



Position Paper
"Allianz für Gebäude-Energie-Effizienz" (geea) –
"Alliance for Building Energy Efficiency":
For an
Expedient European Efficiency Policy
in the Building Sector.

Initiated and coordinated by



1. Introduction and background.

Just like its member states, the European Union is now facing the major challenge of creating an economically expedient energy system, which will have a far better supply security in future with far lower energy consumption and imports. By 2020, as part of the European climate and energy goals, the CO₂ emissions and primary energy consumption are each to be reduced by 20 percent and renewable energy technologies are to account for 20 percent of the final energy consumption. In tapping the potential efficiency, buildings play a key role, as they are responsible for almost 40 percent of the EU energy consumption. In addition to the existing potential energy savings, refurbishment of the building stock also has macroeconomic benefits such as economic growth and positive effects on the labour market. The technologies required are largely available on the market and have proven themselves. At the same time, the building stock still suffers from a major investment backlog and the building owners' wait-and-see attitude to energy refurbishment, which is due to non-technological obstacles. **Accordingly, the EU policy must be focused consistently and reliably on enhancing energy refurbishment, and work towards an appropriately dovetailed mix of instruments with a system of financial incentives and accompanying market instruments in the member states.**

The "Allianz für Gebäude-Energie-Effizienz" (geea) – "Alliance for Building Energy Efficiency" is a cross-sector consortium of leading representatives from industry, research, skilled crafts, planning, power supply and financing. The Deutsche Energie-Agentur (dena) – the German Energy Agency – is the initiator of geea and is responsible for coordinating the consortium's activities. geea represents the entire value chain of energy-efficient building and refurbishment. With regard to the necessity of an expedient and intermeshed energy efficiency policy in the EU and Germany, it campaigns for an energy policy which is open in technology and incentive-based, both nationally and vis-à-vis political decision-makers in the EU institutions.

geea considers the following elements necessary:

- Inclusion of a **binding energy efficiency target of 30 percent**¹ by 2030 to enhance energy efficiency as a third major element in the EU energy and climate policy. Even though a non-binding goal of 27 percent was defined at the end of 2014, geea calls for an amendment to this as part of the review scheduled by 2020.
- The member states must be obliged to reach EU efficiency targets with **binding requirements**.
- The member states should be required to develop an **energy efficiency strategy** with all major stakeholders, and supplement the strategy with suitable, reliable incentive instruments and define instruments for monitoring or correction. The strategies of the member states must contain clear **long-term targets for 2050** and appropriate intermediate steps.

¹Relative to forecasts from 2007

- To build trust in the stakeholders, the member states should be obliged to ensure **high-quality energy consulting** and **meaningful energy demand certificates** by integrating them accordingly in the EU Energy Performance of Buildings Directive (EPBD).
- The member states should also be obligated to provide information and motivation by documenting **good examples** in centralised national databases.

2. Situation/Challenges.

At a European level, the building sector has already been fundamentally identified as a key to reaching the climate targets, and a comprehensive legal framework has been created in the existing directives². In spite of this, the energy refurbishment of the building stock in the member states has not picked up speed, leaving major potential efficiency untapped. As buildings vary greatly in the individual member states in terms of age, type, ownership structure, refurbishment rate, energy efficiency etc., the measures selected to utilise the existing efficiency potential must take the different climatic conditions and circumstances into account. “One-size-fits-all” approaches do not take the differences in the member states' situations into consideration, and will not provide the refurbishment impetus that is urgently required.

In order to eliminate the current refurbishment backlog and ensure that the market for energy-efficient construction and refurbishment is functional in the long term, the EU must make a clear commitment to increasing energy efficiency, and coordinate implementation thereof specifically as part of an integrated efficiency policy. The member states must also be obliged to promote quality assurance when designing the market instruments, the qualification of the specialists and the quality of refurbishment at a national level, optimise dovetailing of the existing approaches and improve the implementation of existing regulations. That is the only way to overcome the existing market barriers, build trust in energy refurbishments and the relevant experts and advance the necessary modernisation.

The geea believes that the following principles should be considered:

- **Incentive policy – no mandatory refurbishment requirements.**
Investment in energy building refurbishment always requires acceptance by the owners. Excessive refurbishment requirements have the opposite effect: Experience shows that it is dependable information, advice and planning combined with focused state incentives that pave the way to higher levels of energy refurbishment, not compulsion and obligations. This path must be continued.
- **Regulatory requirements** must be used wisely. A voluntary, technology- and energy-open system based on information and incentives is the better choice, as it relies on market mechanisms.

3. geea's criteria for the design of European and national energy efficiency policies.

² e.g.: EU Energy Performance of Buildings Directive (EPBD), EU Energy Efficiency Directive (EED), EU - Eco-Design Directive (ErP), EU Energy Consumption Labelling Directive, EU Renewable Energy Directive (RED).

