



The Coalition for
ENERGY SAVINGS



Feedback to Inception Impact Assessment on the revision of the Energy Performance of Buildings Directive

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the Energy Performance of Buildings Directive*

The Coalition for Energy Savings welcomes the intention of the European Commission to revise the Energy Performance of Buildings Directive (EPBD) as part of the Fit for 55 Package and the opportunity to provide comments.

The following three considerations should guide the EPBD revision:

First, the expected EPBD revision must truly boost energy savings in the building sector to contribute to the achievement of a higher 2030 energy efficiency target; a stronger EPBD is also a prerequisite to meet a higher 2030 greenhouse gas (GHG) emissions reduction target, the EU climate neutrality objective, and more broadly the objectives of the European Green Deal. The revision of the EPBD should be **forward-looking, holistic and trigger a fair and socially just transition**; it should provide the basis to transform buildings not only into a sector that offers solutions to pursue the EU climate endeavours, but also decent-quality homes for all citizens, while countering the negative socio-economic effects stemming from the COVID-19 pandemic by creating jobs and boosting economic growth across the European Union¹.

Second, together with the EPBD, the strengthening of the whole energy efficiency framework, including the Energy Efficiency Directive (EED) and the Ecodesign and Energy Labelling, as well as of the Effort Sharing Regulation, is of extreme importance to deliver more and deeper energy renovations across the European Union, therefore contributing to the objectives of the Renovation Wave Strategy. In particular, **the upcoming EED and EPBD revisions should be well coordinated, build on each other and designed to maximise synergies and positive interactions**. For example, the strengthening of the EED Article 5 reinforcing the exemplary role of public buildings should open the way for stronger measures in all building segments in the EPBD and Article 7 of the EED should be revised to ensure the energy savings obligation is a driver to foster building renovations, in connection with the EPBD.

Finally, the **Energy Efficiency First principle (EE1st)** should be properly included and clearly reflected in the revision of the EPBD, to ensure that maximum effort is placed on reducing overall energy demand of buildings so as to enable renewable penetration and facilitate the achievement of a highly energy-efficient and decarbonized building stock by 2050. A correct application of the energy efficiency first principle also means that the multiple benefits of energy renovations are properly factored in, including through proper modelling in the EPBD Impact Assessment.

More specifically, and in order to maximise energy savings in the building sector and ensure the achievement of a highly-energy efficient and decarbonised building stock by 2050, the EPBD revision should:

- **Drive an increase of building renovations:** the doubling of the current renovation rate (currently around 1%) is not enough; tripling the rate is necessary, while a much stronger focus on the depth of the renovations is equally needed.²

¹ https://www.renovate-europe.eu/wp-content/uploads/2020/06/BPIE-Research-Layout_FINALPDF_08.06.pdf

² "The current deep renovation rate of 0.2%/a needs to grow by at least a factor 10 to 2% and should approach 3% as quickly as possible" - <https://www.bpie.eu/wp-content/uploads/2020/12/On-the-way-to-a-climate-neutral-Europe-Final.pdf>

- **Ensure proper energy management in buildings:** keeping in check energy consumption during the buildings' operational phase is also crucial to reduce overall energy use and emissions of buildings.
- **Encourage a faster replacement of heating and cooling equipment:** the replacement of the stock of old and inefficient heating and cooling systems with technologies in line with EU 2030 and 2050 targets should be promoted.
- **Support renovations at a district or neighborhood level:** aggregation of renovations opportunities at local level can help achieving economy of scales, facilitate integrated energy planning and encourage participation of citizens and communities, hence maximizing energy efficiency, system integration and overall opportunities for decarbonizing heating and cooling at a larger scale, in line with the EE1st principle.
- **Activate buildings' participation in the energy system:** in addition to reducing energy demand, buildings can manage, store, and generate energy; they should therefore be recognized as crucial infrastructure for Europe.
- **Empower citizens to take action on renovations:** engagement of citizens and communities is necessary to make renovations happen; their involvement is determinant to both understand their needs and create support for the renovation agenda.

Within the policy options proposed by the Roadmap, the Coalition for Energy Savings believes that **the policy 'option 3'** presents the appropriate pathway to revise the EPBD. However, we are also strongly convinced that **the reinforcement of non-regulatory measures** (e.g. technical assistance, project development assistance, financing), **falling under 'option 2' should not be overlooked, but deployed in parallel**. These elements, enabled by an enhanced role of regional/local intermediaries in managing them, are of crucial importance to strengthen the EPBD's implementation framework.

