p>The regulation applies only to crude oil imports, not to refined products, which could incentivize shifting refinery operations outside the EU - threatening domestic refinery sites, value creation, and security of supply while increasing costs.</p> <p>Moreover, global oil and gas supply chains are highly complex and fast-moving, making the regulation's certification and traceability requirements practically unworkable. Refineries also cannot freely switch between crude grades for technical reasons.</p>	<p>We therefore call for the complete removal of the import obligations.</p>



CO₂ transportation infrastructure and markets

Problem description	Proposal for simplification/burden reduction
<p>Establish regulatory frameworks for CCUS and negative emissions</p> <p>In order to achieve the EU climate targets, significant expansion and investment in clean energy infrastructures and technologies such as CO₂ infrastructure, i.e. CO₂ capture, utilization, and storage, is required. The EU's industrial carbon management strategy also recognizes the need for a separate legislative initiative to create competitive markets and transport infrastructures for CO₂.</p> <p>Despite the recognized importance of CCUS and negative emissions for achieving climate goals, member states have so far lacked appropriate regulatory frameworks to advance such projects quickly and with legal certainty. Particularly in the case of Direct Air Carbon Capture (DACC) and CO₂ capture at industrial point sources, high hurdles in permitting and reporting requirements, as well as unclear responsibilities, are preventing a rapid market ramp-up.</p>	<p>To address these challenges and enable initial use cases, targeted regulatory impetus and appropriate support instruments are needed: A central registry of approved and planned storage sites could ensure transparency regarding parameters such as depth, capacity, and monitoring protocols. In addition, a simplified state aid framework for CCS innovation projects should be established, including through the application of de minimis thresholds.</p>

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