

EPEE Feedback on the revision of the Energy Performance of Buildings Directive (EPBD)

March 2021

Executive summary

- Whilst recognising the need to revise the EPBD to align the directive with the new 2030 and 2050 energy and climate targets, implementation of existing EPBD provisions is key for achieving Europe's short-medium term renovation objectives.
- EPEE calls on EU Member States to include guidance on public finance options in Energy Performance Certificates and to condition access to public grants/ preferential loans via EPCs. The Commission should expand the scope of EPCs to provide consumers with information on indoor environment quality and connectivity features of the building, and explore links with Building Renovation Passports (BRPs) to provide users with tailored guidance on renovation.
- EPEE supports the introduction of a deep renovation standard that holistically promotes energy efficiency, deployment of renewables, demand side flexibility and indoor environment quality, provided that such a standard remains attainable for building owners carrying out staged-deep renovation.
- Minimum Energy Performance Standards should require that energy efficient and renewable heating and cooling systems be installed in new buildings and buildings undergoing major renovation. In this context, the assessment of technical building systems should be based on data sources established under the Ecodesign and Energy Labelling framework.
- The parallel revisions of the Energy Efficiency Directive and Renewable Energy Directive offer an unprecedented opportunity to align heating and cooling assessment and planning requirements with building standards and measures to deploy renewables.

EPBD implementation and long-term renovation strategies

EU Member States should align national long term renovation strategies with existing EPBD objectives and the 2050 climate neutrality target.

The EPBD has established a comprehensive framework for facilitating renovations across Europe, with instruments such as long-term renovation strategies (LTRS), Energy Performance Certificates (EPCs) and nearly zero-energy buildings standards (NZEB) showing great potential for decarbonising the EU building stock.

However, recent research covering the LTRs thus far submitted concludes that the strategies are largely not compliant with EPBD objectives.¹ EPCs, for all their potential to close the information deficit on the EU building stock, are suffering from inadequate data gathering, lack of compliance and low reliability in most Members States. It is clear that – even while the Commission launches the revision of the Directive – implementation of existing EPBD provisions remains key for reaching Europe’s 2030 energy and climate targets.

The revised 2030 and 2050 objectives, the unprecedented levels of public investment allocated to renovation at both national and EU level and the associated socio-economic benefits in terms of job creation and alleviation of energy poverty all point to a once-in-a-generation opportunity to develop ambitious long-term renovation strategies and national enabling frameworks to boost the renovation rate.

While much of this can be achieved without new regulatory measures, EPEE recognises that the EPBD can be further strengthened, particularly concerning information and consumer guidance (EPC, BRP, logbooks) and the establishment of standards for deep renovation and energy performance of existing buildings.

More harmonised, transparent EPCs designed with end-users and third parties in mind

- **Member States should use EPCs to provide building users with guidance on public finance options and to condition access to public funds via EPCs.**
- **The Commission should ensure that EPCs and/or BRPs provide consumers with tailored guidance on renovation as well as information on indoor environment quality and connectivity features of the building.**

The Renovation Wave aims to increase both public support for energy efficiency improvements as well as private investment in renovations. EPCs can contribute to both of these objectives by providing building users with guidance on public support available to them, and providing public authorities with an instrument for conditioning state support in a fair and effective manner.

Several EU countries are already using EPCs as a prerequisite for accessing preferential loans (e.g. Lithuania, Portugal, Bulgaria). Lithuania’s JESSICA programme, which provides attractive financing schemes to speed up major renovations, requires that EPCs are carried out before the preparation of the investment plan and after the completion of building renovation works.² In Portugal, EPC are required to access incentive schemes for building renovations through the national Energy Efficiency Fund and other instruments, or to obtain estate tax deductions linked to energy performance of the building.³

In the longer term, as the level of penetration and utility of EPCs increases, so should the uptake of EPCs in the private sector (by financial institutions, real estate agencies, contractors etc.). To

¹ BPIE, [The road to climate-neutrality: are national long-term renovation strategies fit for 2050?](#) (March 2021)

² EPBD-CA, [Implementation of the EPBD in Lithuania](#) (December 2016)

³ EPBD-CA, [Implementation of the EPBD in Portugal](#) (December 2016)

facilitate such market developments, the EU EPC framework should already enshrine the principles of transparency and data availability for third parties.

