

Interview with Adrian JOYCE, Secretary General, EuroACE

THE IMPLEMENTATION OF THE AMENDED ENERGY PERFORMANCE OF BUILDINGS DIRECTIVE (EPBD) 2018



Last July 2018, the amended Energy Performance of Buildings Directive (EPBD) entered into force, with a transposition deadline on 10th March 2020. Member States now have less than a year to implement new provisions on energy efficiency in buildings and building renovation. Do you think the Member States will manage to implement these new provisions? Which Member States are “problematic”?

Let me start with the second part of your question first. I am not here to “name and shame” specific Member States and it is true that in our area of interest, some Member States are better at implementation than others. What I will say is that the EPBD was first introduced into law in 2002 – 17 years ago – and the revisions that have taken place on two occasions since then (2010 and 2018) have significantly strengthened the requirements on Member States. All Member States agreed to the original Directive and to the subsequent changes, but still there are many that are not in full compliance. Possibly the part that has caused the most difficulty to Member States is the requirement that all new buildings completed on or after the 1st January 2021 must be nearly zero-energy buildings. We are only just over one year away from this important deadline and it is my sense that very few Member States will comply with this requirement in time. Getting back to the first part of your question, you will now know my answer: yes, Member States will manage to implement the amended provisions, but very few of them will do it in time. This is, in my view, a great shame as timely, complete and accurate implementation of the amended EPBD will bring a great number of benefits to all in the EU.

What is the biggest challenge in the building sector in general and according to the amended EPBD? What has changed and what not - a key change in the amended EPBD?

According to the amended EPBD, the greatest challenge in the buildings sector is how to renovate to a high level of performance, the entire building stock in the EU. Doing so is absolutely necessary as our buildings consume about 40% of all energy in the EU and emit around 36% of our energy-related CO₂. From these numbers, you can immediately realise that we cannot achieve our long-term goal of creating

a decarbonised economy in the EU unless we treat our buildings and significantly reduce their energy demand and decarbonise them.

Therefore, to start with one key change to the EPBD, Member States have agreed that they must put into place long-term renovation strategies (LTRS) that will lead to the cost-effective transformation of their building stock to nearly zero-energy levels by 2050. This is a very challenging, but necessary, action and we in EuroACE will be monitoring progress on this aspect of the directive to track how effectively the Member States implement this requirement in their laws and what effect it has on the market for energy efficient buildings.

In addition, the revisions to the Directive will see a vast improvement in how the performance of technical building systems is monitored and reported. Member States are also now required to ensure that larger commercial and public buildings are equipped with building automation and controls systems by 2025. This last requirement holds the potential for greatly improving the energy efficiency, comfort and indoor climate conditions in our buildings.

Finally, I would like to mention that the revisions to the Directive will also incite the Member States to give better and more complete consideration to how building owners can access financing for the energy renovation of their buildings and they will be required to ensure that any assistance they provide is conditional on achieving a real improvement in energy performance.

Key provisions that have not been touched include the requirements related to nearly zero-energy buildings that I mentioned earlier and the requirement to provide every building that is sold, rented or leased with an energy performance certificate at the time of the transaction. These certificates must, in fact, be available to prospective tenants and/or owners during the period in which the property is on the market. The information given on the certificates, which give an indication of the energy performance characteristics of the building, can positively influence progress towards more and more efficient buildings as we know that highly energy efficient buildings are more attractive to prospective owners and occupants.

A new option that has been opened for Member States – within the context of the Long-term Renovation Strategies (LTRS) – is the use of Building Renovation Passports (BRP). What is the benefit of the passport? Why is it important? What benefits will arise from the introduction and use of Building Renovation Passports in the market?

The option to introduce, at national level, a scheme for the creation of building renovation passports is, in my opinion, another key improvement in the amended EPBD. These passports are digital repositories that contain all relevant information on the condition and performance of an existing building. They can be a collection point for all relevant technical and legal information that the owner will find useful (and often necessary) to have. For EuroACE, a building renovation passport must also contain a roadmap for how the building to which the passport relates can be fully energy renovated over time to reach its full energy performance potential. Early experiences in several EU countries show that the building renovation passport is greatly liked by building owners and the existence of a passport can act to motivate owners to improve the energy performance of their buildings.

