



Delivering on the European  
Green Deal and Fit for 55

Promoting EnP market development

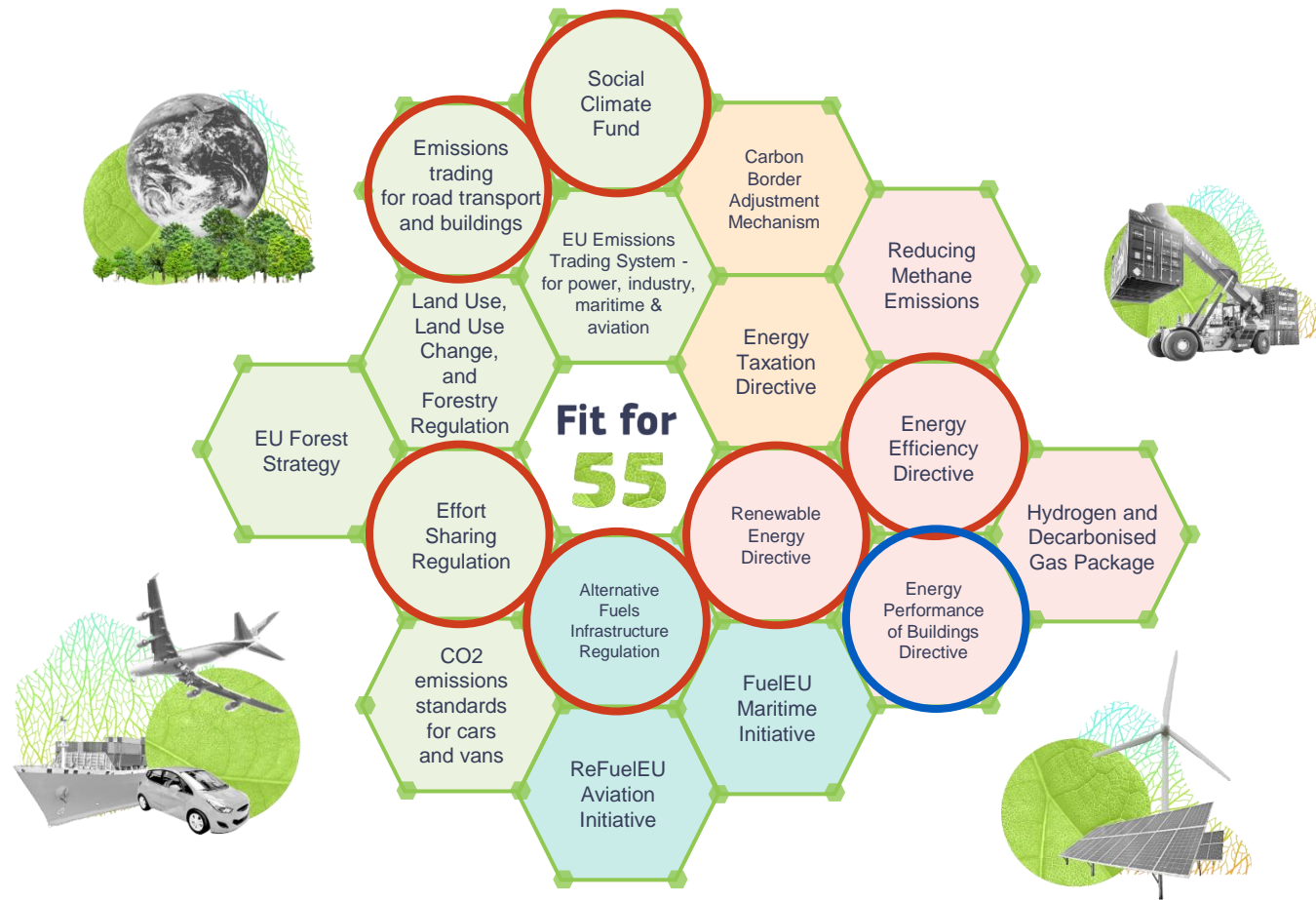
Main elements of the energy efficiency legislation revision

