EUROPEAN PANEL FEDERATION
WOOD-BASED PANELS

Directorate-General for Energy, PLAN/2025/2577
Unit B.2 - Energy Efficiency: Policy and Financing

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EPF feedback on the Energy Efficiency Legal Framework after 2030

The European Panel Federation (EPF), representing the European wood-based panels industry, welcomes the opportunity to provide input to this Call for Evidence. Energy efficiency is a key pillar of EU climate and industrial policy and must be designed in a way that supports competitiveness, security of supply and the efficient use of resources across the economy.

EPF strongly supports the objective of improving energy efficiency across sectors and of unlocking the significant untapped potential identified by the Commission. However, this objective should be pursued with a **system-wide perspective, ensuring that energy efficiency policies are aligned with resource efficiency, circularity and the cascading use of biomass[1].** Policies should prioritise solutions that deliver the highest overall value for the economy and climate, taking into account material use, substitution effects and long-term carbon storage.

In this context, it is essential to recognise that **solid biomass combustion is not an energy-efficient use of a valuable and limited carbon storing resource**. While biomass can play a role in the energy system, its use for energy should be limited to residues and non-recyclable fractions, in line with the cascading principle. Direct combustion of wood that could otherwise be used in long-lived products leads to a loss of material value and reduces the overall efficiency of the bioeconomy. Energy efficiency policies should therefore avoid incentivising the use of high-quality wood for energy and instead promote its use in material applications, where it delivers greater climate benefits through carbon storage and substitution.

The future framework should also address the existing barriers to energy efficiency investments, including fragmented financing, high upfront costs and the lack of standardised measurement and verification approaches. For industries such as wood-based panels manufacturing, access to stable and predictable support mechanisms is essential to enable investments in process optimisation, electrification where appropriate, and the use of secondary raw materials. **Energy audits and management systems should be better linked to implementation support, rather than creating additional administrative burdens**.

It is also important that legal frameworks mind that energy efficiency improvements not only should be focussed on the direct reduction of fossil fuels, as is considered mainly in the nowadays mechanisms designed to promote energy efficiency. The reduction of non-fossil fuels should also be included in the equation taking in account that:

- Real amount of available biomass for decarbonisation processes when circularity and cascading use is well defined is limited: therefore, saving of these energy sources is a clear way to reserve feedstocks for other initiatives.
- Initiatives promoting the reduction of biomass consumptions should be specially supported, taking in account that the economic incomings associated to these particulars kind of savings are completely different to the fossil fuels cases.

[1] In the context of this document, **biomass** term refers to **lignocellulosic feedstocks.**

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Finally, EPF underlines the importance of ensuring policy coherence across EU initiatives, including the renewable energy framework, decarbonisation, and the circular economy agenda. Energy efficiency policies should not inadvertently create incentives that undermine material use of biomass or distort competition for raw materials. A coherent framework that promotes cascading use, circularity and efficient energy use will be essential to achieve the EU's 2050 climate neutrality objective while maintaining industrial competitiveness.

EPF remains available to further engage with the Commission on these issues.

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