In addition to guidance on available public support, EPCs could drive renovation in a more direct way by including individual recommendations for energy efficiency improvements. Currently only Austria and Denmark include such recommendations. These are most commonly standardised recommendations due to the costs associated with on-site visits.⁴ Standardised guidance is unlikely to trigger greater renovation efforts and energy efficiency metrics alone bring limited value to most consumers. Linking EPCs with individually tailored Building Renovation Passports could partially address this issue. Building owners would also benefit from additional information provided by EPCs, such as the carbon performance of the building or factors related to connectivity and indoor environmental quality (comfort, health etc.). This is particularly important for public buildings like schools or hospitals where adequate indoor air quality and thermal comfort are crucial for productivity as well as health and well-being.

As interest in EPCs has grown, researchers, public authorities and market operators have attempted to compare EPC data across the EU to better understand the state of Europe's building stock. Unfortunately, this has proved challenging as EPCs across the EU employ vastly differing calculation methodologies. Some EPCs take into account measured energy performance, whilst others rely solely on calculated performance. Some take into account cooling needs, whilst others only consider heating needs. A more harmonised calculation methodology would allow for greater reliability and pan-European comparison of data.

A holistic new standard to enable staged-deep renovation

- **The Commission should propose the creation of a deep renovation standard that holistically promotes energy efficiency, deployment of renewables, demand side flexibility and indoor environment quality.**
- **The Commission should ensure that consumers are able to attain the standard through flexible, staged-deep renovation.**

EPEE welcomes the Commission's initiative to propose a deep renovation standard as part of the revision of the EPBD. Currently, deep renovations that achieve 60% energy savings are carried out annually in only 0.2% of the building stock, a rate which will have to be increased several times over if the EU is to reach its climate goals. EPEE believes that an ambitious deep renovation standard can be a useful tool to drive the rate of deep renovations and calls on the Commission to take a holistic approach in its design, to ensure complementarity between decarbonization, public health and energy system integration objectives.

While energy savings are an important aspect, the proposed standard should also take into account other factors, such as indoor environmental quality (IEQ), the building's contribution to demand flexibility, renewable energy use or the carbon performance of the building. This would

⁴ EPBD-CA. [Implementing the Energy Performance of Buildings Directive \(EPBD\) – Part A: ADENE](#) (September 2016)

further encourage the uptake of technologies that simultaneously contribute to energy efficiency, renewable energy, and system integration.

At the same time, to ensure wide-spread uptake of the standard, it is crucial that consumers can carry out renovation activities in a staged way and are able to prioritize the type of work that best meets their personal circumstances (e.g. purchasing power, characteristics of the building, local climate conditions etc.). As the Commission pointed out in the Renovation Wave, it is not always feasible to carry out deep renovation in one go. Consequently, the standard must leave maximum flexibility for staged approaches and avoid setting overly prescriptive requirements that could deter consumers from carrying out renovations.

An ambitious and binding framework for Minimum Energy Performance Standards

- **MEPS should mandate that energy efficient and renewable heating and cooling systems are installed in new buildings and buildings undergoing major renovation.**

Furthermore, to achieve the unprecedented boost to renovation rate and depth required to meet the EU's climate ambitions, the energy performance requirements in EPBD Article 4 and Article 7 need to become more ambitious and binding⁵.

As the Commission pointed out in the Renovation Wave communication, the introduction of Minimum Energy Performance Standards (MEPS) can be a highly useful policy to achieve energy savings and emissions reductions. EPEE believes that MEPS, if designed in alignment with the 2050 carbon-neutrality goal, can play a crucial role in decarbonizing the European building stock by ensuring deep renovation is carried out at a sufficient rate.

To this end, standards should be tailored to specific segments of the building stock and ownership tenures and coupled with financing and targeted advice. EPEE supports the phased approach the Commission has put forward, starting with public, large and non-residential buildings with a gradual extension to eventually address all building categories.