Financing energy efficiency

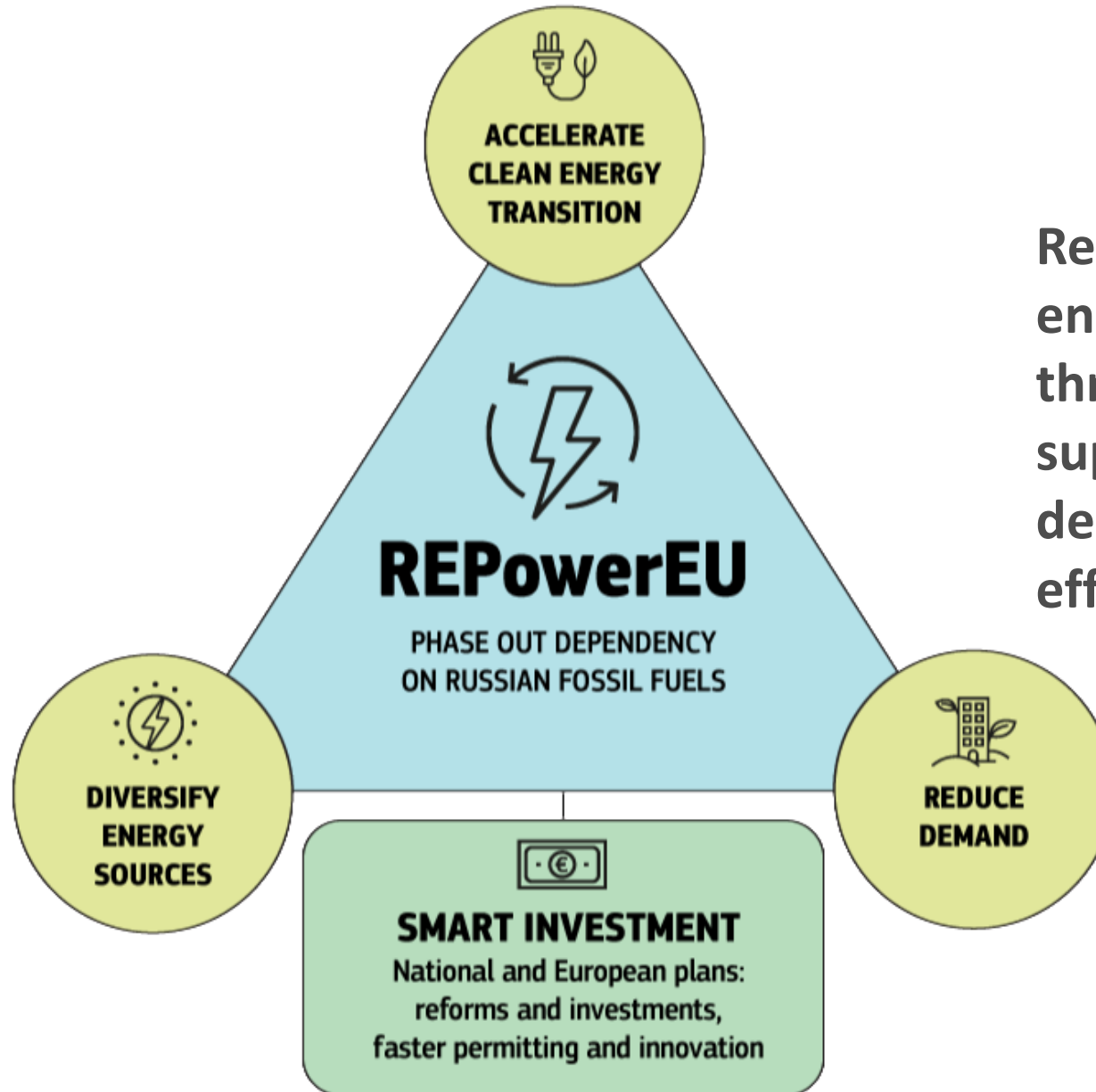
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21 September 2022

# “Fit for 55” legislative package



# REPowerEU Communication



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
- Amendments to Renewable Energy, Energy Performance of Buildings and Energy Efficiency Directives

## **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)

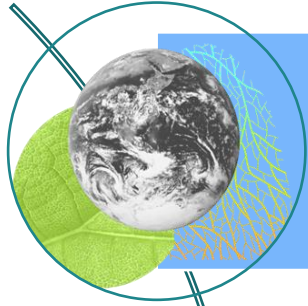
**'Energy Efficiency First' Principle** – making it an integral part of policy and investment decisions

