



Climate Action Network (CAN) Europe is Europe's leading NGO coalition fighting dangerous climate change. With over 170 member organisations from 38 European countries, representing over 1.500 NGOs and more than 47 million citizens, CAN Europe promotes sustainable climate, energy and development policies throughout Europe.

Inception impact assessment – Revision of the Energy Performance of Buildings Directive

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To be in line with the Paris Agreement's goal, the EU should reduce greenhouse gas emissions by 65% by 2030. This requires higher binding energy targets (at least 45% for energy efficiency and 50% for renewable energy) and to at least triple the current annual rate of energy renovations, increasing significantly their depth and moving towards a fully renewables-based energy supply. Hence, CAN Europe supports a broader revision of the EPBD, going beyond the limited scope of Option 3 and aiming at the full transformation of the building sector.

Still based on the outdated 2050 goal of reducing emissions by 80-95%, the EPBD's current provision on the Long-Term Renovation Strategies needs to be strengthened and aligned with the climate neutrality objective. Setting future-proof strategies while addressing the shortcomings of the current plans is a prerequisite to ensure that the building sector contributes to the bloc's decarbonisation efforts.

Reducing buildings' energy demand is a priority and a low-hanging fruit to achieve the climate targets. To this end, mandatory minimum energy performance standards (MEPS) are key to phase-out the worst performing buildings, bringing them to high performance levels, while tackling one of the root causes of energy poverty. MEPS should sit in a target-based framework that defines and prioritises deep renovations. They should aim at covering the whole stock, including the residential sector, through a progressive implementation that factors in the needs of the different segments and provides adequate funding and financial support. This also requires the revision of the cost-optimality approach in order to take into account the multiple environmental, economic and social benefits linked to energy efficiency.

To ensure consistent monitoring and comparability of results, Energy Performance Certificates should be better harmonised and accessible. The information displayed should always include the share of energy from renewable sources, coupled with recommendations on the measures needed to achieve deep renovation (e.g. Building Renovation Passports).

Increasing rate and depth of renovations, in line with the energy efficiency first principle, should be complemented by the shift towards 100% RES supply, in coherence with the REDII revision. New buildings' requirements should prevent future lock-ins by banning new fossil installations, while progressively phase-out inefficient and fossil-fuel based heating systems from existing buildings. These should be replaced by alternative RES, such as renewable electricity that powers electric heat pumps and solar thermal heat. Buildings can also be connected to renewable district heating networks. This should be combined with halting any kind of support to fossil fuel infrastructure.

Strengthened regulatory measures must be embedded in an enabling framework that addresses also the non-regulatory barriers to energy renovation and the possible distributional impacts, aiming at reducing upfront costs, raising public awareness, fostering the upskilling of the construction sector and providing public support to the most vulnerable households. Provisions on advisory tools such as one-stop-shops should be strengthened to encourage their roll-out at national and local level, while public authorities should be supported through technical assistance in building capacity to scale up projects and develop integrated renovation programmes, coupling energy efficiency and RES deployment.

Finally, this revision should fit within the proposed Strategy for a Sustainable Built Environment, as it presents the opportunity to improve the buildings' overall sustainability by introducing a whole life cycle approach in the relevant EPBD provisions. This entails addressing embodied energy through the inclusion of circularity principles that prioritise material recovery and recycling in construction and renovation activities, promoting nature-based and low-carbon materials.