

EFIEES' Feedback on the Commission's EPBD recast proposal

EFIEES welcomes the European Commission's proposal to recast the Energy Performance of Buildings Directive (EPBD), and notably the focus on cost-effectiveness, as it is of utmost importance to decarbonise the building sector and especially worst-performing buildings, to ensure a just and efficient transition.

EFIEES represents energy service companies (ESCOs) and their national associations in 10 EU Member States. They account for over 130.000 professionals engaged in the design and implementation of energy-efficiency solutions in buildings and industry. In some countries, they also operate district heating & cooling (DHC) networks.

In reaction to the proposal published in December 2021, and with regards to our mission we would like to highlight two key elements that need to be enshrined in the EPBD recast:

1) On the top of accelerating renovation rate, the EPBD should also focus on dynamic energy performance and further promotion of effective energy management

The revision of the EPBD should not only aim at improving buildings' energy performance through renovation actions, but should also **strengthen the role of solutions allowing to keep and enhance energy performance over time, through proactive energy management**. This will help **apply effectively and concretely the Energy Efficiency First principle within the EU law**.

- **This should notably be recognised in the definition of "staged deep renovation"** (article 2(20)). Energy performance contracting should indeed be strongly linked to this definition, as it not only allows to maintain and guarantee energy performance over time, but also can generate energy savings at different stages of the renovation, and enable financing further steps, without lock-in effects.

Energy management solutions should in fact systematically be considered as a complement and support to building renovations. To that end, the EPBD should ensure and reward, where relevant, their implementation:

- **Energy Performance Certificates (EPC)** should take into account the **energy, which is actually consumed by buildings**, also in their **operational phase**, and thus **encourage and support a proper energy management / use of their energy installations**. This should be reflected in the **EPCs' template (Annex V)** which should include a yes/no indicator of whether an Energy Management System/ Energy Performance Contract is in place or not in the building.
- Likewise, **Renovation Passports should include a "chapter" dedicated to the dynamic energy performance of buildings**. In the current provisions of the recast regarding renovation passports, an explicit reference to energy management solutions should be made alongside the requirements to have a renovation roadmap indicating a sequence of renovation steps, building upon each other. (Article 10§3).

- National Building Renovation Action Plans should also **focus more on actual energy consumption and on solutions that allow to increase and keep energy performance over time**. The promotion of energy management solutions should thus be part of mandatory indicators by Member States in their overview of implemented and planned policies and measures (Annex II).

Moreover, even for **new buildings**, where energy efficiency performance should be at a very high level, **it is of utmost importance to ensure that energy management systems/solutions are put in place to monitor and guarantee energy and even CO2 performance over time**. Without proper energy management, even new buildings might progressively lose their energy performance over time.

2) Linking energy and environmental performance, especially at a district level, is needed to ensure an effective roll-out of EPBD tools

Besides improving comfort levels and providing for additional benefits to users, increasing buildings' energy efficiency is primarily key to reduce CO2 emissions. It is thus essential to guarantee **a non-discriminatory treatment between on-site and nearby renewable energy sources**, as it ensures recognition of already available renewable sources by connecting buildings to existing efficient district heating and cooling systems. This also follows the **"Energy Efficiency First" principle**, which is a prerequisite to fuel switch on any installations, and should be guiding the recast of the EPBD. We thus welcome the respect of such principle in one of the key novelties of the recast: the definition of "zero emission buildings" (art. 2).

In addition, to allow an effective decarbonisation and a smart energy system integration, it is **crucial to foster an integrated energy planning at local level, in which district heating and cooling (DHC) systems play a major role:**

- **Renovation passports should thus also include** recommendations on potential future works to decrease heating and cooling emissions, **including the feasibility of connection to an efficient district heating network**.
- When preparing the **National Building Renovation Plans**, Member States **should ensure they are coordinated and synchronised with the comprehensive heating and cooling assessments (CAs)**, set in article 23 of the EED recast proposal. This would provide an overarching approach to building renovation and the decarbonisation of the heating supply.