The main benefits that arise from the use of building renovation passports are that they raise awareness about energy performance in the minds of owners, they give independent, expert guidance on what an owner can do to their property and they act as a record of the life of the building, documenting all changes over time. In addition, they can also give advice on sources of financing for the measures recommended in the passport, measures that are always personalised to the owner and the property. As I said earlier passports can spur owners to action, thus assisting directly in the transition towards a better performing built environment in the EU.

How to ensure that the revised amended EPBD will drive energy renovation?

It is not the amended EPBD itself that will drive energy renovation. Its adoption and entry into force is just a “starting gun” for the Member States to take off. If they take on the challenges faced by us all with our buildings by devising good, coherent and far-reaching regulations at national level, then we will see an increase in energy renovation activity across the EU. So, what will drive energy renovation is the coordinated actions that arise from good national transposition of the EU Directive matched by adequate human and financial resources. On the ground, there will be a need for the cities, municipalities and regions of the Member States to take a leading role in boosting renovation rates and ambition levels. Their local plans will have to be coherent with national plans and their local administrations will have to have the willingness and capacities to put the necessary steps into action.

How do you see the progress of Energy Efficient Buildings & Building Renovation in South East Europe? What are the benefits for South East Europe of a good implementation of EU legislation for energy efficiency in buildings?

My perception of progress in the SEE Region, is that the necessary political awareness of the need to energy renovate the building stock is increasing, increasing quite quickly. The challenge will be to find ways to rapidly transform that increased political awareness into action on the ground. This has happened already in some countries such as Croatia where a very good programme of deep energy renovation of public buildings is underway using an approach known as energy performance contracting. It has also happened to an extent in Slovenia thanks to the Eko Fund that was set up some years ago and which, because of its good design, has survived changes in government to remain a valuable tool available to many Slovenians ready to energy renovate their homes.

Turning to the benefits that could accrue for South East Europe via a good implementation of the amended EU legislation on buildings, we know that more local jobs all along the construction value chain will be created and that the resulting better buildings will mean healthier, happier people. It may be that a vibrant renovation market would attract many workers back from other parts of the EU (and further afield) to which they moved to find work in the decades after 1989. To achieve this good result, there is a need to ensure that works to buildings are tailored to the type and age of the buildings and that a holistic approach is taken, whereby the right combination of measures is deployed. Improving the building envelope, ensuring adequate ventilation, using highly efficient heating systems and giving control to the occupants are the minimum measures that need to be combined in a holistic energy renovation.

The International Energy Agency (IEA) has pointed out that 76% of investments needed to achieve the Paris Agreement goals must go to energy efficiency and the Buildings Performance Institute Europe (BPIE) has found that just 3% of buildings in the EU were assessed as highly energy efficient in 2017, leaving the other 97% in need of energy renovation before 2050. What role will stakeholders play?

In my opinion, stakeholders have an important, pivotal role to play. We know the conditions in the market, we know the state of the building stock and we understand the approaches that can work best in our national cultural contexts. What we should now do is work to find ways to transfer our knowledge of these aspects into the long-term renovation strategies that are being prepared by every country and to assist national authorities in creating programmes and schemes that will work on the ground. Stakeholders have a responsibility to ensure that the chance we now have by virtue of the amendments to the Buildings Directive are grasped in a responsible manner that leads to a rapid and high-quality transformation of our building stock.

How will the building initiative be financed? What financial instruments will be/are being offered? (Smart Financing for Smart Buildings initiative)

From the EU level there is a broad range of funding instruments that are being offered to the Member States that can assist them in facing up to the challenge of transforming their building stock. Funding can come from the European Structural and Investment Funds, the InvestEU Fund, the LIFE Programme and several others. These sources of funding can be combined – a feature that means many worthwhile programmes in the Member States are practically fully financed. Some of the funding is targeted at building technical capacity and for developing project proposals. This latter funding is smaller but can have a greater impact as it helps to make local authorities and cities self-sufficient in technical capacity and thus attract more private investments into the energy renovation sector. The key to successfully drawing down and using these EU Funds is to be able to demonstrate that they are used for the purpose for which they are intended and that the anticipated beneficial results are achieved. It is important that the use of the funds serves to achieve long-term goals and not short-term interests, which lead to “stop-go” programmes that are usually harmful to the market. Without scrutiny, trust in renovation programmes cannot be established and without trust in the system, we cannot build confidence and long-lasting relationship within the value chain that starts with the administration and ends with the occupants of our buildings.

END