Stemming from the list of measures foreseen under 'option 3', we welcome the introduction of **Minimum Energy Performance Standards (MEPS)** for different types of buildings. In our view, MEPS are a crucial policy tool to build up the momentum for building renovation within the EU building stock. To help achieving the objectives of the Renovation Wave, the following points must be taken into account:

- The introduction of MEPS should be aligned with the climate neutrality goal, thus aiming at delivering a highly energy efficient and decarbonized building stock by mid-century.
- MEPS are a powerful tool to address the **worst-performing buildings**, while contributing to improve the living conditions of 'vulnerable consumers' that experience **energy poverty**. However, MEPS should not be restricted to those buildings, and address the transformation of all buildings in all segments³. Even if the introduction of MEPS for certain types of buildings is gradual, it is important to reiterate that any delay in introducing these policy tools for residential buildings (which accounts for almost 75% of the EU building stock) will undermine their potential in achieving the objectives laid out by the Renovation Wave.
- At national level, designing MEPS that appropriately address all buildings requires better information and data about national building stocks (including data for each building typology); this is necessary to decide how to best tailor MEPS to each national situation and building typology.
- **MEPS should be designed to be mutually reinforcing and support Long-term Renovation Strategies (LTRSs)**. The latter should be revised in order to be aligned with the climate neutrality goal⁴ and MEPS could be properly factored in to ultimately support their

³ <https://www.raonline.org/knowledge-center/considering-minimum-energy-performance-standards-for-germany/>

⁴ <https://www.bpie.eu/publication/the-road-to-climate-neutrality-are-national-long-term-renovation-strategies-fit-for-2050/>

decarbonization goals. LTRS can also support the introduction of MEPS and create better 'predictability' (for market actors) over the future evolution of national policies that will be implemented to achieve more, deeper and better performing energy renovations.

- A successful introduction of MEPS should focus on increasing their 'acceptability' among citizens; **MEPS must therefore be accompanied by an overall package of measures that support and empower citizens**, in the form of adequate financing tools (with dedicated specific support for the more vulnerable households), precise information, opportunity for participation, advice as well as technical assistance. Within this scope, we believe that a successful reception of MEPS within the energy renovation value chain should be facilitated by intermediaries, which, via technical assistance, information campaigns, project aggregation and financing, can inject more trust in the overall building renovation ecosystem thus driving up the demand for renovations and ensure a strong implementation framework of the EPBD.
- A possible link between MEPS and the **deep renovation standard**, which is an element that is envisaged by the Roadmap in the context of financing and building decarbonization objectives, should be carefully assessed.
- A more dynamic approach to buildings' energy performance and its assessment is necessary, meaning that besides spurring building renovations, a review of the EPBD would be important to enhance the role of solutions that are both able to keep energy performance high over time and better match energy demand and response, such as Energy Performance Contracts.
- Finally, the introduction of MEPS must not be seen as a 'proxy' to an overall improvement of the implementation framework of the EPBD. These instruments', as well as EPC and BRPs, ultimate aim should be to bring EU buildings' energy performance **up-to-speed**, in a **smart and tailored way**.

The Coalition for Energy Savings also welcomes the opportunity to revise the **Energy Performance Certificates (EPC) framework** and exploring the link with **Building Renovation Passports (BRP)**, in our view:

- **Building Renovation Passports (BRPs)** should be created on the basis of the EPCs recommendations, and should specify the renovation pathway for a specific building, indicating future works needed, with a timeline on deep renovations. A potential link between BRPs and MEPS should be taken into consideration, as BRPs are an obvious tool to articulate renovation works in compliance with short, medium and long term renovation requirements.
- To be aligned with the more ambitious climate targets, recommendations included in the BRPs should look at ways to both achieve **high level energy performance** and reduce **CO2 emissions** and should always be accompanied with available financing (which must be tailored to the milestones to be achieved).
- Improving quality, transparency and accessibility of EPCs and ensure a greater inclusion of different market actors in the design of BRPs, will ultimately spur renovation rates and their overall quality.

Furthermore, the Coalition for Energy Savings would like to reiterate that, in view of the expected EPBD revision, the use of '**cost-optimality**' as a metric to measure Member States' efforts in improving the energy performance of their building stock has been rather ineffective and could be improved. Aligning with the European Green Deal, the newly revised 2030 climate and energy targets and the EU climate neutrality objective would require, as a minimum, a proper inclusion and quantification of the multiple benefits of building renovations, also from a societal perspective, in any cost-benefits analysis.