European Federation of Intelligent Energy Efficiency Services

EFIEES

EFIEES ready to engage in an efficient Renovation Wave

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EFIEES, the European Federation of Intelligent Energy Efficiency Services, is the voice of private energy service companies (ESCOs) and their national associations in 12 EU Member States. Our members represent over 130.000 professionals committed to the design and implementation of energy efficiency measures in public and private buildings, industrial facilities, as well as to the efficient operation of district heating & cooling networks.

Buildings are responsible for approximately 40% of energy consumption in the EU and 36% of greenhouse gas emissions. Considering the increased climate ambition for 2030 and the long-term objective of climate neutrality, **it appears clear that more decarbonisation efforts are urgently needed in the building sector, and that buildings need to be fully considered as part of our energy systems, according to an integrated and holistic approach to energy generation, distribution and consumption.**

In light of this, we welcome today's Communication by the European Commission, presenting a strategy to trigger a *Renovation Wave for Europe*, as one of the flagship initiatives of the EU Green Deal.

In particular, we strongly appreciate the attention that the *Renovation Wave* Communication draws on the following elements, that will be essential to make energy efficiency in our buildings and districts more effective:

1. *Energy Efficiency First* at the heart of the strategy

An effective Renovation Wave can only have Energy Efficiency at its core, as this is the prerequisite for any other decarbonisation actions. The reduction of energy consumption through energy renovations (covering possibly the building envelop and technical building systems), energy management and the recovery of wasted energies, enables indeed a smoother switch to renewable energy sources, which will then cover more easily the remaining energy demand.

Moreover, affirming this principle in the Renovation Wave is of utmost importance to remind that **energy efficiency actions must be prioritised and implemented along the entire energy chain:** this implies that not only energy demand needs to be reduced, but that energy generation, distribution and use must be made more efficient in parallel as well.

2. Solutions offered by ESCOs and Energy Performance Contracting

We welcome the Commission's commitment to genuinely promote the market for energy services and to engage the private sector, notably Energy Service Companies (ESCOs), in the Renovation Wave, particularly in the context of private-public partnerships and affordable housing.

The skills, expertise, contractual and financing arrangements provided by ESCOs, such as **Energy Performance Contracts**, represent indeed essential factors and often ideal solutions to improve the energy performance of buildings and, especially, to ensure that their **energy is properly monitored and managed over time.**

This last aspect should probably deserve more attention in the upcoming actions linked to the Renovation Wave: **future initiatives and the forthcoming review of the EED and EPBD in 2021 should foster the role of effective energy management offered by ESCOs and prioritise solutions that guarantee a certain level of energy performance or energy savings in the long-term.**

This is indeed the main advantage of energy services. That is why incentivising and rewarding the use of such solutions in both the EED and EPBD, as well as in other potential initiatives, will be key to trigger their market and to deliver measurable and verifiable energy savings in buildings over time.

3. An integrated & district approach to the renovation of buildings

A well-designed Renovation Wave strategy cannot consider buildings as individual units, but rather as part of a broader environment and energy system, in which they are placed and interact. For this reason, we strongly welcome the "neighborhood" and "district" approach put forward in today's Communication, which righty states that ***"synergies for renovation become evident when scaled up to district and community approaches".***

While aggregating projects is surely part of this, an even more important aspect of this approach is that it allows to consider and assess all possible opportunities to maximise energy efficiency and decarbonisation efforts at a district or neighborhood level, linking available - or potential - energy supply and recovery options, with the existing demand. **This makes possible a better use of locally available energy sources and provides ultimately for an enhanced energy planning at local level, favouring also smart energy system integration**.

4. A Renovation Wave prioritising the decarbonisation of heating & cooling

As rightly pointed out in today's Communication, **prioritising the decarbonisation of Heating & Cooling (H&C) is a key priority, and we welcome the Commission's intention to act swiftly in this respect and to possibly strengthen the existing renewable H&C target, in accordance with the proposed higher climate ambition for 2030.**

The parallel promotion of **waste heat and cold recovery,** as well as the announced support to public authorities in the preparation, financing and implementation of **comprehensive heating and cooling planning in coordination with renovation projects,** are other very important elements mentioned in the Strategy.

Dedicated regulatory and economic support mechanisms will be necessary to ensure that these initiatives become reality and the use of solutions such as **district heating & cooling**, where relevant and already present, as well as **waste heat recovery**, should be fully considered when designing any strategy for local energy planning and decarbonisation.