



EUROPEAN ALLIANCE TO
SAVE ENERGY

Creating an Energy-Efficient Europe

EU-ASE Position Paper REVISION OF THE ENERGY PERFORMANCE OF BUILDINGS DIRECTIVE (EPBD)

The European Commission will put forward its updated vision for energy efficiency, by reviewing the Energy Performance of Building Directive (EPBD) and the Energy Efficiency Directive (EED). This represents a unique opportunity for the European Union to live up its commitments taken during COP21. The European Alliance to Save Energy (EU-ASE) is therefore calling the EU to seize this opportunity and to put buildings at the centre of the EU's energy efficiency strategy, in order to deliver on its energy and climate objectives.

When reviewing the EPBD, EU-ASE is asking EU decision makers to consider the following 5 key elements:

1. Support an ambitious revision

EU-ASE welcomes the initiative of the European Commission to review the EPBD and calls for ambitious improvements to the Directive. As buildings represent 40% of energy consumption and current investments to improve energy efficiency are at less than half the level needed to meet Europe's 2020 energy efficiency targets, provisions of the EPBD cannot be watered down. Energy efficiency in buildings can greatly contribute to the EU objectives of cutting GHG emissions between 80% and 95% below 1990 levels by 2050. The EPBD should be a major driver of these investments.

2. Focus on existing buildings

Existing buildings represent by far one of the largest opportunities for energy saving and decarbonization in Europe. 75% of European buildings were constructed with no or low energy efficiency requirements and between 100-250 million EU citizens currently live in energy poverty. Demolition rates are much lower than building rates, and building renovation cycles happen only every +30/50 years - the current rate of renovation being very low with approximately 1% of the building stock per year.

Although existing requirements for new buildings need to be correctly implemented, the review of the EPBD should focus also on the untapped potential in the existing building stock.

A differentiated approach between residential and non-residential buildings should be promoted, to take into account cost competitiveness. Clear renovation rates will also provide business and the financial community with the necessary legal certainty and stable framework, to boost investments in the building sector.

3. Develop a 2050 vision to boost investments

Long-term building renovation strategies should be equipped with a proper time-horizon, a national objective for the building stock, milestones to focus efforts in 2030 and 2040, and an implementation plan to facilitate the achievement of the final goal.

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EU-ASE supports the development of a long-term vision for the achievement in 2050 of a very high energy performance of the entire EU building stock.

Energy efficiency remains an area of significant under-investment, the annual funding gap being estimated between €30bn-50bn.

The long-term target would provide certainty for investments, mobilize public resources¹ for energy efficiency investments in the buildings sector and develop innovative financing solutions as energy performance contracting model.

4. Improve Energy Performance Certificates (EPC)

EPCs are an important awareness tool and have a large potential to improve the performance of buildings. Energy certificates do not, however, reflect the reality of energy consumption: there is still need for better visibility, improved quality and increased consumer trust. Certificates should better reflect real energy usages to give clear signals to owners or tenants, especially in large scale buildings. It is obvious that the split incentive issue (investor/tenant) is not facilitating clarity in this regard and a win/win type of financial model would certainly help. In addition, to avoid discrepancies between the energy consumption of the EPC and the total actual energy as invoiced, a Life Cycle Assessment approach based on real measurement of energy consumption, should be supported.

5. Enhance EU's technology leadership

The revision of the EPBD should be the opportunity to encourage innovation by adjusting the directive to technology developments in the building sector. Promoting smart buildings and an innovative building sector will help to foster the EU industry and maintain its leadership position. For instance, targets aiming at optimizing the overall performance of the set of technical building systems could be introduced.

¹ See EU ASE letter of 18th April 2016 on *“Reviewing accounting rules and/or debt treatment for energy efficiency investments will help close the energy efficiency financing gap in Europe”*