



EUROPEAN ALLIANCE TO
SAVE ENERGY

Creating an Energy-Efficient Europe

EU WIDE RENOVATION WAVE: WHERE GROWTH STRATEGY AND JOB CREATION MEET CLIMATE GOALS AND SOCIAL INCLUSIVENESS



E3G



Unlocking the potential for energy efficiency and carbon footprint reduction that lies in the EU buildings stock is a top priority for the European Alliance to Save Energy.

As businesses and investors having energy efficiency and energy demand reduction at the heart of our activities, we look forward to seeing Europe's global climate leadership translated in green measures which will lead to a sustainable recovery through stimulus packages. We strongly believe that the Renovation Wave as part of the EU Green Deal is a great opportunity to promote a European based industry, with technologies and expertise able to serve the renovation demand locally. This will help to maintain the competitive advantage of the European industry and will contribute to the European green recovery and local job creation while lifting millions of Europeans out of energy poverty.

We support a **system-wide approach that puts highly energy efficient, renewable-based, smart and flexible buildings at the center of a fast-changing decentralized energy system**¹.

With this in mind, we envisage an EU wide building Renovation Wave which revolves around the swift implementation of the **Energy Efficiency First** principle as the fastest and most cost-effective way to reduce emissions and stimulate sustainable economic recovery.

We are convinced that highly energy efficient and smart buildings are the **first and indispensable** step to:

- **Accelerate the deployment of renewable energy sources**
- **Foster sector integration of buildings with other sectors, including industry, transport and energy sectors**
- **Catalyse energy system decentralization and enhance overall system efficiency**
- **Stimulate a sustainable economic recovery, and boost local employment**

For this to happen Europe must back an **ambitious and impactful** Renovation Wave which aims to **increase the energy efficiency of buildings by reducing their energy consumption and by fostering the greater quality, the rate, and the depth of comprehensive renovations encompassing envelopes and technical buildings systems**. Concretely, and to stay on track with the EPBD goal of decarbonizing the EU building stock by 2050, the Renovation Wave should be designed to reach a minimum of a **3% renovation rate per year combined with an average energy efficiency improvement of 75%**².

The social impact of an EU wide energy efficient Renovation Wave would be tremendous. Improved comfort, cleaner indoor and outdoor air quality, reduced energy bills, the emerging role of prosumers with the possibility to optimise and monetise their energy resources on a peer-to-peer market place, better and more qualified local jobs are just a few concrete examples of the multiple benefits that Energy Efficiency First in buildings would deliver to **those who need them the most, i.e. live in energy poverty**.

¹ [Energy Efficiency for a competitive and decarbonized economy](#), European Alliance to Save Energy, June 2019

² [Scaling up deep energy renovations](#), BPIE, November 2016

The following set of recommendations reflects our ideas for a Renovation Wave communication which should recognise the role of energy efficiency as a potent and critical catalyst to the massive scale-up of building renovations in a resource-constrained Union, especially during the unprecedented crisis triggered by COVID-19.

1 ACCELERATE THE IMPLEMENTATION OF THE PROVISIONS THAT CONCERN BUILDINGS IN THE CLEAN ENERGY PACKAGE BY STRENGTHENING AND FACILITATING MONITORING, EVALUATION AND EXCHANGE OF GOOD PRACTICES AMONG THE MEMBER STATES ACCOMPANIED BY RIGOROUS ENFORCEMENT

- Create a transparent and inclusive implementation process for the Clean Energy Package, with regular meetings of implementing bodies and national stakeholders and report on the achievements. This can be done through:
 - Building upon Concerted Actions and facilitating multilevel, multi-stakeholder (involving industry and civil society) and cross-sectoral exchange of good practices among the Member States.
 - Mobilising European Funds to support implementation, transparent evaluation and best practice sharing of provisions that concern buildings in the Clean Energy Package.
 - Increasing resources for Commission services to provide monitoring and technical assistance to the Member States, including by strengthening the role of contact points for national implementing authorities.
 - Enhancing engagement of the European Parliament in the process of best practice sharing and implementation control.
 - Developing and updating a directory of good practices (article by article of each relevant Directive) available to all interested parties.
 - Opening of infringement procedures for the Member States which do not transpose the required acquis.



