To the kind attention of **Frans Timmermans**
Executive Vice-President for the European Green Deal
Kadri Simson
Energy Commissioner

Energy efficient, renewables-based and flexible buildings integrated in the energy system: the key features of a revised EPBD supporting climate neutrality

Brussels, 28 October 2021

Dear Executive Vice-President Timmermans,
Dear Commissioner Simson,

On behalf of the European associations we represent, we would like to firmly support your intention to revise the Energy Performance of Buildings Directive (EPBD) to accelerate the decarbonisation of buildings, strengthen existing provisions in line with the Renovation Wave and Energy System Integration Strategies. With the present letter, we would like to outline our recommendations for an impactful legislative proposal.

We are convinced that the EPBD revision should apply the **Energy Efficiency First (EE1st) principle** in a way that stimulates integrated renovations aiming at highly energy efficient, renewable-based and flexible buildings integrated in the increasingly variable energy system. The entire building stock should become capable of adjusting their very low energy consumption, their on-site renewable generation and their energy storage potential in response to external signals. This holistic approach to the implementation of the EE1st principle leads to multiple benefits such as emissions reductions, grid optimisation and system efficiency. It also delivers tangible benefits to citizens, including the most vulnerable ones, strengthens the EU's clean energy industrial leadership, boosts local job creation and economic recovery.

To support these objectives, we recommend including the following provisions in your legislative proposal:

- Ensure all **new buildings** are both highly energy efficient and renewable-based from 2025 onwards, with Building Energy Management Systems enabling them to optimise their energy performance and carbon footprint through an efficient integration with the local energy network;
- Introduce a binding target on EU Member States to reach **annual integrated renovations of at least 3% per year**, including a gradual phase out of fossil fuel use in all buildings;
- Introduce mandatory **Minimum Energy Performance Standards (MEPS)** for all existing buildings to accelerate the rate and depth of renovations. MEPS should set clear signals and milestones specifying minimum requirements to advance buildings' energy performance, reduce their carbon footprint, generate and store renewable energy, and activate their

demand-side flexibility potential thanks to digitalisation, automation and future-ready electrical installations designed to anticipate future needs related to increased electrification and system integration;

- Accompany MEPS with easily accessible **support measures** targeting lower-income households and businesses. Addressing first the worst performing buildings is particularly relevant, also to alleviate energy poverty. **Financial barriers** to integrated renovations should also be addressed by offering innovative, inclusive, and accessible financing solutions, as they remain one of the main obstacles to scale up retrofit. This would also entail including financing options in one-stop-shops that should be promoted to provide assessment, planning and implementation advice to consumers;
- Strengthen and harmonise **Energy Performance Certificates (EPC)** to become a reliable instrument to support the uptake of building renovations and drive the deployment of clean energy solutions, also with the support of Energy Performance Contracting. EPCs should gather relevant information that reflect the actual energy and carbon performance of buildings, including a valorisation of renewable energy consumption, and ensure EPC data is accessible to third parties. Reliable, interoperable, digital and performance-based EPCs would help monitoring progress towards a minimum 3% deep energy renovation rate per year, either in one or several stages;
- Include **recommendations in EPCs** on how to improve a building's energy performance through energy efficiency measures and the deployment of digital and decentralised energy resources such as on-site solar and storage, integrating key features of the Building Renovation Passports, the Digital Building Logbooks as well as the Smart Readiness Indicator (SRI);
- Support the cost-effective integration of the increasingly electrified building and transport sectors by **strengthening the existing e-mobility provisions** with mandatory minimum requirements for smart charging points for parking spaces in or nearby buildings, even not undergoing major renovations. This would avoid unnecessary grid reinforcements following the increase in electrification of end-use sectors. It is also necessary to ensure the right-to-plug principle to ease the approval process, and require bidirectional charging functionalities in case of on-site renewable generation;
- Provide better **technical assistance**, including to local and regional authorities, on the use of available funds and build capacity to increase demand and reduce hurdles to integrated renovations. This should include fostering a **community approach** to renovation projects, and facilitating integrated local energy planning including for the deployment of decentralised energy resources in buildings, in line with the EE1st principle.

We count on the European Commission to embrace the abovementioned recommendations in the EPBD revision to achieve integrated building renovation delivering on the EU climate neutrality objective in an inclusive and affordable way.

We are at your disposal for any clarification you may need.