

UEAPME position on the Energy Performance of Buildings Directive COM (2016) 765 final

Executive summary

- It is more important to put in place mid and long-term incentives than renovation obligations.
- Ensure that financial measures for energy renovation remain as easily accessible and certain as possible.
- Push for earmarking financial resources of EFSI 2.0 towards energy efficiency projects.
- E-mobility in the EPBD should be limited to an obligation to attain an “e-mobility ready” standard.
- UEAPME does not support the idea of comparing EPCs before and after renovation since it may increase uncertainties for home owners.
- EPCs must remain an information tool and neither describe technical details nor the pricing of the renovation projects.
- Ensure that “regular maintenance” of heating and air-conditioning is included in article 14 and 15 next to “inspection”.
- Earmark part of the European Social Fund to the upskilling of blue-collar workers in the construction sector.

General considerations

Energy use in the buildings sector (residential and commercial) is responsible for about 40% of final energy consumption in the EU and hence offers great possibilities for reduction. In fact the biggest savings can be reached in the existing building stock which has the potential to reduce energy consumption by 61% by 2030. Thus the building sector constitutes a key area of action for the EU in order to reach its energy efficiency goals set within the 2030 framework for climate and energy and to achieve international commitments, e.g. in the framework of COP21.

UEAPME welcomes the revision of the Energy Performance of Buildings Directive (EPBD) because of its importance for the following goals:

- put the principle of “energy efficiency first” into practice;
- improve the performance of 75% of the built environment that is considered energy inefficient;
- accelerate the cost-effective renovation of existing buildings, which will be a win-win situation for the whole European economy, including the construction sector.

The EPBD has been fundamental to improve the energy use of buildings as it sets out concrete ways to achieve the great untapped potential, focuses on reducing the large differences between Member States that exist in energy saving outcomes and increases the awareness of energy performance in buildings.

However, until now the situation differs greatly among Member States, although the EPBD has forced them to define objectives for new buildings and ways to achieve them. The greatest untapped potential lies in existing buildings and especially within the residential building stock, which makes up 75% of the square meters built in Europe and consumes roughly 28% of the total energy.

Long-term renovation strategies

UEAPME welcomes the European Commission proposal to move article 4 of the Energy Efficiency Directive (EED) on building renovation to the EPBD, especially in terms of consistency.

Regarding the renovation of private homes, UEAPME believes that it is more important to put in place medium and long term incentive measures than renovation obligations. Thus UEAPME supports the elaboration of a renovation strategy with clear milestones and measures for the period up to 2030. As far as the long run up to 2050 is concerned the formulation of rough goals seems adequate since the future political, economic and technical conditions are difficult to project.

It is furthermore essential to address the lack of knowledge and information by clients and financial institutions on energy efficiency via information campaigns, e.g. on efficient consumption, repercussion of consumer behaviour and on possibilities within energy efficiency improvement operations.

E-mobility

UEAPME sees a need to further develop the charging infrastructure for e-mobility. Generally, UEAPME believes that the Directive's provisions concerning e-mobility infrastructure should be limited to an obligation to attain an "e-mobility ready" standard for parking facilities in newly built buildings or buildings undergoing major renovation. Measures necessary to attain that goal may vary, depending on the layout of public infrastructure and further external factors. Hence, UEAPME holds the view that no specific number of parking spots which shall be covered by e-mobility infrastructure installations must be specified in the Directive. "e-mobility ready" may entail pre-cabling, while the demand for the installation of a charging point is – in UEAPME's view – disproportionate and has the clear potential to provoke sunk investments, e.g. by means of technical predetermination.

Financing Energy Efficiency

Financial measures and incentives have proven to be important means to create the energy renovation market, to encourage greater consumer confidence and to help against possible market failures. Keeping this in mind, financing for energy efficiency at the member state level should be flexible in catering for the national market conditions and display a stable long-term framework to avoid uncertainties for households and businesses.

UEAPME does not support the idea of comparing Energy Performance Certificates (EPCs) before and after the renovation, as proposed in the (new) article 10. Indeed, such a scheme may run counter-productive to energy efficiency goals and renovation.

On the one hand it generally increases uncertainties for home owners. On the other hand, home owners may neither be willing nor capable to pay the up-front payments without any support and will certainly shy away from complex and costly incentive systems. Considering that buildings are not homogeneous, it will furthermore increase inequality among home owners with the result that some have to make greater efforts than others.

In this instance, UEAPME is deeply concerned that this new provision will de-facto roll out the introduction of Energy Performance Contracting, a business model which is currently totally inadequate for small/medium housing units and nearly impossible for small companies to provide.

UEAPME instead supports incentive measures, both in public and private financing, which connect financial means in a more general way to energy efficiency improvements in the renovation of buildings.

An example is the “European Energy Efficiency Mortgages” launched by the European Mortgage Federation. It focuses on financing energy efficiency works in residential units via preferential interest rates for energy efficient homes and/or additional funds for retrofitting homes at the time of purchase. Thus it offers better borrowing rates on mortgages in return for either purchasing more energy efficient homes or committing to implement energy saving works within properties.

Equally important to linking financial measures to energy savings is to avoid uncertainties and fragmentation by means of a stabilised legislative framework. Incentive measures related to energy efficiency are constantly changing. Therefore households and businesses are concerned that the conditions may change during renovation works and hence prefer not to start any works.

Energy Performance Certificates

Energy Performance Certificates (EPCs) have not yet widely shown to be successful in improving the energy performance of buildings although the situation varies between the Member States. One of the biggest problems lies in the significant and frequent discrepancies of EPCs. To achieve their full potential, it is important to encourage Member States to continuously focus on quality assurance of EPCs so that public trust in and understanding of the meaning of EPCs and their purpose are increased.

UEAPME believes that EPCs must remain an information tool and should hence neither describe technical and construction details nor the pricing of energy renovation projects. This information should be provided by the companies and installers who will perform these renovations as energy inspectors and auditors are often not aware of the service costs. Otherwise there is a big risk that clients receive contradicting information and thereupon delay investment decisions.

Inspection of heating and air-conditioning systems

Heating and hot water alone account for 79% of the total final energy use in EU households. Of utmost importance is hence the regular maintenance work by competent installers. They not only ensure the proper functioning of the system and the protection of users through checking for possible contaminations that can lead to asthma problems and allergies but furthermore have the possibility to inform about renovation work and more efficient equipment. The same goes for air-conditioning systems.

As far as the thresholds for regular inspections are concerned, the European Commission proposes regular inspection for non-residential buildings with total primary energy use of over 250MWh. UEAPME welcomes this provision, since it will result in a financial alleviation for numerous SMEs. We expect the EU institutions will keep such a threshold during the legislative procedure.

Improving the offer of energy efficiency renovations

The right set of professional skills plays an essential part in improving our building stock. New energy and environmental challenges require specific knowledge. In order to stay competitive and tackle the challenges at hand, SMEs need to be able to explain their customers with a profound understanding that long-term savings justify higher up-front costs. Yet the sector lacks a large number of skilled workers capable of meeting the above named challenge.

Continuous vocational trainings and qualification of professionals and skilled technicians is of crucial importance in achieving the energy efficiency objectives for renovation. On-site training for example has proven very useful in this regard. However it is not always necessary to establish completely new schemes; a structural improvement may be all it takes.

Moreover, financing the improvement of skills is essential, especially when keeping in mind that 91.9% of European construction enterprises have less than 10 employees and may hence lack means and resources that allow upskilling. Therefore UEAPME promotes to allocate and earmark parts of the European Social Fund to the upskilling of blue-collar workers in the construction sector.

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