**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.

# RECAST OF THE EPBD

# FIEC POSITION PAPER

# 31/03/2022

## 1 Introductory remarks

FIEC supports the revision of the Energy Performance of Buildings Directive (EPBD) and considers the Directive as an essential part of the legislative toolbox to achieve a zero-emission building stock by 2050 and to reduce $CO_2$ emissions in the EU. This being said, the Directive cannot be a catch all instrument to decarbonise construction and buildings. In contrast, the EPBD should be a lean and targeted measure to address energy efficiency of buildings. The decarbonisation of the built environment can only be seen in conjunction with energy legislation and existing cross-sectoral legislation concerning the construction value chain. Overall, we therefore welcome the focus of the Directive on the energy performance and the operational $CO_2$ emissions of buildings. We broadly support the proposal from the European Commission, but have a number of suggestions to ensure the effectiveness of the future EPBD.

**KEY MESSAGES**

1. **A zero-emission building stock can only be achieved through a system-approach based on energy-efficiency at building level in conjunction with the decarbonisation of energy supply**
2. **Decarbonising the use phase of new and existing buildings requires different, pragmatic approaches and objectives**
3. **Life-cycle assessments are useful tools for project-specific guidance and complement existing legislation already addressing embodied carbon**
4. **Applying the principle of cost-efficiency and rolling out financial incentives are indispensable to ensure affordability**

## I. A pragmatic system-approach to decarbonise the building stock

Aiming high for new buildings

The EPBD sets out that all new buildings must be zero-emission buildings by 2030. FIEC supports the level of ambition considering that new buildings can achieve higher levels of energy efficiency than existing buildings. While we support harmonised and ambitious energy performance from the outset, the proposed repartition of countries and climate zones is questionable as there can be substantially different conditions even within the same country. Member States should therefore have certain flexibility to define the requirements according to regional conditions.

Moreover, it is crucial to take an approach focussing on the building stock instead of focussing on individual buildings. We therefore advocate for taking a more flexible, technology-neutral approach when it comes to the source of energy for buildings. Member States should have room for manoeuvre to take into account different national energy mixes and infrastructures. It is not important where

the energy is produced or sourced from, provided that it is decarbonised. This can be achieved at the level of an individual building, but also through portfolio approaches.

Against this background, the construction of new buildings should be guided by the following two main principles:

- very low energy consumption at cost-optimal levels according to regional climate conditions
- sourcing decarbonised energy (independent from the source)



Pragmatism for renovating existing buildings

We naturally support the energy efficiency first principle, but this cannot come at any price, especially for existing buildings. While there is an economic rationale to improve the energy performance to a certain extent, existing buildings cannot technically - but also do not have to - achieve the same levels of energy performance as new buildings for the building stock to be decarbonised by 2050. We therefore support that zero-emission building requirements only apply to new buildings. The decarbonisation of existing buildings should follow a system-approach which is based on construction and technical measures in conjunction with the decarbonisation of the energy sector. This will ensure cost-optimal investments.

As a consequence, for existing buildings, the main target of each renovation should be:

- to increase energy efficiency in a cost-optimal way to the extent possible
- to prepare the building for being decarbonised by 2050

In order to achieve quick gains in the short term, we support the worst-performing buildings being the main target group. This is where improvements would have the largest effects on the overall energy consumption of the building stock.

Looking towards 2050, transforming a building from class G to C is no guarantee for zero-emissions. Instead of focussing on energy performance classes only, Member States should aim at transforming existing buildings into buildings which consume as little energy as possible and which can source decarbonised energy by 2050 at the latest. This can result in a major renovation or smaller measures – depending on the technical and economic feasibility. In any case, all types of renovation measures contributing to the decarbonisation of the building stock should be incentivised financially. Importantly, Member States should take a system-approach to the building stock and not only focus on individual buildings.

Ensure planning security

FIEC emphasises that the high frequency of changes to performance requirements poses practical problems as the market does not have sufficient time to adapt. This can result in the limited availability of products meeting performance requirements. Legal modifications must therefore be reliable and allow for long-term planning. We therefore advocate for a sufficient time lag between the national transposition and the entry into force of requirements on the one hand, and reconsidering the review date of the Directive on the other. It is unclear why it is envisaged to review the Directive in 2027 when important requirements only enter into force years after.

### II. Whole-life carbon approach as project-specific guidance

FIEC supports the introduction of whole-life carbon reporting for new buildings from 2027, 2030 respectively. We consider lifecycle assessments (LCAs) as project-specific supporting tools which allow for comparing different options, taking informed decisions and raising awareness. The mere conduct of LCAs can therefore be beneficial and supplement existing legislation.

However, we want to stress that we reject any obligation stemming from EU legislation of introducing $CO_2$ thresholds for different building types. It must not be forgotten that embodied carbon is already regulated to a large extent through a bottom-up approach which is decarbonising the construction value chain:

- main construction materials are covered by the ETS and CBAM
- fuels used for construction companies' vehicle fleet (cars, vans and trucks) are expected to fall under the scope of the ETS and the Energy Taxation Directive; and are subject to emission thresholds
- fuels for construction machinery are expected to fall under the scope of the ETS and the Energy Taxation Directive

In any case, potential embodied carbon thresholds would have to prove their accuracy, reliability and added value compared to existing legislation before being introduced.

### III. Installation of technical equipment to be result-oriented

Prescribing the technical equipment of a building from the outset can be counter effective. Provisions for the energy performance of buildings should aim at the final result, ensure technology neutrality and cost-optimal levels. In terms of longevity and robustness, technical equipment can easily become a weakness within a building system and increase costs unnecessarily.

### IV. Energy Performance Certificates as anchor for information

The EPBD contains provisions for three types of documents. The Energy Performance Certificate, the Renovation Roadmap and the Smart Readiness Indicator. It is important to regard these as one (digital) document containing mandatory (i.e. the EPC) and voluntary parts (RR and SRI). In this regard, we support that the SRI remains voluntary. The database foreseen by the European Commission should host all three documents for one building if applicable.

### V. Holistic approach to new buildings and renovation

FIEC supports the holistic approach taken with regards to new buildings and renovations asking Member States to take into account aspects such as climate change adaptation or indoor air conditions given the interlinkages between the latter and energy efficiency. Still, such provisions must, as proposed by the European Commission, remain at a general level and the detailed implementation be left to Member States and concerned stakeholders.

Moreover, FIEC fully agrees that buildings have an essential role to play in providing the necessary charging infrastructure for vehicles and thereby enabling the decarbonisation of transport. We are convinced that effective decarbonisation requires a horizontal approach. We therefore support an ambitious approach provided that cost-efficiency is guaranteed.