European Insulation Manufacturers Association

Response to Inception Impact Assessment

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EURIMA response to the European Commission Consultation on Revision of the Energy Performance of Buildings Directive Inception Impact Assessment

The review of the Energy Performance of Buildings Directive (EPBD) provides a much needed opportunity which will result in higher energy savings, reduced CO2 emissions and deliver a high societal return on investment through the multiple ancillary benefits of investing in the building and construction sector.

We encourage increasing the ambition of the EPBD in alignment with the fit for 55% agenda, the 2050 climate neutrality agenda, and the Renovation Wave Strategy. Therefore, we support option 3 of the Roadmap, which should be combined with the enforcement of the current EPBD and the further deployment of supporting measures such as technical assistance. The EPBD should set a clear renovation target in line with the Renovation Wave (25 million buildings deeply renovated by 2030). Our suggestions include:

- **When reviewing the EPBD, a coherent, consistent and mutual reinforcing framework** must be ensured with the full package of legislation and measures supporting the implementation of the European Green Deal objectives.
- The **Energy Efficiency First principle** should be recognised as the guiding and overarching principle in the EPBD revision, prioritising the improvement of the performance of the building envelope. Lowering energy demand following the **Trias Energetica** principle has its own value and ancillary benefits, e.g. lower energy bills, thermal comfort, decreased energy poverty, reduction of peak demand facilitating a more flexible renewable energy supply.
- **We support the introduction of phased Minimum Energy Performance Standards (MEPS) in the EPBD,** which will be instrumental to put the building stock on the right trajectory towards delivering a NZEB building stock by 2050. According to the analysis by Climact (2018), to stay on track, a minimum of a 3% renovation rate per year combined with an average energy efficiency improvement of 75%, need to be reached by 2030. MEPS should help address worst performing buildings and help move citizens out of fuel poverty. MEPs should be designed with sufficient lead time to signal the progression towards more ambitious performance standards over time, through visible milestones (e.g. achieving energy Class B or A) and supporting the overall deep renovation of the building stock. MEPs should be combined with conditional funding and technical assistance. MEPS can be designed and have a role to play for all building segments.
- Introducing a **deep renovation standard** should help the whole value chain align around a concept that supports the "climate alignment" of our buildings (renovations that are compatible with our long term climate goals). Market data show that a vast majority of buildings still need to be deeply renovated. But even more importantly, deep renovation standard at the level of at least 60% reduction in (final) energy need[1] would help clarify the right level of ambition. Deep renovation requires improvements in the energy efficiency of the building and should not be solely achieved via fuel change. This ambition should be reflected in EU funding schemes and build confidence for

[1] For more explanation on why energy needs matter, please see: https://www.eceee.org/all-news/press/press-2017/epbd-must-focus-on-reducing-energy-needs-and-avoid-double-counting-of-renewables/

investors that financing is channelled towards stimulating greater depth and quality of renovation works. In addition to deep renovation standard, all renovations resulting in best energy classes should be availed policy and financial support.

- Improving **Energy Performance Certificates (EPCs)**, notably by ensuring that all EPCs are done by professionals fulfilling certifications, and using common agreed EPB standards. It is essential to ensure that EPCs are triggering trust in the energy efficiency value chain, especially if they are to support the financing of energy renovation at a greater scale.
- **Building Renovation Passports and real performance metrics should complement the EPC.** Deploying **Building Renovation Passports (BRPs)** at wide scale, as tools that can help renovations align with long term climate goals, but also as accompanying documents for owners. BRPs should detail the buildings' trajectory towards nZEB levels, and recommend the preferred order and combination of measures, in accordance with the Energy Efficiency First principle. BRPs should also mention essential health & comfort benefits of the renovation steps. BRPs should be digital and user friendly and eligible for subsidy programmes. Such a tailored renovation advice to building owners will also ensure adequate project planning, coordination of the renovation steps and proper design of measures. Given that real performance solutions are increasingly available, **real performance metrics should progressively complement the calculated performance of the EPCs**. This would facilitate the financing of energy renovation linked to guaranteed savings.
- Regarding **new buildings**: the Commission needs to further support deployment of more ambitious nZEB standards, because the current energy efficiency levels are not ambitious enough, as demonstrated in the Commission October 2020 report on the topic. It should be assessed if (and how) cost-optimality should remain a pillar of the EPBD given the 2030 and 2050 climate objectives and how co-benefits of building renovation including socio-economic impacts could possibly be taken into account.

The EPBD should continue to prioritise the reduction of operational carbon through the reduction of energy demand in order to unleash the mitigation potential of the EU building stock. This should remain the main task of the EPBD, as over 75% of our current building stock will still be standing and occupied by 2050, and over 95% needs to be renovated to reduce the emissions linked to their operational use. The essential role of a well-performing building envelope (including insulation materials) needs to be better accounted for throughout the life-span of a building, if we have to deliver the Renovation Wave and the building decarbonisation objectives.

Regarding reducing whole life cycle emissions, it needs to be taken into account that the current EU legislative framework, including EU-ETS and Effort Sharing Regulation, to a large extent covers the embedded carbon of buildings across their value chain and over their life-cycle, from cradle-to-grave.

Providing additional understanding and visibility over a new building's whole life carbon emissions could be an additional driver to reduce both the operational and embodied parts, but the modalities, as well as the benefits for our climate goals (vs. the existing framework), should be well assessed. In particular, the interactions between the operational and embodied carbon emissions deserve special attention: we need to avoid that an ad-hoc, disconnected focus on embodied carbon at building level would lead to neglecting either that mineral wool insulation can save more than 200 times its life-cycle CO_2 emissions over the lifetime of a home, or the health and comfort benefits of essential building components, like insulation.

EURIMA believes that the EPBD should remain the central point to regulate and drive improvements in the energy performance of buildings as a major enabler, for reducing operational emissions of buildings. Any new approach to address the whole life cycle emissions of buildings should be based on the further deployment of Level(s), and on developing a solid harmonised framework on Environmental Product Declarations based on agreed EN standards (EN 15804 / EN 15978). It should be science- based, ensure a level-playing field across solutions and across Member States, and avail of current legislative

frameworks. The assessment of a European approach to cover whole life cycle emissions should begin by pilot projects focusing on new buildings and major renovations starting from the public building sector and gradually move to other parts of the building stock.

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