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)

**NEW**



Annual **renovation** of 3% of useful floor area of public buildings above 250 m<sup>2</sup>

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

until  
2025

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

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

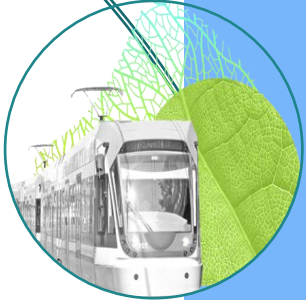
only RES and waste heat (where RES is at least 60%)

Art. 24



# Energy services, Energy Performance Contracting

## Article 18 (EED) and Article 27 (EED recast)

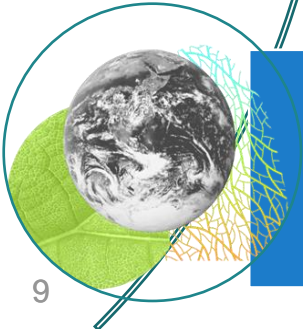


**Member States shall promote :**

- energy services contracts and closures;
- dedicated financial instruments,
- certified and qualified energy services providers (new),
- monitoring and verification methodologies (new)

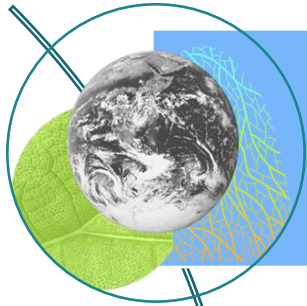


**Member States shall support energy service market by :  
providing information, removing barriers, promoting advisory  
services and market intermediaries like one-stop-shops (new)**



**Member States encourage: quality labels based on European  
and international standards**

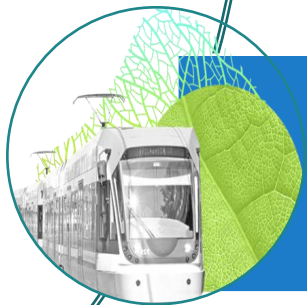
# Energy services (Energy Performance Contracting) – Article 27



Encouraging public bodies to use energy performance contracting for renovations of large buildings and to combine energy performance contracting with demand response and



For renovations of **large non-residential buildings** (above 1000 m<sup>2</sup>): public bodies will have to assess feasibility of using an EnPC



Increased **role of advisory bodies**, independent market intermediaries, one stop s

# 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)

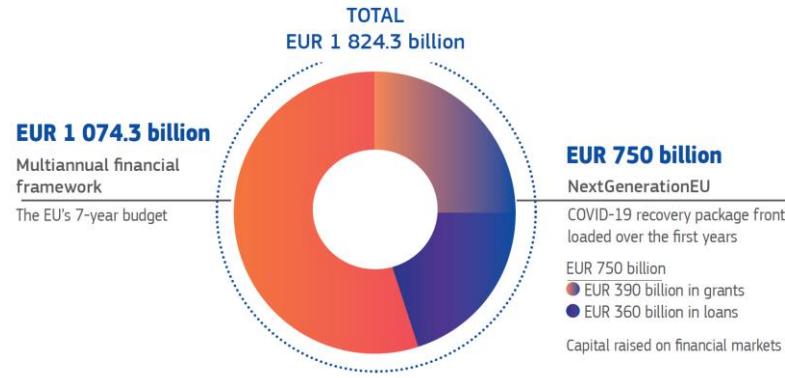
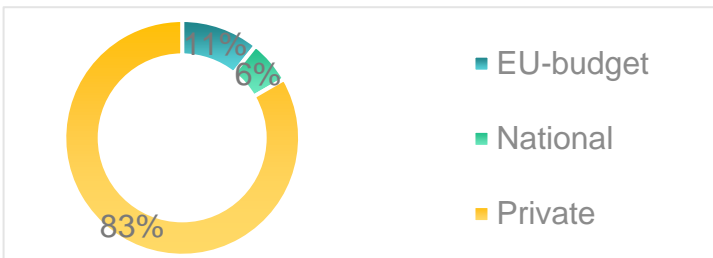
**Strengthened requirements for recharging of e-vehicles, and mandatory bicycle parking in new buildings**



# 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 estimates **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](https://europa.eu))*  
*Proposal for a directive on energy efficiency recast.pdf ([europa.eu](https://europa.eu))*