

EFIEES' ANSWER TO PUBLIC CONSULTATION ON AFFORDABLE HOUSING PLAN

EFIEES is the voice of private energy service companies (ESCOs) and their national associations across Europe. Our members represent over 100.000 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.

EFIEES welcomes the Commission's intention to support Member States in addressing housing affordability and sustainability with an Affordable Housing Plan. The EU is indeed facing a dual challenge: the urgent need for more affordable housing and the equally pressing need to reduce the buildings sector's environmental impact. In recent years, the Commission has proposed several important initiatives to support the renovation of the European buildings stock and improve energy efficiency. To pursue this effort, the Affordable Housing Plan should support energy efficiency measures and staged renovations, with a particular focus on the worst-performing buildings, to both reduce rental costs and increase the supply of sustainable housing.

Beyond their vast potential for energy savings, **energy efficiency solutions and renovations are also a key enabler of a just transition towards more affordable and sustainable housing, delivering a wide range of energy and non-energy benefits.** Energy efficiency and more specifically energy management solutions such as Energy Performance Contracting indeed help containing households' energy consumption and can thus lower their overall housing-related costs and contribute to greater economic stability. We need to **foster and implement large-scale energy efficiency programmes** to achieve significant reductions in energy costs. By consuming less energy, consumers pay less, generating a dual benefit of economic savings and environmental impact.

Furthermore, energy efficiency upgrades can serve as a real economic buffer during energy crises. By improving a building's insulation and enhancing the overall efficiency of its energy systems, households become less vulnerable to energy price volatility. This not only **strengthens their economic resilience but also reduces reliance on (potentially imported) fossil fuels** thus protecting them against shortage and price shocks. Moreover, with the entry into force of the ETS2, Energy (and Carbon) Performance Contracts will be even more useful on helping avoid CO2 related costs by reducing energy consumption and facilitating switch to renewables.

Supporting the renovation and improved functioning of the worst-performing buildings within the Affordable Housing Plan would also help enhancing comfort and climate resilience for vulnerable households, while ensuring more assets are available on the market. Renovating these worst-

performing buildings, which are often occupied by the most vulnerable households, while improving their energy performance over time, contributes to better living conditions in winter and greater resistance to heatwaves in summer. In addition, such efforts could help preventing these buildings from being withdrawn from the market due to ongoing or upcoming regulations that restrict the sale or rental of buildings below certain energy performance thresholds.

To support energy efficiency in a way that contributes to addressing the housing crisis, the Plan should **encourage the use of Energy Performance Contracts in large condominiums and social housing**. These solutions, though often unfamiliar to social landlords and condominium associations, offer guaranteed energy (and often CO₂) performance over time and provide a tailored approach for each building. It will also be essential to **promote new financial incentives**, such as **innovative loan schemes and de-risking mechanisms**, that can facilitate staged renovations and energy efficiency upgrades. These efforts should be complemented by additional measures at EU or national level to address the skills gap in the building sector and to strengthen professional training.