15 April 2016

Re: Follow-up EPBD/EED Stakeholder Conference 14 March

Dear Mr Ristori,

Following the 14 March stakeholder meeting on the EPBD/EED we are writing to you as industries contributing to a high performing building envelope, namely insulation and glazing for facades and windows.

We welcome the Commission’s endeavor to consult relevant stakeholders in a transparent manner. However, we left the meeting with an impression of uncertainty regarding the process and proposed policy options. This is particularly true for one of the most important and recognized energy and climate challenges: stopping the energy waste in buildings and stimulating the energy renovation of our buildings stock.

The facts are clear: in EU households, heating and hot water alone account for 79% of total final energy use. A good building envelope is essential to secure low energy needs for H&C and occupant’s comfort. Wall, roof and floor insulation can reduce heating and cooling needs by 70%; energy positive modern glazing solutions\(^1\) exist to replace the 85% of inefficient glazed areas in EU buildings.\(^2\)

In this respect, we stand ready to work together with the Commission and stakeholders to unlock the barriers in the renovation markets (e.g. improving quality on the ground; training professionals on the benefits of a whole house renovation approach), and we are keen to continue to deliver innovative technologies. Needless to say, a clear and compelling long term investment perspective is crucial for energy efficiency industries.

As a result, we wish to share with you our views and considerations on the three main policy areas which need to be fixed to improve the energy renovation market: 1/ the need for a long term vision for the European building stock, 2/ EPBD scope to focus on energy savings and 3/ energy renovation financing.

1. Need for a vision for the EU building stock: EED/EPBD revision key trigger points for this ambition

- We strongly believe that clear political guidance and targets are needed for the building sector. Given the common decarbonisation challenge, this should take the form of an nZEB level building stock by 2050, and should be accompanied by a clear trajectory with milestones for 2030 and 2040.
- Given that the largest potential for energy saving rests within the residential sector, it is essential that building owners undertake works at ‘trigger points’ with long-term plans supporting coordinated measures in acceptable timeframes\(^3\). Such progress can be enabled, at EU level, by ensuring that staged deep renovation is better reflected and supported by legislation.
- Without a clear long term perspective, we risk that uncoordinated renovation works, as is often the case today, only address low-hanging fruits and miss unleashing the full cost-effective savings potential of our buildings (leading to the “lock in’ effect). Putting in place new supply capacities without taking into account the savings potential of buildings will either make building efficiency measures unattractive or lead to stranded assets on the supply side, both of which are undesirable.

---

1 The estimated energy savings potential from windows in European buildings reaches 785PJ/year as of 2030 according to Working Plan 2012-2014 under the Ecodesign Directive: Commission working document SWD(2012) 434 final
2 TNO Built Environment and Geosciences – Glazing type distribution in the EU building stock – February 2011.
3 BPIE 2015, Best Renovation Practices
2. EPBD scope to maintain focus on energy reduction first

- The EPBD must deal with energy efficiency/savings in the building as prerequisite for sound energy transition (the performance of the building should be the focus, irrespective of the supply source). The principle of *trias energetica* must be at the heart of buildings policies, as it is the only way to realise the needed focus of effort on energy efficiency to meet our long term carbon ambition.
- A zero carbon building is not the same as a zero energy building. We must therefore focus on reducing energy demand in particular for heating and cooling. Reducing energy demand goes hand in hand with reducing energy poverty, increasing comfort, reducing the energy base load and creating supply side flexibility. In other words, only highly efficient buildings will be able to become effective elements of smart energy systems by supplying energy to the grid, storing energy and participating in demand response.
- At the consultation meeting, we also heard the possibility of widening of Art 7 EED to include renewables. We are concerned about this development, not only because Energy Efficiency Obligation Schemes (EEOs) are first and foremost about energy savings, but it also sends confusing signals to the market for the type of investments to be mobilized. In addition, Member States have put in place specific support mechanisms for renewables.

3. Energy renovation financing and Art 4 EED

- Long-term Renovation Strategies (Art 4 EED) need to be improved to ensure policies are on track towards long-term goals. This goes beyond ‘just’ financing and requires clear transformation scenarios and objectives to be set, alongside a set of new measures among which various financing tools and options.
- In order to unlock further investments, the Energy Performance Certificates (EPCs) should be transformed into building passports, which follow the building throughout its life and gradually guide building owners toward a targeted level of energy performance. Art 7 EEOs could further serve the purpose of initiating step-by-step deep renovation works, (e.g. via supporting the realization of the recommendations contained in the building renovation passport).

Last but not least, we wish to recall that the energy efficiency market needs investor confidence, this includes a long-term vision for the building sector, clear targets (regulatory signals) for the energy renovation of buildings, and focused funding to stimulate energy renovation uptake.

We stand ready to meet with you and your services to elaborate our views on these crucial pieces of legislation affecting the building sector.

Yours sincerely,

Jante Bos,
Director General Eurima

Bertrand Cazes,
Secretary General Glass for Europe

Oliver Loebel,
Managing Director PU Europe

cc:
Marie Donnelly, Director, DG ENER
Paul Hodson, Head of Unit, EG ENER
Paula Rey Garcia, Head of Buildings Team, DG ENER

---

4 First, we need to limit energy demand through energy saving. Second, renewable sources should be used to meet the remaining energy demand. Only then should fossil fuels be used, as efficiently and cleanly as possible.