

EHI's position on the legislative proposal to review the Energy Performance of Buildings Directive (EPBD)

This paper presents the views of the European Heating Industry on the proposal to review the Energy Performance of Buildings Directive, published in December 2021 to integrate the Fit for 55 package.

The [European Heating Industry, EHI](#), welcomes the revision of the Energy Performance of Buildings Directive (EPBD), announced by the Renovation Wave and representing a key step to achieve the objectives of the EU Green Deal.

The Directive recast represents a unique occasion to ensure buildings actively contribute to higher energy efficiency and emissions reductions, in line with **goal of the Climate Target Plan to lower buildings' emissions by 60% by 2030** (compared to 2015 levels). As European Heating Industry, we have been calling for **this target to be explicitly enshrined into the EPBD**, to establish a clear obligation for Member States in relation to buildings' decarbonisation, while leaving enough flexibility in the choice of the most appropriate options and measures at national, local, and even at single building level.

While we welcome the increased ambition of the Directive and its focus on existing buildings – the vast majority of the building stock; we are nevertheless concerned by some of the proposed provisions, which we believe need to be further improved:

- 1. First, the current proposal should better address the 'heating dimension' of buildings and the urgency to accelerate the modernisation of the heating stock.** Buildings are responsible for 40% of energy consumption and 36% of greenhouse gas emissions in the EU. At the same time, space and water heating account for almost 80% of energy use in residential buildings, where about 60% of heaters today are old and inefficient, largely based on fossil fuels. This clearly shows how urgent it is to accelerate the installation of efficient heating technologies and to parallelly switch to renewable and decarbonised energies, as a prerequisite to decarbonise the building stock and significantly reduce households' energy bills.

Yet, the replacement of old and inefficient heaters is extremely low, stagnating at around 4% per year. If the EPBD wants to deliver on the decarbonisation of heating (and cooling), one of the pillars of the Renovation Wave, it necessarily needs to **push for higher replacement rates, of at least 6% per year, and support the installation of modern heating appliances in buildings**. This should be reflected in all relevant EPBD provisions: from National Building Renovation Plans – which should include data on the heating stock and specific measures to support replacement, as well as possible targets, to the new or revised requirements for buildings, such as Minimum Energy Performance Standards (MEPS) and Energy Performance Certificates (EPCs), which should consider or require such replacement, whenever relevant. The same applies to inspections of technical building systems, that should also tackle residential heating to raise awareness about the (in)efficiency of their installed appliances among building owners/tenants, and also to Building Renovation Passports for staged-deep renovations.

- 2. Second, the proposal needs also to address buildings' decarbonisation within a 'system perspective'.** Buildings are not stand-alone entities but part of a broader energy system. While it is positive to promote on-site production and use of renewable energy and the deployment of

local renewable resources, **the use of renewable and decarbonised energy supplied via the energy networks in efficient heating systems should be equally promoted.** For example: renewable electricity use in heat pumps, or biomethane and renewable hydrogen use in efficient gas appliances (e.g.: condensing technologies, hybrid heaters, thermally-driven heat pumps or micro-cogeneration units like fuel cells). This would help balance renewable self-production, while ensuring broader decarbonisation of the energy grids and providing for more options for the uptake green energy in buildings, in line with a **multi-technology and multi-vector approach to decarbonisation.** This is essential to reflect the diversity of the building stock across Europe, of energy systems and of building owners/users' preferences and possibilities.

- 3. Third, incentives should be available for all technologies supporting buildings' decarbonisation.** The current Art. 15 proposes to remove incentives for the installation of boilers powered by fossil fuels from 2027. Yet, while accelerating fuel switching in buildings is essential, all technologies ready to use renewable and decarbonised energy should be able to contribute to buildings' decarbonisation, including boilers. It is indeed critical to distinguish between technologies and the fuels they use: boilers on the market today can already use 100% renewables (biomethane) and variable shares of hydrogen (which will reach 100% by the end of the decade). As these technologies can represent a valuable option to move away from fossil fuels and to cut our energy dependence, **it is essential that technologies ready for renewable and decarbonised energies remain eligible for incentives. The latter should also be fully available for boilers that work in combination with renewable-based technologies and support the increasing uptake of renewable energy, such as hybrid heaters and solar thermal systems.**
- 4. Fourth, new requirements for data exchange should be proportionate, especially regarding access to data by third parties.** It is important to grant and facilitate access to data to those that actually produce them (i.e.: owners and tenants of buildings). However, it is also essential that access to these data by third parties is regulated and made conditional to the explicit consent of building owners and tenants. It is important to note that currently third parties are not well defined in the Directive.

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