

POSITION PAPER

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EuroACE position on the recasting of the EU Energy Performance of Buildings Directive

INTRODUCTION

The major concerns related to energy policy-making at EU level currently focus on mitigating climate change and ensuring the security of the European Union's energy supply. Improving energy efficiency runs at the heart of a sustainable energy policy for Europe, as part of the declared official ambition to make Europe the most energy efficient continent in the world. The EU Action Plan for Energy Efficiency calls for a 20% savings target in energy efficiency by 2020. Given that buildings represent over 40% of the EU's energy use, the Action Plan estimates that more than half of these savings can be achieved by improving the energy performance of buildings.

The EU's Directive on the Energy Performance of Buildings (EPBD – 2002/91/EC) is the key legislative instrument to improve the energy use and efficiency of new and existing buildings across the EU. According to the European Climate Change Programme, this directive, when it was originally agreed in 2002, had the potential to deliver up to 45 million tonnes (Mt) of CO₂ reduction by 2010 in the EU15. However, implementing the EPBD at national level has proved lengthy and insufficient. Tardy introduction and lax enforcement means that only a fraction of that potential is being realised. The effective enforcement of the implementation of the EPBD is essential to improve the energy efficiency of Europe's building stock.

In conjunction with effective implementation, there is also scope to improve the current directive to tackle Europe's climate and competitiveness goals. Before the end of 2008, the European Commission intends to issue a proposal for enhancing and extending (recast) the EPBD. EuroACE believes there are ten key measures that should be introduced into the recasting text which would go a long way towards achieving the stated goals of the EU to improve energy efficiency by 20% by 2020.

EuroACE's TOP TEN PROPOSALS FOR RECASTING

1. **Complete removal of 1000m² thresholds:** The current scope of Article 6 of the EPBD only tackles around 10% of heat-related CO₂ emissions from buildings¹. In order to tap into the further 360 Mt/annum of the heat-related CO₂ savings potential of buildings, it must be a fundamental goal of the recast to extend the scope as wide as possible by eliminating the 1000m² threshold at which energy-efficiency measures have to be installed when refurbishment takes place. In January 2008, the European Parliament voted by 592 to 26 to

¹ Ecofys studies: Cost-Effective Climate Protection in the EU Building Stock (02/2005) and Cost-Effective Climate Protection in the Building Stock of the New EU Member States (08/2005).

eliminate the entire concept of a threshold restriction altogether. In the current directive, Article 11 specifically makes clear this is a policy area which requires re-evaluation.

Similarly the threshold requiring consideration of alternative systems for heating in Article 5 should be removed and the Article should be extended to ensure the technical and economic feasibility of applications with regenerative drive functions.

2. **National targets towards “very low energy buildings”:** A survey² for EuroACE by the Danish Building Research Institute (SBI) showed that only seven EU Member States have adopted an official definition of very low energy buildings and incorporated it as a target for new buildings in their future national Building Regulations, and only a very few are currently planning to strengthen the requirements for existing buildings. The recasting of the EPBD is the perfect opportunity to stimulate action towards making very low energy buildings the default standard across Europe, as prescribed in the EU’s Energy Efficiency Action Plan. The recast should thus require Member States to:
 - *Introduce a national or regional definition of very low energy buildings into their Building Regulations using the EPBD methodology*
 - *Develop a national target towards making this level of energy performance the default standard*
 - *Develop a strategy for renovating the existing building stock*
 - *Ensure the public sector take the lead on very low energy buildings*
3. **Best-performing component refurbishment/replacement:** In order to improve the uptake of energy efficient products and services in a cost-efficient way, it should be a mandatory requirement that, when refurbishment or replacement of components take place, the opportunity to maximise the energy efficiency potential should always be taken. The best-performing components (which, for those where energy labelling systems apply, would mean the highest-rated products), as well as passive systems to heat and cool buildings, should be used as replacements wherever possible.
4. **Financial incentives:** Article 11 of the existing EPBD makes clear this is a policy area which requires re-evaluation. Requirements should be placed upon each Member State to introduce one or more fiscal incentives, which should be linked to the Energy Performance Certificate (EPC), and drawn from a list attached to a new Annex to the recast Directive. These would specifically encourage recipients to implement measures recommended to improve EPC ratings. The reduction of VAT on all legitimate energy saving goods and services should also be introduced.
5. **Stricter enforcement:** The International Energy Agency has identified the failure to monitor compliance with the EPBD as a major impediment to improving the energy performance of buildings. The need has thus arisen for stricter enforcement of Building Regulations at local level. Each Member State should be required to introduce a national oversight scheme to

