

## EAE WELCOMES ALIGNMENT OF THE EPBD WITH HIGHER AMBITIONS

### Position to the roadmap to a revision of the EPBD

The European Association for External Thermal Composite Systems (EAE) strongly supports the European Commission's Green Deal to make Europe the first net-carbon neutral continent by 2050. As the Commission pointed out in the inception impact assessment on the revision of the Energy Performance of Buildings Directive (EPBD) 2010/31/EU, the construction sector must play a significant role as it stands for 40% of Europe's total energy consumption and 36% of energy-related greenhouse gas emissions. EAE members stand ready to play their role making Europe's buildings highly energy-efficient by contributing to the thermal insulation of buildings' envelopes.

In response to the Commission's roadmap for a **EPBD revision** we encourage EU and Member States to **align it with** the higher ambitions as set out in the **Climate Target Plan 2030** and other horizontal legislation. In view of the challenges we strongly believe that only consolidated action will enable achieving both the 2030 targets and the objectives for 2050.

Moreover, together with the Recovery and Resilience Package the **Renovation Wave** can be the **key enabler** to serve our societies by boosting the economy and, in parallel, to fight against climate change.

Considering the three options as considered in the roadmap, we would like to comment as follows.

#### 1. Option 1 contradicts the ambitions of the European Green Deal

From EAE's perspective the baseline scenario to remain the EPBD without changes is **not a real option** in view of the challenges ahead of us. It contradicts the overarching policies under the European Green Deal. With the current renovation rate Europe will **significantly fail to achieve** its mid-term and long-term **climate targets**. Even worse, **chances will be missed to combine economic growth with climate action and to harvest the multiple benefits of building renovation** such as local job creation, fight against energy poverty, health and comfortable living environment, etc.<sup>1</sup> For **every €1 million invested** in energy renovation of buildings, an average of **18 jobs are created** in the EU. These are local, long-term jobs that will stimulate economic activity across the EU.<sup>2</sup>

#### 2. Combine options 2 and 3 to unleash the full potential

##### a. Align different policies to lift synergies

EAE highly recommends not to see options 2 and 3 as alternative options. Neither non-regulatory measures alone nor purely increased regulatory requirements will close the gap between the currently low renovation

<sup>1</sup> On the way to a climate-neutral Europe – Contributions from the building sector to a strengthened 2030 climate target; BPIE, 02.12.2020.

<sup>2</sup> Building renovation: a kick-starter for the EU recovery; BPIE on request of Renovate Europe; 10.06.2020.

rate in nearly all Member States and the at least doubled rate needed to comply with the Climate Target Plan 2030.<sup>3</sup> We appreciate EC's ambitions seeking synergies between different EU legislation and strategies like the Green Deal, the Circular Economy Action Plan, the Energy Efficiency Directive, the Renewable Energy Directive and others.

#### **b. Keep the efficiency first principle**

Independently from the specific measures to be taken we ask the Commission to **keep the efficiency first principle** as already stated in the Renovation Wave strategy. Reducing the energy demand significantly by improved efficiency and reduced thermal losses ("**fabric first**") will be the leverage to **ease the shift from fossile to renewable energy sources**.<sup>4</sup> Otherwise the objective of carbon neutrality cannot be achieved as renewable sources are limited and need to play their role in other sectors, too. Looking at heating and cooling of buildings the technical **solutions** to reduce thermal losses through the building envelope are already **available today**.

#### **c. Stimulus is needed to motivate and to leave no one behind**

To **unleash the full potential** of the Green Deal and the Renovation Wave it will be essential to generate a positive attitude towards **energy efficient construction and renovation**. People should understand that this **is not a burden but a chance** for our societies, for our national economies and the environment. We consider communication programmes, technical and financial support and lowered barriers to gain access to all support measures essential. In addition to the measures described under option 2 we recommend to consider the role of one-stop-shops and up-skilling or re-skilling programmes. Furthermore, the social aspects need to be taken into account. Whereas building renovation can help to fight against energy poverty, we are aware that especially households with lower incomes will need to be taken in focus. A fair compensation of interests between owners and tenants will be important.

