

## **POSITION PAPER**

**Brussels, December 2008**

### **EuroACE position on the European Commission Proposal for a Directive of the European Parliament and of the Council on the energy performance of buildings (recast)**

#### **INTRODUCTION**

EuroACE applauds the European Commission and fully supports its Proposal for a Directive of the European Parliament and of the Council on the energy performance of buildings (recast) (COM(2008) 780). The European Parliament and the Council are strongly encouraged to maintain, and preferably increase, the ambition level of this proposal in order to fully reap the many benefits of high performing buildings.

EuroACE has consistently supported strong legislation at EU level for the building sector. Existing market barriers are currently hampering efforts to realise the full and extensive benefits of upgrading the energy efficiency of Europe's building stock. This legislation, if adopted in its current form, will send a strong market signal that the EU means business when it comes to meeting its cost-optimal energy saving targets.

The economic impact assessment accompanying the proposal provides clear evidence that increased efforts to build new or renovate existing buildings to a very high efficiency standard are cost-optimal. It concludes that, when this proposal is implemented fully and effectively, the European economy will see costs savings of 25 billion euro annually; up to 450,000 direct jobs in the construction sector will be created, not to mention the indirect employment from increased demand for such products and services; the EU's final energy use will be reduced by 5-6% by 2020, thereby contributing to Europe's energy security goals; and, finally, 4-5% of the EU's total CO<sub>2</sub> emissions will be cut by 2020.

While the proposal as it is presented is valuable, there are a number of further improvements which should be made before the final adoption of the text. These include:

- 1. Very low energy buildings** – Under new Article 9 of the proposal, Member States will be required to actively promote both low/zero carbon and low/zero energy buildings by providing clear definitions and minimum percentage targets for such buildings by 2020. In particular, public sector buildings should play a leading role.  
  
This Article should be strengthened to include a specific obligation that all new buildings are low/zero carbon and low/zero energy by 2020, at the latest, and that a significant part of the existing building stock is also brought up to similar levels by 2020. To this end, the recast should require Member States to:
  - Develop a national strategy to make low/zero carbon and low/zero energy buildings the default standard for all new buildings by 2020;
  - Develop a national strategy for renovating the existing building stock to this level of energy performance, as long as it is cost-optimal;
  - Require public sector buildings to take the lead in achieving this level of performance.
- 2. EPCs** – One of the goals of this recast is to encourage more active involvement of the public sector to provide a leading example. The best way to do this is to make it mandatory for all public sector premises to be upgraded in line with the recommendations given in the Energy Performance Certificate (EPC), given the fact that such recommendations can only be made if they are cost-optimal. Requirements for the display of EPCs should be on the same basis for privately-owned commercial buildings frequently visited by the public as for public buildings.
- 3. Definitions** – A definition for “component” should be added to Article 2 to avoid ambiguous interpretations by Member States. Component should be defined as “an individual part of the building which influences the energy performance of the building and which is not covered by the technical building system, e.g. roof, walls, floor, foundations, doors and windows”. We welcome the new definition for “building envelope”; however, a further step should be taken to incorporate the concept into the text in a more coherent way whenever technical systems are mentioned.

4. **Harmonisation of training programmes** – Expertise across the entire building chain needs to be substantially increased if Europe is to meet its energy efficiency targets for buildings. Mutual recognition of EU training programmes across Europe, as well as harmonised accreditation of inspectors of installations and of those who issue the EPCs, would facilitate this, in line with Article 8 of the recast proposal. Financial institutions must have confidence in the competence of qualified inspectors in order to invest in the recommendations given in the EPCs. A harmonised training system would also allow professionals to operate freely across national boundaries, without constraint of trade.
5. **Financial incentives** – Article 11 of the EPBD Directive 2002/91/EC makes clear this is a policy area which requires re-evaluation. While there are other existing and upcoming legislative and non-legislative instruments that deal with the issue of financial instruments, it is still appropriate to refer to such incentives in this proposal. Examples of financial incentives could be rules on state aid for the environment or green public procurement (see Communication from the Commission to the European Council – A European Economic Recovery Plan COM(2008) 800) that promote more efficient buildings or innovative financing models where refurbishments are financed through repayments, based on savings made on energy bills over several years. The recast should outline that Member States are required to introduce one or more fiscal incentives, which should be linked to the EPC, and drawn from a list attached to a new Annex to the recast Directive. These would specifically encourage recipients to implement measures recommended to improve EPC ratings.
6. **Calculation Methodology** – We welcome the extension of the calculation methodology to cover a greater range of factors which affect a building's energy performance as described in Recital 9. We would like to see this more adequately and less ambiguously reflected in the wording of Article 4 and Annex 1, so that it is less open to individual interpretation. To also retain consistency with Recital 9, we would like to see "inadequate natural lighting" added to the list of potential negative effects to be avoided when setting minimum performance requirements under the third paragraph of Article 4.1.

Once these amendments are made to the final proposal, an important chapter on EU building regulation can be closed. It will give the sector greater certainty and enable effective forward planning to upgrade the EU's building stock over the coming decades.

#### **For further information:**

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#### **Note to Editors:**

EuroACE was formed by Europe's leading companies involved with the manufacture, distribution and installation of energy saving goods and services. EuroACE members have a total turnover of 140 billion euro and employ 328,000 people. The mission of EuroACE is to work together with the European institutions to help Europe move towards a more sustainable pattern of energy use in buildings, thereby contributing to Europe's commitments on climate change, energy security and economic growth.

#### **EuroACE members:**

<b>Acciona Infraestructuras</b>	<b>Honeywell</b>	<b>Paroc</b>	<b>Somfy</b>
<b>Aereco</b>	<b>Hunter Douglas</b>	<b>Philips Lighting</b>	<b>United Technologies</b>
<b>Armcell International</b>	<b>Huntsman Polyurethanes</b>	<b>Pilkington Group</b>	<b>URSA Insulation</b>
<b>BING</b>	<b>Tremco illbruck</b>	<b>Rockwool International A/S</b>	<b>VELUX A/S</b>
<b>CRH Insulation</b>	<b>Kingspan Insulated Panels</b>	<b>Saint-Gobain Isover</b>	
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