2 APPLY THE ENERGY EFFICIENCY FIRST PRINCIPLE

- Make energy efficiency first a key element in the decision-making and planning of EU energy policies. This should include the recognition that aggregated buildings are a crucial infrastructure in view of, inter alia, the review of TEN-E, PCI list and in the design of the EU decarbonisation package.
- Apply the energy efficiency first principle to sector integration between energy-supply and energy-consuming sectors such as buildings, industry, and transport.
- Apply, wherever possible and with the due respect of minimum energy performance requirements, integrated district or neighbourhood renovation approaches to achieve economies of scale and realise improvement of all parts of an area. This will include a broader evaluation of energy needs on the supply and demand side to ensure that energy sources and infrastructures are used in the most efficient way possible and stranded assets are avoided.

³On the Energy Performance of Building Directive, please refer to the European Alliance to Save Energy [Recommendation for implementation](#), July 2019.

BOOST THE RENOVATION OF EXISTING RESIDENTIAL AND COMMERCIAL BUILDINGS AND MOBILIZE RESOURCES TO ERADICATE ENERGY POVERTY

- Prioritise energy renovation of the worst performing buildings, as required in the Long-Term Renovation Strategies, notably via developing minimum energy performance requirements.
- Develop mandatory renovation targets for certain categories of buildings, i.e. commercial, industrial and residential rental properties, to trigger energy efficiency improvements. This could be done following different policy approaches, including for example mandatory energy savings pathways, caps on emissions, the introduction of milestones to realise the full energy savings potential of the building stock by 2050 at the latest and obligations to renovate buildings during specific moments of their lifetime, such as change of property or of a tenant (define concrete trigger points).
- Prioritize investments and European Funds in renovation and retrofits projects which enable buildings to be Paris-proofed.
- Develop financial and fiscal incentives and overcome barriers such as 'split incentives', to increase renovation rates and promote deep staged renovation with ambitious energy efficiency goals. Dedicated funding for vulnerable households should be considered.
- Support and facilitate the deployment of Building Renovation Passports, to ensure proper planning of renovation works and avoid lock-in effects.
- Develop skills to ensure coordination and quality of work, especially to cover the need for holistic deep renovations and deep retrofit where envelope elements (ie. roofs, walls, windows) are upgraded alongside technical buildings systems (i.e. building automation and control, on-site electricity generation, systems using energy from renewable sources)⁴. In addition, encourage the conditionality of support schemes to accreditation of workers and contractors.
- Speed up the mobilization of large-scale building renovation projects and roll-out real energy performance programmes in buildings to ensure delivery of quantifiable metered results at scale.
- Scale up One-Stop Shops to create a stable demand for building renovation and a pipeline of projects.

BOOST DIGITALIZATION OF BUILDINGS AS A KEY DRIVER OF GREATER EFFICIENCY

- Enable the transition towards digital-flexible buildings which, alongside improvements in end-use efficiency, can increase the efficiency of the entire energy system by reducing losses associated with producing and distributing energy.
- Boost self-consumption which would deliver the full benefits of prosumers and energy community model, while providing flexibility to the grid.
- Monitor and ensure the effective implementation of the EPBD provisions concerning smart technologies and digital tools e.g. SRI Smart Readiness Indicator (SRI), building automation and controls and smart functionalities that allow the building to interact with each other and with the grid, by end of 2020.
- Increase data availability and transparency of products and system performance.
- Launch up-skilling programmes to develop skills necessary to realize digital transformation; ensure that those programmes foster the integration of all technologies (passive, active and digital).
- Leverage Artificial Intelligence (AI) in buildings and data analytics as a key enabler to monitor, manage and automatically adjust energy consumption.
- Support the roll-out of design digital tools as a critical enabler of energy efficiency.
- Provide guidelines for regulatory sandboxes at the national level.