MEPS should require that energy efficient and renewable heating and cooling systems are installed in new buildings and buildings undergoing major renovation. However, such requirements should not lead to an additional layer of regulation on top of already existing product rules for technical building systems. EPEE therefore calls on the Commission to ensure complementarity between MEPS and the Ecodesign and Energy Labelling framework.

The availability of reliable, harmonised data on energy performance of technical building systems should be ensured via a European Platform. Such a Platform would include data from technical building systems covered under the Ecodesign and Energy Labelling framework (e.g. EPREL). When such data is not available, it should be recommended to apply informatively EN performance standards such as EN 14825. Some EU countries/regions already require that energy performance of technical building systems is assessed using EPREL data when applicable,

⁵ BPIE, [On the way to a climate-neutral Europe: Contributions from the buildings sector to a strengthened 2030 climate target](#) (December 2020)

whilst others require energy assessors to rely solely on national databases. Aside from the administrative burden incurred by manufacturers who provide this information at both European and national level, this fragmented landscape for HVAC energy performance data results in incoherent assessment outcomes amongst and within Member States. A common European Platform would provide energy assessors with data on all heating and cooling systems, irrespective of whether those systems are covered under EPREL or not. EPEE recommends that Member States require energy assessors to use pan-European data when applicable to ensure the reliability and comparability of MEPS across the EU.

Exploiting synergies between the EPBD, EED and RED

- **National Long-Term Renovation Strategies should meaningfully reflect assessment obligations under EED Article 14 and RED Article 15.**
- **The uptake and utilization of waste energy should be anchored in building codes and regulations.**
- **The EPBD should contribute to system integration by ambitiously promoting energy efficient, renewable electrification of heating and cooling.**

The parallel revisions of the EPBD, EED and RED offer an unprecedented opportunity to ensure that the EU's broader decarbonisation and energy efficiency policy framework is fit to deliver a carbon-neutral building stock by 2050.

EU policy currently regulates planning and assessment of heating and cooling in a fragmented way. The EPBD revision should therefore do its part to ensure that the synergies between the provisions for Comprehensive Assessments under EED Article 14 and renewable energy and waste heat assessments under RED Article 15 are strengthened and integrated by Member States in the Long-Term Renovation Strategies provided by EPBD Article 2a. Furthermore, the Commission should explore ways of strengthening the synergies between the aforementioned assessment obligations and EPBD provisions for building codes, renovation standards and MEPS, in particular with a view to encourage the uptake of waste energy utilization at a district or neighbourhood level.

The EPBD must further incentivize a higher deployment rate and investments in renewables-based technologies by strengthening its interlinkages with the Renewable Energy Directive (RED). Comprehensive deep renovation must be accompanied by a switch to renewables, in particular through the promotion of heating and cooling technologies that contribute to both energy efficiency and renewable energy targets. EPEE therefore supports the setting of a minimum level of renewable energy in the energy use of new buildings and buildings subject to major renovation that is being explored as part of the revision of the RED. Whenever possible, renovations should also connect buildings to heating & cooling networks based on renewables and waste heat & cold. The EPBD revision should ensure these provisions are integrated in Member States' building codes and regulations.



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Further, in concert with the EED and RED, the EPBD plays a crucial role in achieving the goals of the EU's Energy System Integration Strategy. More ambitious policies to foster deep renovation, and in particular the electrification of heating and cooling through the deployment of heat pumps, can be part of the core of national and EU efforts for energy system integration, as it allows to address both heating and cooling to fully exploit the synergies between the two, whilst integrating renewables and placing buildings at the centre of the energy system.

About EPEE:

The European Partnership for Energy and the Environment (EPEE) represents the refrigeration, air-conditioning and heat pump industry in Europe. Founded in the year 2000, EPEE's membership is composed of over 50 member companies as well as national and international associations from three continents (Europe, North America, Asia). With manufacturing sites and research and development facilities across the EU, which innovate for the global market, EPEE member companies realize a turnover of over 30 billion Euros, employ more than 200,000 people in Europe and also create indirect employment through a vast network of small and medium-sized enterprises such as contractors who install, service and maintain equipment. Please see our website (<https://www.epeeglobal.org/>) for further information.