EPBD: COMPROMISE PROPOSAL ON MEPS.

Article 2(4). Definition of MEPS

4. 'minimum energy performance standards' means rules that require existing buildings, [building units or technical building system] to meet an energy performance requirement [or a reduction of greenhouse gas emissions requirement] as part of a wide renovation plan for a building stock or at a trigger point on the market [such as sale, rent, donation or change of purpose within the cadastre or land registry], in a period of time or by a specific date, thereby triggering renovation of existing buildings;

Article 9 Minimum energy performance standards

1. Member States shall establish minimum energy performance standards which ensure that non-residential buildings do not exceed the specified maximum energy performance threshold, as referred to in subparagraph 3, expressed by a numeric indicator of primary [or final] energy use in kWh/(m2.y), by the dates specified in subparagraph 6.

The maximum energy performance thresholds shall be established on the basis of the non-residential building stock on [1 January 2020 / entry into force], based on available information and, where appropriate, on statistical sampling.

A "[15]% threshold" shall be set so that [15]% of the national building stock is above that threshold, and a "[xx]% threshold" shall be set so that [xx]% of the national building stock is above that threshold. The maximum energy performance thresholds may be differentiated between different building types and categories.

Compliance by individual buildings with the thresholds shall be checked on the basis of energy performance certificates or, where appropriate, other available means. Member States may set the thresholds at a level corresponding to a specific energy performance class provided that they comply with the level of the thresholds in subparagraph 3.

[Member States may set criteria to exempt individual buildings, in light of the expected future use of the building or in the case of an unfavourable cost-benefit assessment, from requirements in this paragraph. +SAFEGUARD / CRITERIA IN DIRECTIVE]

The minimum energy performance standards shall at least ensure that all non-residential buildings are below:

- (a) the [15%] threshold as of 1 January [2027-2030]; and
- (b) the [xx%] threshold as of 1 January [2032-2035].

In their roadmap referred to in Article 3(1)(b), Member States shall establish specific timelines for the buildings referred to in this paragraph to comply with lower maximum energy performance thresholds by 2040 and 2050, in line with the pathway for transforming the national building stock into zero-emission buildings.

Member States shall exclude from the baseline buildings that they exempt pursuant to paragraph 5.

[To the extent that the national non-residential building stock, or part of it, is seriously damaged by a natural disaster, a Member State may temporarily adjust the maximum energy performance threshold so that the energy renovation of damaged non-residential buildings replaces the energy renovation of other worst-performing buildings, whilst ensuring that the similar percentage of the non-residential building

stock undergoes energy renovation. In that case, the Member State shall report the adjustment and its projected length in its national building renovation plan.]

2. The Member States shall establish minimum energy performance standards for residential buildings which shall be based on contribute to a national trajectory for the progressive renovation of the building stock in line with the national roadmap and the 2030, 2040 and 2050 targets contained in the Member State's building renovation plan and with the transformation of the national building stock into zero-emission buildings by 2050.

This trajectory shall be established as of the transposition date.

The trajectory shall be expressed as a decrease of the average primary energy use in kWh/(m2.y) of the whole residential building stock over the period from [2020] to 2050, and shall identify the number of buildings and building units or floor area to be renovated annually, including the number of worst performing buildings and building units or floor area by means of minimum energy performance standards.

Member States shall exclude from the baseline buildings that they exempt pursuant to paragraph 5.

Member States may set additional indicators to define their trajectories, such as average operational greenhouse gas emissions (in kg CO2 eq/(m2 year)).

When establishing the national trajectories, Member States shall ensure that the average primary energy use in kWh/(m2.y) of the whole residential building stock:

- (a) decreases by at least [YY%] from [2020] to 2030;
- (b) decreases by at least [ZZ%] from 2030 to 2035;
- (c) by 2040, and every 5 years thereafter, is equivalent to, or lower than nationally determined value derived from a progressive decrease of the average primary energy use from 2030 to 2050 in line with the transformation of the residential building stock into a zero-emission building stock.

In their application of minimum energy performance standards established in accordance with subparagraph

4, Member States shall ensure that at least 55 % of the decrease of the average primary energy use is achieved through the renovation of worst-performing residential buildings. Member States may count the energy savings achieved by the renovation of buildings affected by natural disasters such as earthquakes and floods towards the share achieved through the renovation of worst performing buildings.

In their renovation efforts to achieve the required decrease in the average primary energy use of the whole residential building stock, Member States shall not disproportionately exempt rental dwellings.

[When establishing the minimum energy performance standards, Member States shall ensure that their contribution to the reduction of average primary energy use in kWh/(m2.y) of the whole residential building stock is at least [w]%.]

Member States shall report in the national building renovation plans the methodology used and data gathered for estimating the values referred to in subparagraphs 2 and 3.

As part of the assessment of national building renovation plans, the Commission shall monitor the achievement of the values referred to in subparagraphs 2 and 3, including the number of buildings and building units or floor area of worst performing buildings, and make recommendations where necessary.