⁴Article 1 of EPBD 2018/844/EU

PRIORITIZE FINANCE FOR ENERGY EFFICIENCY IN BUILDING IN ALL EU FUNDING PROGRAMMES POST 2020 AND IMPROVE ACCESS TO TECHNICAL ASSISTANCE

- Mainstream finance for energy efficiency in buildings in annual EU funds' work programmes (i.e. Horizon Europe and Life programme).
- Prioritize funding for energy efficiency in buildings within the InvestEU sustainable infrastructure window.
- Prioritise financing for building renovation as an economic recovery measure in the new MFF proposal.
- Exempt energy efficiency projects in the building sector from some stringent state aid rules⁵, as current rules represent significant barriers for successful energy renovation programmes⁶.
- Prioritise energy efficiency funding in buildings within the post-2020 Structural Funds Partnership Agreements and develop a specific operational programme for energy efficiency in buildings in each Member State, which would enable the financing of measures outlined in the long-term renovation strategies, both on the supply and demand side.
- Create Technical Assistance programmes specifically addressing building renovations in the public and private sector and bundling of energy efficiency projects.

⁵Response to the European Commission's targeted consultation on EEAG, July 2019.

⁶Barriers include inter alia the methodology on calculating eligible costs for investment aid for energy efficiency in buildings, lack of clear rules on specific state aid provisions, and the administrative burden of the documentation required from undertakings to ensure diligent checks from authorities.

LEAD BY EXAMPLE ENSURING THAT 100% OF PUBLIC (CENTRAL, REGIONAL AND LOCAL) BUILDINGS ARE NEARLY-ZERO ENERGY (NZEB) BY 2030

- Revise Article 5 of the Energy Efficiency Directive accordingly.
- Launch a flagship initiative for buildings renovation, targeting schools and communicate about the energy savings, economic, jobs, societal and environmental benefits of these renovations to wider society.
- Develop and implement comprehensive renovation programs for European Institutions.
- Foster development of the Building Renovation Passport for public buildings with tailored and specific renovation programmes.
- Enable access to innovative financing schemes, such as Energy Performance Contract (EPCs), at the EU and national levels, for comprehensive renovation strategies.
- Embed Green Procurement into activities of public bodies taking into account the best energy efficiency performance over the lifetime of products and systems.



