Promoting EnP market development
Main elements of the energy efficiency legislation revision
Financing energy efficiency

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“Fit for 55” legislative package

- Social Climate Fund
- Emissions trading for road transport and buildings
- EU Emissions Trading System for power, industry, maritime & aviation
- Land Use, Land Use Change, and Forestry Regulation
- Effort Sharing Regulation
- CO2 emissions standards for cars and vans
- ReFuelEU Aviation Initiative
- Renewable Energy Directive
- FuelEU Maritime Initiative
- Energy Efficiency Directive
- Reducing Methane Emissions
- Carbon Border Adjustment Mechanism
- Energy Taxation Directive
- ReFuelEU Aviation Initiative
- EU Forest Strategy
- CO2 emissions standards for cars and vans
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European Commission
Reach independence from energy imports from Russia, through diversification of supply, accelerate renewable deployment and energy efficiency.
REPowerEU: Joint European action for more affordable, secure and sustainable energy

• REPowerEU Communication
• EU Save Energy Communication

**Solar: proposed amendments to EPBD**

1. New buildings: solar *readiness* a must
2. MSs shall ensure the *deployment* of solar energy installation

**Heat pumps: doubling of rate of installation identified, together with progressive phase-out of fossil-fuel-based appliances**
Main elements of the EED revision

- Binding EU **energy efficiency target** & indicative national contributions: 9% (13% REPowerEU)

- ‘**Energy Efficiency First’ Principle** – making it an integral part of policy and investment decisions

- Strengthened **energy savings obligation** in end-use (2%) with an increased focus on alleviating energy poverty

- Stronger exemplary role of **public sector** including **public buildings renovation** (3%/y of useful floor area in all public administration levels)

- **New definition of efficient district heating and cooling**
Exemplary role of public sector: Articles 5, 6, 7

Obligation of annual **reduction of energy consumption** of 1.7% in public sector (MS to select public bodies)

Annual **renovation** of 3% of useful floor area of public buildings above 250 m²
- Applicable to all public administration levels
- Alternative approach removed

Take into account energy efficiency requirements and focus on EE1st in **public procurement** for all public administration levels
Public buildings and Energy Performance Contracts

Article 6:
3% renovation target applies:
- to all building owned by public bodies and not only to central government buildings
- to be transformed to nearly zero-energy buildings

Article 7:
In public procurement the contracting authorities shall assess the feasibility of long-term EnPCs for contracts with significant energy content. Moreover, Member States shall establish provisions and practices in public procurement to facilitate using energy performance contracting and third-party financing in energy efficiency investments.
Definition of efficient district heating and cooling

Current definition: at least 50% RES, 50% waste heat, 75% cogenerated heat OR their combination where those sources provide half of the heat

- **until 2025**: at least 50% RES, 50% waste heat, 75% of heat from high-efficiency cogeneration or at least combination of such thermal energy where RES is at least 5% and the total share of RES, waste heat or high-efficiency cogenerated heat is at least 50%

- **from 2026**: at least 50% RES, 50% waste heat, 80% of heat from high-efficiency cogeneration or at least combination of such thermal energy where RES is at least 5% and the total share of RES, waste heat or high-efficiency cogenerated heat is at least 50%

- **from 2035**: at least 50% RES and waste heat (where RES is at least 20%)

- **from 2045**: at least 75% RES and waste heat (where RES is at least 40%)

- **from 2050**: only RES and waste heat (where RES is at least 60%)
Member States shall promote:
- energy services contracts and closures;
- dedicated financial instruments,
- certified and qualified energy services providers (new),
- monitoring and verification methodologies (new)

Member States shall support energy service market by:
providing information, removing barriers, promoting advisory services and market intermediaries like one-stop-shops (new)

Member States encourage: quality labels based on European and international standards
Encouraging public bodies to use energy performance contracting for renovations of large buildings and to combine energy performance contracting with demand response and storage.

For renovations of large non-residential buildings (above 1000 m²): public bodies will have to assess feasibility of using an EnPC.

Increased role of advisory bodies, independent market intermediaries, one stop shops.
Main provisions on existing buildings in EPBD proposal

Minimum Energy Performance Standards:

- Union-wide MEPS to phase out worst-performing buildings
  - Public and other non-residential buildings: at least EPC class F by 2027 & EPC class E by 2030
  - Residential buildings: at least EPC class F by 2030 & EPC class E by 2033
- MS to set up timelines for further improvement of their building stock in their building renovation plans

National Building Renovation Plans (replacing the long-term renovation strategies)

- Common template with only national goals and key mandatory indicator, several elements opening to other dimensions beyond energy remain voluntary (accessibility, safety,..)

Definition of „deep renovation“

- Strengthened requirements for recharging of e-vehicles in case of major renovation
- Stronger provisions on the removal of obstacles and barriers to renovation (right to renovate)
- Member States must not subsidise fossil-fuel boilers as of 2027.
Main provisions on new buildings in EPBD proposal

From Nearly zero energy to zero emission buildings

• Update based on benchmarks per climatic zones, to be applied by 2030 (2027 for public buildings)
• On-site renewables, efficient district heating and energy communities

The life-cycle Global Warming Potential (GWP) of new buildings will have to be calculated as of 2030 in accordance with the Level(s) framework, informing on whole life-cycle carbon emissions (2027 for large buildings)

Strengthened requirements for recharging of e-vehicles, and mandatory bicycle parking in new buildings
Finance for energy efficiency

Investment needs

- **FF55 package** estimate an additional annual investment need to achieve 2030 energy efficiency targets at around 150€bn.

- **REPowerEU**: additional 300€bn investments from now until 2030 (210€bn the end of 2027) to phase-out dependence on Russian fuels.

- **REPowerEU**: specifically 56€bn additional investments in energy efficiency and heat pumps, plus solar rooftop initiative.

- In total: 1150€bn by 2027 and 1400€bn by 2030 on energy efficiency/demand-side investments.

Financial resources

- Out of the total 1.800€bn (NGEU + MFF 2021-2027), more than 30% of these resources, around 626€bn, earmarked to deliver the climate goals of the European Green Deal.

- While there is no specific earmarking for energy efficiency, EU-budget support (MFF, RRF, ETS revenues) for energy efficiency could be estimated around 120 to 150€bn.

- National financial support vary significantly across Member States, in total (all MS) we can expect 100€bn.

- **KEY**: Cost-efficient use of public funding for private capital mobilisation

EU-funding landscape

- **Direct investments**: Recovery and Resilience Facility (EEF), Cohesion Policy Funds (ERDF/CF), Just Transition Fund (JTF), ETS Revenues, Modernisation Fund.

- **Leverage private capitals, project development assistance and advisory**: InvestEU, ELENA Facility, Technical Support Instrument (TSI).

- **Market uptake, policy enhancement activities, technological development, research and innovation**: Horizon Europe, Built4People Partnership, LIFE Clean Energy Transition, Innovation Fund.
Thank you

Fit for 55 package: EU economy and society to meet climate ambitions (europa.eu)
Proposal_for_a_directive_on_energy_efficiency_recast.pdf (europa.eu)