² SBI 2008:07 European national strategies to move towards very low energy buildings (www.sbi.org)

ensure that local and regional governments monitor compliance with Building Regulations satisfactorily by undertaking random inspections of previously approved properties and prosecuting malfeasance.

6. **Certification process harmonisation:** EPCs within and across EU Member States must be harmonised for non-residential buildings. The leases of these buildings are effectively “traded goods” and, as such, it must be possible for an EPC in each Member State to be directly comparable to those in all other Member States. This would facilitate further the development of the European Single Market.

To this end, the EU should establish an EU certification system with third party certification and professional accreditation, ideally in line with internationally recognised standards (e.g. US Green Building Council and the Leadership in Energy and Environmental Design (LEED) system). This is directly comparable to the adoption of the US Energy Star programme.

7. **Harmonisation of training programmes:** There must be mutual recognition of EU training programmes across Europe as well as harmonised accreditation of inspectors of installations and of those who issue EPCs. Financial institutions must have confidence in the competence of qualified inspectors in order to invest in the recommendations given in the EPCs. This would also allow professionals to operate freely across national boundaries, without restraint of trade.
8. **Entire system inspections:** Inspections of heating and cooling installations should cover the entire system, not just certain components of a system. This is pertinent to Articles 8 and 9 of the current EPBD - instead of inspecting boilers alone for efficiency, the entire heating system should be evaluated. Pan-European minimum standards for heating and cooling systems should therefore be developed within the context of the EU Eco-Design of Energy-using Products Directive (2005/32/EC).
9. **Display of Energy Performance Certificates:** The present text of the EPBD is extremely confusing regarding the mandatory requirement to display EPCs prominently and permanently in larger non-residential buildings. Whereas Article 7.3 is capable of being interpreted as only being relevant to public buildings, Recital 16 makes plain that such display requirements should be extended to cover all larger buildings visited by the public. In consequence, this part of the directive is currently interpreted differently in Member States. To avoid this situation, it should be made mandatory to display EPCs in all larger buildings to which the public has access, as well as in all public buildings, regardless of size.

Easy to implement and low in cost, this measure would help to foster increased awareness via the Corporate Social Responsibility concept. The property industry acknowledges this alone would bring a significant change in attitude among citizens and organisations alike on the importance of improving a building’s energy performance.

10. Implementing recommendations of the Energy Performance Certificates: In order to ensure the recommendations given with an EPC are implemented, it should be a requirement that public sector and non-residential premises are upgraded in line with the recommendations received, given the fact that such recommendations can only be made if they are cost-effective. Article 7 of the current Directive should also be strengthened by making it mandatory for landlords to inform tenants about such recommendations. Interpretation of this Article by some Member States has meant that the details of the recommended energy efficiency improvements accompanying the EPC are not passed on to the tenant. Closing this gap would further stimulate the market for more energy efficient products and services.

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Note to Editors:

EuroACE was formed in 1998 by twenty of Europe's leading companies involved with the manufacture, distribution and installation of energy saving goods and services. EuroACE members have a total turnover of 36,860 million euros and employ 173,557 people. The mission of EuroACE is to work together with the European institutions to help Europe move towards a more sustainable pattern of energy use in buildings, thereby contributing to Europe's commitment to reduce carbon dioxide emissions.

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