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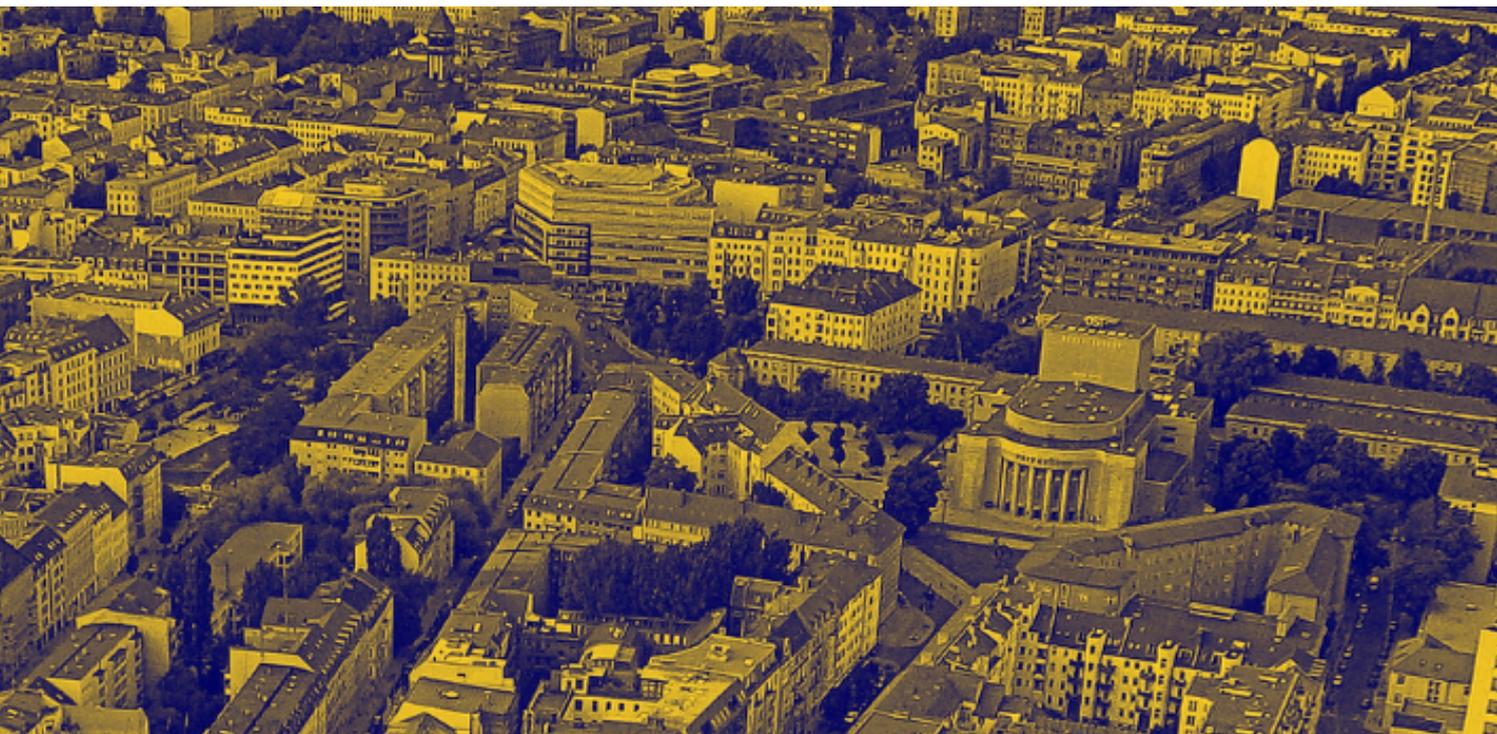
REMOVE ALL EXISTING BARRIERS TO THE FULL FUNCTIONING OF ENERGY PERFORMANCE CONTRACTING

- Promote the uptake of Eurostat Guidance Note on accounting rules for Energy Performance Contracts (EPCs) in public authorities by promoting the best examples of successful EPCs in all sectors (public buildings, tertiary buildings, and industry).
- Launch a consultation process with relevant stakeholders to come up with a scalable and replicable solution for off-balance sheet treatment for energy efficiency investments conceded by private sector companies.
- Create the conditions for the combination of EPCs and EU grants in order to promote deep staged renovations.
- Create tools to address the lack of technical knowledge, handling of technical risks, and the lack of experience in procurement notably regarding EPCs.
- Strengthen advisory services and technical assistance for the development of EPCs across Europe.

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RAISE AWARENESS ABOUT THE MULTIPLE ECONOMIC, SOCIAL AND ENVIRONMENTAL BENEFITS OF HIGHLY ENERGY EFFICIENT AND SMART BUILDINGS FOR CITIZENS, CITIES AND, BUSINESSES

- Launch multiannual, cross-sectorial, country specific and tailored communication campaigns across the 27 Member States on multiple benefits of energy efficiency in buildings.





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European
Climate
Foundation



Kyoto Club



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ABOUT US

The European Alliance to Save Energy (EU-ASE) was established in December 2010 by some of Europe's leading multinational companies. The Alliance creates a platform from which our companies (Danfoss, Ecolab, Kingspan, Knauf Insulation, Orbital Systems, Saint-Gobain, Schneider Electric, Siemens, Signify, Veolia and Xylem Inc.) can ensure that the voice of energy efficiency is heard across the business and political community.

EU-ASE members have operations across the 27 Member States of the European Union, employ over 340.000 people in Europe and have an aggregated annual turnover of €115 billion.

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