

Cyprus Response to Questions on the Energy Efficiency Directive (doc 8844/21)

Q1. In the context of energy efficient renovations, incentive sharing between landlords and tenants is not an easy barrier to remove. What possibilities do you see for resolving this issue?

The major barrier that hinders energy efficient renovations in rented buildings is the fact that the upfront cost of renovating burdens the owner while the benefit, at least in the short-run, goes to the tenant. Regulatory and financial measures could improve energy performance of rented buildings. Some possibilities to be further examined are:

- a) Strengthening the implementation of Energy Performance Certificates by securing better mechanisms to audit their quality and thus increase trust.
- b) Imposing stricter penalties for those violating the Energy Performance of the Building Directive, especially for non-issuance of Energy Performance Certificate in new rental agreements and when Energy Performance Rating is not indicated in commercials for renting buildings.
- c) Enhance the role of smart systems in the building sector that will allow both tenants and owners to understand the actual energy consumption and the energy efficiency potentials.
- d) Enhance the role of green voluntary agreements between owners and tenants. Such agreements will mutually commit owners and tenants on how to allocate the cost and the benefit resulting from an energy upgrade of the property and will ensure mutual commitment for saving natural resources and energy during the lease of property.
- e) Providing financing incentives, particularly designed for rented buildings.

Q2. Energy Efficiency First is the fundamental principle which ensures the rational use of resources. How to ensure that it is always applied?

Cyprus supports the “Energy Efficiency First Principle” as a key principle. However, in an “Energy Efficiency First Principle test”, efficiency measures should prove to be a cost-efficient, technically, economically and environmentally sound alternative that could replace in whole or in part the envisaged planning, policy and investment measures, whilst still achieving the objectives of the respective decisions. Possible ways to ensure it is always applied are:

- a) By requiring that the principle is hereinafter applied to all relevant EU energy policies related to the whole energy value chain, in a coherent manner.
- b) By developing simple guidelines and tools at EU level that will assist MS to easily implement the principle in all policy, planning and investment decisions related to energy (in energy infrastructure, in energy supply and distribution, in energy demand including buildings, industry, ICT, transport, agriculture, water sector etc).