

**EuroACE – Energy Efficient Buildings**  
**Feedback on the proposal for an Energy Efficiency Directive RECAST**

**Introduction**

EuroACE – Energy Efficient Buildings welcomes the opportunity to share its feedback on the proposed revision of the Energy Efficiency Directive.

It is crucial that the revised Energy Efficiency Directive enables a much-needed systemic change in the whole energy (and non-energy) sector, building on the full deployment of the Energy Efficiency First Principle (EE1), on the multiple benefits of energy efficiency and with digital as the cornerstone of a more integrated energy system.

This also means ensuring a very close coordination between not just the EED, the EPBD and the RED revision, but also the wider portfolio of energy policy files.

Concretely, we call on the two co-legislators to consider:

**1. Strengthening the collective effort of Member States towards the achievement of the binding EU Energy Efficiency target**

EuroACE welcomes that the EED RECAST introduces, along with a legal basis for the application of the Energy Efficiency First Principle at Member State level, an EU level binding energy efficiency target, which is a reduction of energy consumption by 9% (compared to new 2020 Reference Scenario), which translates into a reduction of 39% primary energy consumption and 36% of final energy consumption by 2030. As the level of ambition proposed by the European Commission corresponds to the low range of what was initially modelled in the Climate Target Plan Impact Assessment, we believe it should be raised to at least 40% for both primary and final energy compared to the 2007 PRIMES projections.

Although the nature of the Energy Efficiency target has been strengthened at EU level, it is worth recalling that due to the absence of political prioritisation resulting from the non-mandatory nature of national level targets, there has been little to no progress towards the 2020 targets. In light of this, the fact that the EED RECAST proposal still considers the **national level energy efficiency contributions indicative**, is a missed opportunity. A more coercive force is needed to ensure that the 2030 EU energy efficiency target is collectively achieved, and the EED fully transposed and implemented by Member States.

Last but not least, we believe that strengthening the nature of the planning of the interim and ultimate climate milestones of Member States is key. This could be done via ensuring that Member States comply with the planning and reporting requirements stemming from the Governance Regulation, Energy Efficiency Directive and Energy Performance of Buildings Directive in a consistent and strategic manner. More concretely, we believe that as part of the National Energy and Climate Plans (NEPCs), Member States should be requested to outline the contribution of the energy renovation of the national building stock to the attainment of the 2030 energy efficiency target. To achieve this, along with having national energy efficiency contributions binding via the EED, it will be crucial that the requirements of the Article 2a of the EPBD are updated and strengthened to ensure that the LTRS themselves become consistent, clear, and goal-oriented roadmaps for the building sector for the



achievement of the 2030 and 2050 energy and climate goals. Rigorous and consistent interim and ultimate energy renovation milestones will also make the progress and monitoring of the achieved results for energy efficiency, especially in the building sector, more precise and bottle-necks easier to target.

## **2. Keep the ambition level for energy savings obligations and sectoral sub-targets high**

EuroACE sees potential in the newly proposed energy savings obligations stemming from Article 8. The text suggests two periods, where the first, running until 2023, will require Member States to achieve 0.8% energy savings per annum, while the second period, going from 2024 until 2030, will require 1.5% energy savings, annually.

Given the uncertainty around the interpretation of Article 8, which suggests that in the case where Member States do not deliver the required energy savings related to the first period, they shall achieve them by the next period, on top of the new ones, EuroACE calls on the co-legislators to maintain this approach as it will greatly contribute to the achievement of the EU level binding energy efficiency target, while giving further legitimacy to the national level contributions.

We also welcome the newly proposed sectoral ‘sub-target’ for energy savings included in the new Article 5, which requires the public bodies to achieve a reduction of 1.7% of final energy consumption annually. In our view, this will clearly strengthen the exemplary role of public bodies, and (among other sectors) buildings. Related to the latter, we are pleased to see that energy efficiency improvements have received great importance among the various measures that should be taken into account to deliver results in view of this target. We would like to mention that, as Member States should provide guidelines to support public bodies in the uptake of energy efficiency improvement measures, on top of capacity building, ad hoc financing, technical assistance and project development assistance should be provided too.

## **3. Further strengthen the ‘Exemplary Role’ of public bodies’ buildings, while avoiding loopholes**

The new Article 6 EED recast has broadened the scope of the renovation requirements for public buildings. Now all public buildings, owned by public bodies, should be renovated at a rate of 3% per annum to achieve the national nZEB standard. In our view, this is a good step in the right direction, and it clearly shows the willingness of the European Commission to coherently link the EED and the EPBD. To ensure that the level of ambition remains high across these two Directives, it is of crucial importance that the requirements stemming from Article 9 EPBD and their implementation across EU Member States, are strengthened in a way that both new and existing buildings truly consume nearly zero or very low amounts of energy and that the remaining energy is fully supplied by renewable sources.

