

ENERGY PERFORMANCE OF BUILDINGS DIRECTIVE: FIEC WELCOMES INCENTIVES FOR INVESTMENTS IN RENOVATIONS BUT WARNS OF CONSEQUENCES OF EVER STRICTER IMPLEMENTATION DEADLINES

On 9 February 2023, the European Parliament’s Committee on Industry, Research and Energy (ITRE) adopted its position on the Commission’s proposal for a recast Energy Performance of Buildings Directive (EPBD) ([a detailed reaction to the ITRE position can be found at this link](#)).

FIEC welcomes the intention of the Parliament to set strong incentives for renovations of energy inefficient buildings across Europe and is convinced that an ambitious EPBD is, first and foremost, a **business opportunity** for the European construction industry and will trigger **large investments** in the sector.

It particularly welcomes the “**neighbourhood approach**” which has been introduced in a new article 3a. The possibility to exclude monuments, buildings protected for their special architectural or historical merit, or public social housing from the **Minimum Energy Performance Standards (MEPS)**, alongside the possibility to adjust the MEPS in a limited share of buildings covered by the new rules, is particularly noteworthy. Overall, almost a quarter of buildings in the EU could temporarily remain exempt from the renovation obligations. FIEC believes that this possibility can provide **relief to countries** with an older and inefficient building stock.

Moreover, FIEC welcomes the proposed provisions for Member States to provide **appropriate financial support frameworks** and **social safeguards** to comply with the MEPS, the new proposed requirements to provide legal and technical assistance for homeowners through free-of-charge **One-stop-shops**, and the proposed ban on fossil fuels in heating systems by 2035.

However, FIEC is concerned that the **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. FIEC fears that these deadlines, if adopted, could further exacerbate the problem of **non-affordability of housing** in Member States.

It also fears that, if adopted, the proposed Minimum Energy Performance Standards 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.

"If adopted, the ever-tighter deadlines for new zero-emission buildings and the requirements for upgrading existing buildings could be unachievable in some Member States and further drive-up renovation and construction costs, thereby acting as a disincentive to necessary investments in energy efficiency of buildings in the EU", **Stephanos Pierides, chairman of FIEC's sub-commission on Environmental Affairs**, says. *"These requirements could mean a huge blow to the success of the Renovation Wave and, in the end, would be a disservice to climate protection".*

FIEC also stresses that the implementation of the EPBD must be backed by **adequate financial support** and **sufficient EU funding**. In this regard, it welcomes the *"Energy Performance Renovation Fund"* proposed by the Parliament.

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).

Most importantly, the position foresees strengthening the EU's ambitions regarding the **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 (compared to F and E in the Commission's text). Residential buildings should at least meet the requirements of class E by 2030 and D by 2033.

However, publicly owned social housing could be exempt from the MEPS, and the Commission could allow Member States to **adjust** the MEPS for residential buildings and building units, for specific parts, of their building stock. This adjustment would 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 ITRE position also introduces **new definitions** and concepts - such as "nature-based solutions" to be used in renovations, "circularity", "sufficiency" or "secondary materials" – that would make the EPBD a "catch-all" instrument for all types of measures and distract from the essentials: Improving the energy performance of the EU's building stock.

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