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CONTRIBUTION

From:	General Secretariat of the Council
To:	Working Party on Energy
Subject:	BE answers to the Presidency questions on the review of the Energy Performance of Buildings Directive (ST 8850/21)

Delegations will find in the annex the BE answers to the Presidency questions on the review of the Energy Performance of Buildings Directive (ST 8850/21).

Revision of the Energy Performance of Buildings Directive

BE-position

June 2021

The Portuguese Presidency provide the member states with a background note with questions on the review of the Energy Performance of Buildings Directive, in view of the Energy Working Party on 8 June and possible submission of written replies by 10 June to the Presidency with a copy to the Secretariat. Two questions for debate were proposed.

1. *The long-term renovation strategies revealed the need for large investments for the renovation of the existing building stock. What are the solutions to ensure a doubling of the renovation rate?*

Since almost all buildings need to be renovated before 2050, we will have to convince a lot of individual decision-makers and in most cases support them to make very significant investments in the energy performance of their home/building. In fact, the modelling in many long term renovation strategies show that a doubling of the renovation rate will not be enough to reach the goals 2030 or 2050.

Although large private budgets are being invested in renovation today, only a limited part is about improving energy performance. It is estimated that a significant share of owners will not be able to bear these additional efforts on their own, given the high house prices and the limited financing capacity, both with own resources and with borrowed capital. To start with, EPC's and building passports can provide owners with accurate data on the energy performance and a roadmap towards the 2050 goal. Building heating based on renewable sources needs to evolve towards the most attractive and affordable option in the long run.

Next to advice and (financial, fiscal) support measures fostering deeper renovations, due consideration should also be given to the already growing impact of poor energy performance of buildings on their market value. Lower energy performances and/or poor general quality will generally lead to a lower market value and sales prices and offer new owners, within the same budget limits, the possibility to go for a deep energetic renovation. Therefor it would be of big interest if the impact of low energy performance on sales prices shows a substantial growth in the next years.

An important precondition, in addition to advice and support, seems to be a swift and substantial increase in operational capacity in the construction sector. This is a real concern in many long term renovation strategies showing projected and underexposed needs in capacity in the next years and decennia that can probably only be fulfilled with large scale employment and (re)training programs.

2. *What mechanisms will be put in place to verify the effective contribution of buildings towards this goal?*

The buildings sector is one of many sectors for which the Nation Energy and Climate Plans sets out goals for 2030 (and 2050 within the long term renovation strategies) and an evaluation roadmap is

planned. In the national Energy Balance, the actual energy consumption of the buildings sector and its share in the total energy consumption is monitored. Energy Performance Certificate databases can be used to monitor the evolution of various segments of the building stock towards the goals. The option to extend the EPC-obligation to all types of buildings (and not limited to sales or rent) should be assessed.

Other more detailed monitoring is possible, for example data on energy grants, installation of heating systems, work volume or investments in renovation, renovation permits, renovation loans,... The plan of the EU Building Stock Observatory to offer uniform parameters to monitor renovation for all member states look promising.