Moreover, we believe that Article 6 should be more consistent with Article 7 (**‘Public procurement’**). Currently, Article 7§1 requires public bodies to purchase and/or conduct rental agreements for ‘highly-energy efficient’ buildings, whose definition is based on the requirements stemming from Article 4 EPBD (2010), namely minimum energy performance requirements (as included in Annex IV EED). As minimum energy performance requirements have proven to be an inadequate threshold vis-à-vis the level of energy performance needed for the EU building stock to meaningfully contribute to the achievement of the EU energy and climate targets, we believe that for the sake of consistency, especially between Article 6 and 7, this issue should be addressed by replacing the reference to Article



4 with **Article 9 EPBD** (thus using national NZEB levels as thresholds) when defining ‘highly-energy efficient buildings’.

We welcome the deletion of alternative measures; however, one exemption still remains in this Article. In exceptional cases, Member States buying a new building as a replacement for an old one that has been demolished in the previous two years could be counted in their annual renovation rate, if such activity is deemed more **cost-effective** and **sustainable** in terms of energy and lifecycle CO<sub>2</sub> (as laid out by Article 6§2). Even though, in terms of carbon impact, renovation is a more sustainable activity in comparison to demolition/reconstruction, life-cycle carbon assessment methodologies differ too much from Member State to Member State. The need to create a common carbon assessment framework, based on Level(s) and standard EN 15978 for example, could be a first step to create a more favourable approach for building renovation (rather than for other more carbon-intensive activities) across the EU. Moreover, as regards the assessment of their level of cost-effectiveness (especially in relation to life-cycle costs), we believe that there is still uncertainty around which criteria and approaches Member States can use to define such “exceptional cases”. Further clarifications and coordination will be needed on the side of the European Commission to ensure that these cases are both well-defined and remain exceptional so that the **pace and the depth of future renovations are not jeopardised**.

#### ***4. Better recognise the energy savings potential of energy audits and further promote it throughout the EED recast***

The EED recast introduces a new requirement via new Article 11 for highly energy intensive enterprises to implement an energy management system (EMS), and for lower energy intensive enterprises to carry out energy audits should an EMS not be in place. EuroACE supports the introduction of mandatory EMS for the largest companies as a way to tackle the untapped potential of energy efficiency in companies and energy savings in the long run. However, we believe that energy audits require the same mandatory nature to truly unlock their benefits.

Overall, energy audits of buildings are an underutilised tool. In our view, the recommendations stemming from an energy audit should be strongly linked to the Energy Performance Certificates and enshrined into a Building Renovation Passport (BRP) developed for the building owned and/or occupied by the enterprise subject to this exercise. BRPs that outline a trajectory towards deep energy renovation, include recommendations to achieve milestones in terms of the building’s energy performance, which are incentivised with proportionate financial support, would nudge building owners to promptly take actions. In light of this last point, the requirement concerning the transferring of the information stemming from the energy audit to reach only the management level of the enterprises is not enough. They should in fact be transmitted to the building owner and local/regional authorities as well to support both monitoring and planning activities when it comes to the improvement of the energy performance of buildings.

Lastly, EuroACE supports the introduction, as part of the proposal on the ETS revision, of the allocation of free permits conditional on decarbonisation efforts and notably on energy efficiency measures. Installations covered by the obligation to conduct an energy audit should be required to implement recommendations of the audit reports in a timely manner to be able to benefit from these allocations.



### **Conclusions**

In conclusion, EuroACE appreciates the numerous references to energy poverty and ways to tackle it, among which we saw a great role given to energy improvement of buildings. Again, we welcome the introduction of a legal basis for the application of the Energy Efficiency First Principle, enshrined in the new Article 3 and we urge the co-legislators to further strengthen the role of and take into account the wider benefits of energy efficient solutions (e.g. improved IEQ, comfort and well-being) when carrying out cost-benefit assessments required for policy and planning activities of Member States.

***EuroACE and its Members will stand by the European Parliament and the Council in the future debates prior the adoption of the EED recast.***



**For further information**

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**About EuroACE - Energy Efficient Buildings**

EuroACE represents Europe’s leading companies involved with the manufacture, distribution and installation of energy saving goods and services for buildings. EuroACE members employ more than 220,000 people in these activities in Europe and have over 1,100 production facilities and office locations. The mission of EuroACE is to work together with the EU institutions to help Europe move towards a more efficient use of energy in buildings, thereby contributing to Europe’s commitments on climate change, energy security and economic growth.

**EuroACE Members (2021)**

