european council for an energy efficient economy

Response to the proposal for the recast of the Energy Performance of Buildings Directive (EPBD): Key issues for eceee and the European Parliament's reaction

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Introduction

eceee welcomes the proposal published by the European Commission on 13 November 2008 which lays out a framework for the long-term improvement in the energy performance of buildings, the sector with high untapped potential for energy efficiency improvements. The recast proposal confirms the importance of effective implementation at the Member State level, the importance of Community-wide co-operation and the strong long-term commitment and role of the Commission itself to support such effective implementation.

eceee also welcomes amendments provided by the European Parliament, in its vote on 23 April 2009.

It is essential to remember that the buildings sector, which includes residential and commercial buildings, is the largest user of energy and largest CO2 emitter in the EU and is responsible for about 40% of the EU's total final energy consumption and CO2 emissions. And more importantly, as the November 2008 EC Communication states, buildings have significant untapped potential for cost effective energy savings "which, if realized, would mean that in 2020 the EU will consume 11% less final energy". The magnitude of the potential savings is staggering and every effort must be made to achieve it.

Key issues for eceee

eceee has focussed on a few key issues that it believes are fundamental to a vibrant, ambitious but realistic recast that can ensure the realisation of the savings potential.. These are described below, together with how the European Parliament reacted to them in their vote on the recast proposal.

1. ***Addressing existing buildings***
   First, addressing existing buildings is key. To address this area, removing the 1000 sq. m. threshold for major refurbishment is essential. Much of the savings potential lies in buildings under 200 sq. m. The *current* proposal requires action upon "major renovation" of a building. This is defined as a situation where the total cost of renovation of the building envelope or the technical building system is higher than 25% of the value of the building, or where more than 25% of the surface of the building envelope undergoes renovation.

eceee is the largest membership-based independent NGO promoting energy efficiency in Europe. eceee fully supports the European Commission with its efforts to tap into the full energy efficiency potential of the European building stock. eceee is actively working to secure an effective recast, drawing on its membership and contacts in Member States to provide evidence on what can be achieved in practice. This entails not only securing effective content, but also timely adoption of the proposal.

eceee has arranged a biennial Summer Study since 1993. eceee's web site contains several thousand peer reviewed scientific papers on energy efficiency, including buildings. For more information, please visit our website at www.eceee.org.

While it is important to have a clear definition of "major renovation", eceee believes that major renovation should be set at around 10%, not 25%. eceee had a study undertaken which confirms that existing buildings could have a lower threshold to be considered "major renovations". This would significantly increase the cost-effective potential for the total impact of the directive[1].

> *The European Parliament voted for a threshold of 20% of the value of the building, thus reacting to eceee's analysis.*

2. ***Minimum energy performance requirements and harmonised methodologies***
Second, Article 4 states that Member States shall take the necessary measures to ensure that minimum energy performance requirements for buildings are set, with a view to achieving cost optimal levels are calculated in accordance with the methodology referred to in Article 3. There are two important points here. One concerns the definition of "cost optimal". The proposal defines "cost-optimal" to take into account life-cycle costs.

eceee welcomes this long-term consideration, but would also like to see included the social cost of carbon, and the opportunity cost of inaction. Also, Article 5 states that the Commission shall establish by 31 December 2010 a comparative methodology for calculating cost-optimal levels of minimum energy performance requirements for buildings or parts thereof. eceee would like to ensure that the methodology be developed on an urgent basis and that it be applied by all MS as soon as possible, with a view to ensure that Member State building codes are strengthen as much as can be economically justified, based on life-cycle cost analysis. eceee wants a clear methodology in order to minimise the risk for diverging interpretations that could lead to sub-optimal results.

> *EP voted to establish by 31 March 2010 a common methodology of calculation of the energy performance of buildings and that MS will implement this common methodology (Article 3)*

While the eceee supports the cost-optimal methodology in Article 5, below, the 31 March 2010 will likely have to be extended for a totally harmonised methodology for calculating energy performance in terms of kWh/sq. m. This will take longer, although the 31 CEN standards that have been used on a voluntary basis can well form the basis for a future harmonised system.

