

Opening remarks Monica Frassoni

WCF session on "Envisioning the Sustainable Built Environment of Tomorrow - Creating Momentum for The EU Renovation Wave"

June 29 2021

15.00 Panel Session 2

Monica Frassoni, President of the European Alliance to Save Energy (EU-ASE)

- Thank you very much for your introduction Stephen.

- Energy efficiency in buildings should be a no brainer. Not only reducing energy demand in the buildings sector is a necessity for achieving the EU's energy and climate goals, it is also at the cornerstone of the EU Recovery Package as we are seeing in certain member states like Spain, where the government is allocating almost 6 billion EUR in renovation programs.

- Because if we roughly double the annual rate of renovations, as required in the Renovation Wave strategy, it would deliver 100 billion EUR of additional investment per annum, it would create more than 500.000 direct jobs by 2030, and would remove from energy poverty between 5.17 million and 8.26 million households. This is exactly what the European Green Deal is about: a sustainable growth strategy that will make Europe become carbon neutral by 2050.

- We are in a time now where we need strong actions to make this decade the decade of building renovations and to put energy efficiency at the centre of our climate and energy actions. The EU "Fit for 55%" package will come with proposals to review the EED directive and the EU ETS among other policies. At the Alliance, we have produced a position paper where we are calling on the Commission to push through the EED on the efficiency agenda, firstly by increasing the targets from current 32.5% to at least 40% and binding EU target.

- We have been defending for long time the application of the Energy Efficiency First principle. It means that policy makers and investors should always consider energy efficiency as an enabler for the energy system of tomorrow. It is an vector for faster integration of renewable energy sources and requires resource and material efficiency as well as application of circularity principles.

- Let me dive a little bit on a particular subject with has been gaining a lot of attention, which relates to extending or including a carbon price in the buildings sector. We recently did an online workshop with researchers and the Head of Unit of the Commission in charge and the debate was very vivid. It seems that if we want to achieve our climate targets we will have to also insert a carbon pricing to incentivise households to make a fuel switch to more renewables ways of electrification and heating. This policy needs to be carefully assessed, as a carbon price will have repercussions in energy bills for consumers, and we know it will be



most impactful on the poorer households, so we need to be very prudent when designing this policy.

- Finally, there is no Renovation Wave without addressing the EPBD, the pillar of EU law on decarbonising the building sector. The Alliance has been a long-time advocate of strengthening this directive to give strong signals and incentives to building owners to increase the annual rate of renovations from current 1% in the EU to at least double and we want to renovate around 35 million buildings by 2030. A very innovative policy would be to introduce Minimum Energy Performance Standards (MEPS) for all buildings, replicating what it is already happening in Member States like France or the Netherlands. This measure would drive the necessary push for homeowners to renovate their homes to a certain level of performance, especially relevant considering that many residential buildings are yet classified in very bad energy classes.