#### **d. Balanced and reliable long-term perspectives are key**

EAE understands that the regulatory framework of the EPBD needs to be aligned with the higher ambitions of the Climate Target Plan. Furthermore, experience with the existing regulation should be reviewed and adjusted where necessary.

All **stakeholders require a long-term reliable and predictable regulatory framework**. As the Commission pointed out, ramping-up the renovation activities faces shortages of qualified staff, specific skills to plan and install energy efficiency measures, etc. Industry will need to invest in both staff and production capacities to meet the increasing demand. This is a great opportunity for our economies. However, such investments will

<sup>3</sup> The BPIE study (footnote 1) quotes that currently the rate of deep renovation is only 0,2% and that to meet the 2050 objectives the renovation rate would need to be tripled.

<sup>4</sup> Priority areas of implementation of the Efficiency First principle in buildings and related energy systems. Deliverable D4.1 of the ENEFIRST project, funded by the H2020 programme, ENEFIRST, 15.03.2021, pp. 20-28.

only be deployed if stakeholders can rely on predictable regulation. National Long-Term Renovation Strategies (LTRS) **need to be aligned accordingly**.<sup>5</sup>

Member States should be given **flexibility to adjust** the **overall framework** to the **specific situation** in their **countries**, to specific building types, ownerships and uses. In this regard we appreciate the idea of having sub-options with different measures leading to different ambition levels. The **phased introduction of mandatory minimum energy performance standards** (MEPS) could provide such flexibility. This could generate the following benefits:

- Addressing the worst performing buildings first as they provide the biggest leverage for improvements
- Setting higher ambitions for buildings owned or used by public authorities of all levels as they must lead by example (this should be aligned with Article 5 of the EED)
- Possibility of considering the individual building structure and ownership structure per Member State
- Option to link financial support to over-achieving minimum requirements motivating building owners to undertake deep renovation (the deeper the renovation, the higher the support); phased introduction of increased requirements will support the decision making
- Member States can address trigger points (e.g. change in ownership) for achieving MEPS individually, considering the social aspects

The requirements for **energy performance certificates** (EPC) should be **better harmonized** and the role of EPCs should be enhanced.<sup>6</sup> This would help to

- generate awareness of energy performance of buildings;
- support the decision making of both investors and tenants;
- achieve comparability; here the requirements should be harmonized to achieve comparability cross borders;
- combine EPCs with individual building renovation roadmaps including recommendations for staged renovation in case building owners cannot afford deep renovation in one stage; lock-in effects must be avoided in case of staged renovation as buildings renovated today will not undergo deep renovation before 2050.

To lift synergies by alignment of policies we recognized that the Commission intends to include **sustainability** aspects into the EPBD revision. Basically, EAE members support this approach. However, focus on embodied carbon might be misleading. To improve resource efficiency and reduce carbon emissions the **life-cycle impact of buildings** needs **to be minimized**. This starts with the input used for production, continues with

<sup>5</sup> The road to climate-neutrality: Are national long-term renovation strategies fit for 2050?; BPIE, March 2021.

<sup>6</sup> Deliverable 3.1: Green paper on good practice in EPC assessment, certification, and use; QualDeEPC H2020 project; QualDeEPC; 05.11.2020; pp. 35-38.

sustainable building design, carbon and resource savings over the lifetime and ends with demolition and reuse or recycling of building components. The ETICS sector is constantly working on solutions to further improve.

### 3. ETICS sector stands ready to contribute

The EAE welcomes the Commission proposal to invite all relevant stakeholders to a broad and open consultation. We stand ready to contribute and will be available for sharing our views and experience.

#### About EAE

- EAE is the voice of the ETICS industry in Europe.
- EAE members represent more than 80 per cent of Europe's revenue from ETICS.
- EAE has been constantly working towards a "culture of sustainability" in the construction sector since its foundation 2008.

#### EAE members



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