> *EP voted in Article 4 that MS "shall take the necessary measures to ensure that minimum energy performance requirements for building components and technical building systems and parts thereof are set to achieve at least cost-optimal levels and are calculated in accordance with the common methodology referred to in Article 3."*

The eceee considers it essential that Member States shall set minimum performance requirements both for the building as a whole as well as for the envelope components and the technical building systems. The latter is particularly important for the existing building stock particularly at a time of refurbishment or renovation. It is the intention of the Commission proposal that minimum performance requirements for many (and in time all) products composing the technical building systems (such as pumps, motors, boilers, etc.) will be established under the Eco-design Directive.

[1] For more information, go to http://www.eceee.org/press/Extending_EE_requirements

For Article 5, EP voted to establish by 31 March 2010 a common methodology for calculating cost-optimal levels of minimum energy performance requirements for buildings or parts thereof.

3. ***Low and net zero carbon and energy buildings***
Third, under Article 9, MS are to draw up national plans with targets by 2020, for increasing the number of buildings of which both carbon dioxide emissions and primary energy consumption are low or equal to zero (i.e.: net zero). eceee wishes to see a target for all new buildings to achieve this standard, and a roadmap produced for how this will be met, with significant progress by 2020. There are examples of MS that have set the national objective to achieve this by 2016 and eceee is convinced that the original EU-15 will be able to meet the 2020 deadline.

EP voted: MS shall ensure that all new buildings are at least net zero energy buildings by 31 December 2016 at the latest and that MS "shall set targets for minimum percentage of buildings which shall be, by 2015 and by 2020 respectively, net zero energy buildings . . ."

While it is important that very low and zero energy and carbon buildings become the standard for new build as soon as possible and for renovated existing buildings soon thereafter, the eceee feels that the EP definition of using only on-site renewables in such buildings will prove difficult in some urban areas and will need special consideration.

EP also voted a new section in Article 9 to focus on financial incentives and market barriers, with requirements to draw up national action plans by 30 June 2011 to meet the requirements of this Directive "through reducing existing legal and market barriers and developing existing and new financial and fiscal instruments to increase the energy efficiency of new and existing buildings."

While this is laudable, the eceee recognises the fact that much of the regulations and legislation governing finances will fall outside the remit of the EPBD and will need to be addressed elsewhere.

4. ***Improving the system of Energy Performance Certificates***
Fourth, eceee sees Energy Performance Certificates as essential to the success of the Directive. However, we have concerns about the current use and credibility of the certificates. We want to ensure that everything possible is done to ensure their effectiveness. eceee wishes to see the introduction of mechanisms and obligations to support and encourage action on the back of EPBD requirements, notably of Energy Performance Certificates. While most countries will already have a range of support schemes for energy efficiency in place; the issue here is to ensure that these mechanisms are directly linked in with EPBD, thereby consolidating EPBD policies. This is particularly important where different Government ministries run support schemes and EPBD policies.

EP voted to improve the system of energy performance certification by improving how to compare buildings, to link financing for the purchase or renovation of buildings and the recommendations from energy performance certificates, ensuring public authorities "shall implement the recommendations" for buildings occupied by them and by having the Commission adopt by 30 June 2010 "guidelines specifying minimum standards for the content, language and presentation of energy performance certificates." Also Member States "shall recognise certificates issued in another Member State in accordance with these guidelines . . ."

5. ***The importance of independent monitoring and evaluation***
Fifth, effective and independent monitoring & evaluation are essential. Evaluations need to be done on a regular basis and they need to provide feedback in order to make modifications to improve effectiveness.

> *EP voted that the "Commission, assisted by the Committee established under Article 21, shall evaluate this Directive and consider a revision by 2015, in the light of experience gained and progress made during its application, and, if necessary, make proposals . . ."*

For further information, please do not hesitate to contact eceee. See also our buildings pages under http://www.eceee.org/buildings/

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