The EU and member states' energy efficiency policy must focus more on the areas in which significant energy saving potential can be achieved rapidly and economically – essentially, on the building sector.

- **Binding pursuit of an energy efficiency target** of at least 30 percent³ by 2030 is necessary at a European level. In October 2014, the European Council agreed to an indicative target of at least 27 percent to improve the energy efficiency by 2030. At the same time, it was decided that this target was to be reviewed by 2020 with a view to an EU-wide level of 30 percent. The geea calls on the policy makers to use this review to adjust the total of the EU energy efficiency target.
- The geea is also in favour of introducing binding efficiency goals for the member states, to require and document consistent and targeted utilisation of the potential efficiency.
- The member states must create **energy efficiency strategies**. These long-term strategies must illustrate which subsidy, market and regulatory instruments and/or adjustments – based on the current status quo – are required on the timeline by 2050 to promote energy building modernisation and finally to implement a virtually climate-neutral building stock. In addition to this, a continuous monitoring, evaluation and adjustment process must be introduced as a fixed component of this strategy.
- The refurbishment progress should be documented at appropriate intervals in an **implementation report by the member states**, submitted to the EU Commission and published, to clearly show progress and derive corrective approaches in good time. For example, reporting can be implemented as part of the National Energy Efficiency Action Plans (NEEAP).
- By implementing existing directives, significant potential energy savings can be made in the member states. Besides the timely complete implementation, performance monitoring will play an increasingly important part in determining actual utilisation of the potential determined at a national and local level. The EU should assess whether the member states can be supported appropriately in the necessary expansion of implementation monitoring – e.g. fulfilling the requirements for new and refurbished buildings – e.g. with EU funds or provision of forums for dialogue to share effective approaches.

Expansion and development of existing market instruments.

The existing directives offer a comprehensive legal framework at a EU level. The existing approaches of the EU directives must now be implemented consistently at a national level, and the existing approaches must be reviewed in terms of their effects, optimised and implemented at a broader level.

geea's approaches:

- **Promoting the energy performance certificate:** Regulatory policies must establish a demand-oriented energy performance certificate as a reliable instrument for tenants, buyers and lessees. Only a high-quality energy performance certificate offers structured information on the costs and profitability of energy refurbishment measures. Many member states have al-

³ Relative to forecasts from 2007

ready introduced energy demand certificates exclusively.

With the pending evaluation and review of the current Energy Performance of Buildings Directive (EPBD), the previous requirements are to be developed and the introduction of energy demand certificates in all member states and their development as a supplementary instrument to energy consultation is to be accelerated.

- **Energy consulting quality campaign:** Qualified energy consultants will be increasingly important on the way to a climate-neutral building stock. Only a qualified, comprehensive and independent energy consultation can assess a building as a holistic system and give the owners in-depth answers on which refurbishment measures make technical and economic sense for the building in question. The EED already requires the member states to introduce minimum criteria for energy audits. They must be developed further for the building sector and independent processes must be embedded. **The geea is in favour of introducing standardised, quality-assured energy consulting** for existing residential buildings in the member states **as part of an EPBD amendment**. The respective national standards should contain clear **performance and process descriptions** to create a multi-phase energy consultation. For example, this can comprise a) an **introductory consultation** (e.g. based on the energy demand certificate) and b) a **comprehensive consultation** with detailed planning of a full energy optimisation (e.g. refurbishment planning).

- **Expanding good and best practice:**

- Existing examples of energy-efficient buildings should be publicised better, to highlight the concepts implemented, trigger bandwagon effects and simplify access to the complex topic of energy-efficient construction and refurbishment for consumers.
- In addition to this, experience with innovative technology approaches should be used to a greater extent, to initiate necessary adaptations in other nations and accelerate the spread of tried and tested innovative approaches.

geea proposes introducing central best-practice databases in the member states, and, in the long term, EU-wide as part of an EPBD amendment, to make it easier to find good local examples and strengthen the networks of the stakeholders involved.

Securing, consolidating and simplifying subsidy and incentive systems.

Tapping energy efficiency potential often requires substantial investments. Attractive subsidies are necessary to trigger a sufficient volume of these investments. In many cases, especially in the building sector, investments involve a long planning period and thus require secure investment conditions.

geea's approaches:

- Attractive, secure and varied subsidy incentives are required to bring about the necessary investments in energy refurbishment at a sufficiently high level. That is why geea considers long-term, reliable guarantees for all subsidies necessary to ensure investment security. That applies for funds at an EU level, but in particular also at a member state level.
- In addition, a balanced mix and dovetailing of various subsidy approaches – e.g. grants, loans and tax reliefs – is essential to motivate refurbishment decisions with the right subsidy options for the addressee.

geea proposes presenting long-term plans of the member states on the scope and options of the subsidy approaches reliably as part of a national energy efficiency strategy, to permit a positive and stable market development. For example, this could be implemented as part of the National Energy Efficiency Action Plans (NEEAP).