

FIEC is the European Construction Industry Federation, which through its 32 national member associations in 27 countries (24 EU countries, Norway, Switzerland, and Ukraine) represents construction companies of all sizes, i.e., small, and medium-sized enterprises and "global players", carrying out all forms of building and civil engineering activities.



FIEC REACTION

to the vote in the Committee on Industry, Research and Energy (ITRE) on its position on the proposal for a recast Energy Performance of Buildings Directive

14/02/2023

On Thursday, 09 February 2023, the European Parliament's Committee on Industry, Research and Energy (ITRE) adopted its position on the Commission's 2021 proposal for a recast Energy Performance of Buildings Directive (EPBD). The vote will be confirmed in March by the Plenary of the European Parliament, which will pave the way to start negotiations with the Council and the Commission.

FIEC welcomes the intention of the Parliament to set clear incentives for renovations of energy inefficient buildings across Europe. Since the proposal's publication in December 2021, FIEC has been advocating for an **ambitious EPBD that focusses on improving the energy performance** of the EU's building stock.

In 2021, renovations accounted for **27.3 % of the main activities** of the companies that FIEC member federations represent – followed by new housebuilding (21,9%) and only topped by the construction of non-residential buildings (31,3%).

Therefore, FIEC is convinced that an ambitious EPBD will, first and foremost, be a **business opportunity** for the European construction industry and thinks that the Minimum Energy Performance Standards (MEPS) can **trigger large investments** in the sector.

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FIEC's key messages to EU stakeholders for the "trialogues"

FIEC reiterates its position from March 2022 that the EPBD should not become a "catch-all" legislative instrument for all types of measures but be a targeted directive focusing on decarbonising buildings. In particular, the provisions on technical building and smart metering systems could become major cost drivers in many renovation projects, create a real disincentive for renovating buildings, and also affect the financial accessibility to housing, especially for vulnerable households. It also believes that the newly introduced concepts of "secondary materials", "circularity", "sufficiency", or "bill of materials" distract from the EPBD's essentials.

FIEC believes that it will be critical in the "trialogues" to:

1. **refocus** the directive's scope on the energy performance of buildings;



2. **strike the right balance** between setting the right incentives for Member States to renovate their – often inefficient – building stock and **granting them enough flexibility** in defining their own path towards the EU’s CO2 emission reduction objectives;
3. **ensure** that the deadlines for reaching the new **zero-emission building (ZEB)** standard are realistic, and ensure that the Minimum Energy Performance Standards (MEPS) can be achieved across the EU;
4. while also ensuring that the implementation of the EPBD is backed up with **adequate financial and targeted support** and by **sufficient EU funding**, always bearing in mind that renovation and construction costs are already high and that the availability of skilled workforce is limited.

2 In the ITRE position, FIEC particularly welcomes...

- The “neighbourhood approach” which has been introduced in a new article 3a (“Integrated district approach to building renovation”).
- The possibility to adjust the MEPS in a limited share of buildings covered by the requirements, upon a request by a Member State, and the possibility to exempt monuments and buildings protected for their architectural or historical merit.
- New requirements for Member States to reduce energy poverty and support in-need and at-risk households, e.g., through grants and renovation passports that are financially supported as part of national renovation programmes.
- New provisions for Member States to provide appropriate financial support frameworks to comply with the MEPS, including the establishment of an “Energy Performance Renovation Fund” and the possibility for the Commission to put forward legislative proposals to propose additional Union financial instruments.
- The flexibility granted for the deployment of solar energy installations and the proposed ban on the use of fossil fuels in heating systems by 2035.
- New provisions aiming at harmonising energy performance certificates (EPCs) and the new article 15 a) that enshrines the concept of free-of-charge One-stop-shops into the EPBD.
- Article 23 on the certification of building professionals, which now stipulates that Member States shall also ensure the appropriate level of competence for construction companies.

Art. 3 para. 1, Art. 6 para. 2a), Art. 7 para. 4 point (e a) and Art. 15 on “Financial incentives, skills and market barriers” are particularly noteworthy given the lack of skilled workforce in the sector, the lack of certain building materials used in renovations and of the volatility of building material and energy prices.

3 However, FIEC is concerned that...

- If adopted, the ever-tighter deadlines for reaching the new zero-emission building (ZEB) standard will be technically – and above all – economically



difficult to meet given the already high costs for construction and renovation activities in the EU. More ambitious deadlines need to be realistic in view of long-term planning and construction permitting. In addition, FIEC believes that the current urgent need for affordable housing in many EU countries cannot be disregarded. This urgent need makes it more than ever imperative for energy efficiency policies to factor in the impact of specific measures on the affordability of housing.

- The proposed definition for “zero-emission building” one-sidedly focuses on energy from renewable sources instead of giving more prominence to the need for a fossil-free energy mix for a successful climate transition.
- The ever-stricter Minimum energy performance standards (MEPS) for public, non-residential and residential buildings will not be met by all Member States, given the highly disparate situation between Southern, Western, Northern and Eastern European countries regarding their building stock’s energy performance, and considering that Member States would only have two years to comply with the rules from the date of entry into force of the EPBD.
- Reviewing the recast EPBD already in 2027 is too early and would not increase planning security for Member States and companies.
- ..., while not putting into question the need to get a better overview of a building’s energy performance throughout the whole life cycle, the new provisions on the calculation of the life-cycle Global Warming Potential (GWP) will only add limited value to the improvement of the building stock’s energy performances if there is no EU-wide consensus on how to calculate and compare the data related to the life-cycle GWP. The proposed timetable is too ambitious considering these open questions and unresolved uncertainties related to the calculation of the GWP. FIEC also insists that the process of developing the harmonised framework must be an inclusive stakeholder process.

Background

According to the ITRE position, Member States would, for example, have to ensure that new buildings are zero-emission buildings from 2026 for new public buildings and from 2028 for all other building types (compared to 2027 and 2030 in the Commission’s proposal and 2028 and 2030 in the Council’s General Approach).

In addition, Member States would have to ensure that the life-cycle Global Warming Potential (GWP) is calculated and disclosed through the energy performance certificate (EPC) from 2027 for all new buildings and according to a harmonised framework to be set out by the Commission in a “delegated act”.

Member States would also have to publish roadmaps detailing the introduction of limit values on the total cumulative life cycle GWP of all new buildings no later than 2027. For existing buildings, the life cycle GWP of building parts and units undergoing major renovation would also have to be calculated.



Most importantly, the position foresees strengthening the ambition of Art. 9 on Minimum Energy Performance Standards (MEPS). Member States would be required to ensure that public and private non-residential buildings achieve at least energy performance class E by 2027 and D by 2030. Residential buildings would at least have to meet the requirements of class E by 2030 and D by 2033.

Member States would have the possibility to exempt publicly owned social housing, monuments, and other historical buildings from their obligations to reach the abovementioned classes. Moreover, the Commission could allow EU countries to adjust the MEPS for residential buildings and building units, for specific parts, of their building stock. However, this adjustment would only apply to a maximum of 22% of the buildings of the total residential building stock of a country and could not apply after 2036.

The position also introduces obligations for Member States to deploy solar energy installations “*if technically suitable and economically feasible*” on all new buildings by 2028, and new provisions on technical building systems.