The trajectory shall refer to data on the national residential building stock, based, as appropriate, on statistical sampling and energy performance certificates. Member States shall ensure that the average

consumption and emissions levels of the residential building stock respect this trajectory throughout the reference period.

- 3. In addition to primary energy use referred to in paragraphs 1 and 2, Member States may define additional indicators of non-renewable and renewable primary energy use, and of operational greenhouse gas emissions produced in kgCO2eq/(m2.y). In order to ensure reduction of operational greenhouse gas emissions, the minimum energy performance standards shall take into account the [Article 15a (1) Renewable Energy Directive COM (2021) 557 final].
- 4. In accordance with Article 15, Member States shall support compliance with minimum energy performance standards by all the following measures:
 - (a) providing appropriate financial measures, in particular those targeting vulnerable households, people affected by energy poverty or living in social housing, in line with Article 22 of Directive (EU) .../.... [recast EED];
 - (b) providing technical assistance, including [information services, administrative support] through one-stop-shops [with a particular focus on vulnerable households and people living in social housing, in accordance with Article 22 of Directive (EU).../.... [recast EED]];
 - (c) designing integrated [public and private] financing schemes, [which provide incentives for deep and staged deep renovations, pursuant to Article 15];
 - (d) removing non-economic barriers, including split incentives; and
 - (e) monitoring social impacts, in particular on the most vulnerable households;

[+ no L250a, but first part of the amendment to be included in article 3]

- 5. Where a building is renovated in order to comply with a minimum energy performance standard, Member States shall ensure compliance with the minimum energy performance requirements for building elements pursuant to Article 5 and, in the case of major renovation, with the minimum energy performance requirements for existing buildings pursuant to Article 8.
- [4a. Member States shall promote energy storage for renewable energy to enable renewable energy self-consumption and reduce volatility as well as promote and provide incentives for the cost-effective and early replacement of heaters, and any needed resulting optimisation of the related technical building systems.]
- 6. Member States may decide not to apply the minimum energy performance standards referred to in paragraphs 1 and 2 to the following categories of buildings:
 - (a) buildings officially protected as part of a designated environment or because of their special architectural or historical merit, or other heritage buildings, in so far as compliance with the standards would unacceptably alter their character or appearance, or if their renovation is not technically or economically feasible;

- (b) buildings used as places of worship and for religious activities;
- (c) temporary buildings with a time of use of two years or less, industrial sites, workshops and non-residential agricultural buildings with low energy demand and non-residential [agricultural] buildings which are used by a sector covered by a national sectoral agreement on energy performance;
- (d) residential buildings which are used or intended to be used for either less than four months of the year or, alternatively, for a limited annual time of use and with an expected energy consumption of less than 25 % of what would be the result of all-year use;
- (e) stand-alone buildings with a total useful floor area of less than 50 m2;
- [(f) buildings owned by the armed forces or central government and serving national defence purposes, apart from single living quarters or office buildings for the armed forces and other staff employed by national defence authorities.]
- 7. Member States shall take the measures necessary to ensure the implementation of minimum energy performance standards referred to in paragraphs 1 and 2, including appropriate monitoring mechanisms and penalties in accordance with Article 31.

When laying down the rules on penalties, Member States shall consider the financial situation and access to adequate financial support of homeowners, in particular for the vulnerable households.

In support of the implementation of this Directive and taking due account of the principle of subsidiarity, the Commission shall, by 31 March 2025, present an analysis on, in particular:

- (a) the effectiveness, the appropriateness of the level, the actual amount used and types of instruments in structural funds, framework programmes from the European Union, including from the EIB, for improving the energy performance of buildings, especially in housing;
- (b) the effectiveness, the appropriateness of the level and types of instruments and measures from public finance institutions;
- (c) the coordination of Union and national funding and other forms of measures that can act as a leverage for stimulating investments in the energy performance of buildings and the adequacy of such funds for achieving Union objectives.

Based on that analysis, the Commission shall subsequently submit a report to the European Parliament and to the Council on the effectiveness and appropriateness of financing instruments towards the improvement of energy performance of buildings, in particular the worst-performing ones.

Recital on natural disasters:

[If the building stock of a Member State is seriously damaged by a natural disaster such as earthquakes or floods, that Member State should have the possibility to prioritise the necessary renovation of the damaged buildings, including to improve the energy performance of those buildings. To this end, the renovation of such damaged buildings should be able to temporarily replace the renovation of a share of other very worst-performing buildings which is required pursuant to the minimum energy performance standards for non-residential buildings.]

Recital on mixed-use buildings:

[With regard to mixed-used buildings that include both residential and non-residential units (for example a residential building with shops on the ground floor), Member States may choose whether to treat them as residential or non-residential.]



Brussels, 23 November 2023

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MEETING DOCUMENT

From: To:	General Secretariat of the Council Working Party on Energy
Subject:	EPBD: Compromise proposal on MEPS

Delegations will find in the annex the compromise proposal on MEPS.