

English

NOTES FROM THE EPBD WORKSHOP: BEST EUROPEAN PRACTICES

11/07/2023 | Valladolid (Spain)

1. Introduction

- This workshop is organised by different organisations in the sector: [AEICE – Efficient Habitat Cluster](#), [AUS – Arquitectura i Sostenibilitat](#) – Official College of Architects of Catalonia, [Climate Strategy & Partners](#), [ECODES](#), [Eco-Unión](#), [Fundación Conama](#) and [Green Building Council España](#). The conference was the first public event promoted by the [Alliance for a Climate ambitious Spanish Presidency of the European Council](#), in collaboration with the **Spanish Group to promote the EPBD**, coinciding with the informal meeting of the environment and energy council that Celebrate in Valladolid.
- This event builds upon the message that **civil society is key** for reaching the Paris Agreement goals, so it is essential that **CSOs engage and participate in EU discussions**.
- **Energy efficiency is a necessary driver of the ecological transition**. People are affected by energy poverty, and energy prices pikes indicate we need to move away from fossil fuels.
- **Electrification and insulation** in buildings play an important role to provide clean energy, power, heating and cooling to households.
- We need to go **further and faster**, implement the **Green Deal**, deliver our climate goals in the next decades, and create new green quality jobs.

2. Need for an ambitious EPBD

- **An ambitious EPBD is necessary** for Europe and for Spain.
 - The first trilogue in order to reach an agreement has just started. The second trilogue will be on the 31st of August.
 - The Spanish presidency is focusing on the EPBD file and it would be a **good signal of progress on European climate goals if an agreement were signed off in advance of COP 28**.
 - But technical meetings and discussions suggest that it will probably not be finished during the Spanish Presidency, **more likely by March-April 2024**.
- EPBD needs a **special approach for residential buildings** to ensure that no one is left behind and that appropriate legal mechanisms are in place.
 - Different obligations depending on buildings' energy performance.
 - Need to be sensitive to energy poverty and citizens' needs.
 - In Spain there are 10 million natural gas boilers and it will be difficult to replace them all by 2030.
- **Buildings sector situation in Spain:**
 - While in the EU 40% of energy consumed is in buildings, in Spain it is around 30% (lower than most of the European countries).

- It is important to know the exact amount of energy saved with renovation so this can be something standardised, like the energy consumption in the energy bills.
- Spain has an intermediate target in 2030 of 60% of emissions reduction.
- **Common requirements for each country** are not adequate, as conditions are not the same in each country, and also within it, Spain being an example of the latter.
 - Building quality, climate zone and other aspects are key to knowing building's conditions for renovation.
 - The EC proposes one climate zone for Spain but there are many differences between continental, oceanic, mountain and coastal zones. An important part of Spain has a Mediterranean weather where the energy consumption is lower than in all EU member States (except for Malta). Depending on the altitude, we can have around 20 different kinds of weather. It is also important to distinguish obligations within each Member States.
- The Panel concludes about the necessity for an **ambitious EPBD**, with objectives according to **real conditions and climate zones**, and **transparency** regarding the energy savings from building renovation.
 - The **cost-effectiveness** to achieve maximum efficiency related to the costs is important.
 - **Every country needs to assess what is the optimal cost¹**, and citizens need to know if they live in a building with optimal cost for renovations (and therefore, energy savings).
 - There are different considerations regarding buildings' renovations such as accumulated energy, investment needed, potential economic savings.
 - Countries should be given **flexibility** to decide what makes economic sense in terms of **renovation rates** (which have to be different across countries, because efforts are actually different).
 - Some countries (Spain amongst them) struggle with **energy savings measurement** so more efforts are needed on it.

3. Driving large-scale energy renewal

National decarbonisation strategies need to put buildings in the centre. Energy efficiency is a make or break for 2030/2050 climate ambition. Examples and best practices from different EU countries shared throughout the panel:

Germany

- The annual rate of renovation in Germany (above 1,5%) is higher than in Spain (below 1%), still falling short from the 3% deemed necessary to decarbonise the sector in time to meet the climate goals.
- The [Buildings Energy Act](#) is a national law in Germany **with a MEPS feature** that is currently in parliament procedures expected to be finished **by fall 2023**. Highlights of the law:
 - **From 2024**, every **new heating system** is to be operated with **65% renewable energies**. An individual proof or fulfilment option is needed such as simplification by connecting to a heating network, use of an electric heat pump, solar thermal. For existing buildings, heating systems will have more time to run on renewable energies

¹ The EPBD requires that EU countries set cost-optimal minimum energy performance requirements for new buildings, for existing buildings undergoing major renovation, and for the replacement or retrofit of building elements like heating and cooling systems, roofs and walls. Cost-optimal levels are the energy performance level which leads to the lowest cost during the estimated economic life cycle of a building.

- By 2028, municipalities have to determine where heating networks or even climate-neutral gas networks will be expanded. This process will be promoted by a heat planning law with uniform federal requirements.
- By the end of 2044 **every heating system** has to be supplied by **100% renewable energies**.
- Key challenges are the availability of Hydrogen and Heating networks as well as **accompanying measures regarding the promotion and communication** so no false claims are spread.

France

- France is one of the most ambitious countries with regard to renovations as their sector needs to decarbonise faster than others.
- French buildings account for 45% of total energy consumption and **23% of total GHG emissions, including 41% from residential buildings**, with 30 million of primary residences.
- France has set the **objective of reducing 60% of emissions from buildings by 2030**. To meet its objective, it needs to **halve its building energy consumption** by that year.
- During the [Citizen convention for climate](#) organised by the French government, people demanded the necessity for stronger action in building renovation, calling for MEPS.
- France has **different programmes** to foster building renovation:
 - The [MaPrimeRenov](#) programme has allowed 670.000 renovation measures in 2022. It gives access to subsidies but also to advice and knowledge sharing. This program has been effective in multifamily houses as well as in individual ones.
 - The **CEE Scheme** was established in 2006 and requires energy suppliers to participate in energy savings by helping their customers to save energy and it facilitated 41% of the renovation measures taken in 2022.
 - “**One stop shops programme**” (which started in the North of France) combine local support with advice to local building renovation and working in condominium and individual households.
 - [France Renov](#) programme is designed for private households, flats... to facilitate the start of planning for renovation measures and includes a list of accredited installers.
- Regarding **public buildings**, France needs **300 billion €** for renovation of these facilities. Highlighting the 40 billion € needed for **public schools’** renovation.
 - **Energy performance contracting** has been adopted recently, focusing on public buildings, especially schools.
- France has a **MEPS scheme** that gives visibility to all sectors and includes a **calendar for the adoption of measures**:
 - Progressive
 - Bottom-up (articulated around stock characteristics)
 - Starting with worst performing in private rental
- Biggest challenge is to **move from partial to deep renovations** (catching the worst performing, but also the others) and to better target **financial support for households with energy poverty**.
 - 20% of French people are in a situation of energy poverty (5 million households).
 - 37% of French people limit their heating consumption during winter for economic reasons.

- Another challenge is to better **coordinate tools**, programmes, funding, community engagement..., as well as to **raise awareness** among citizens.
- It is better so focus subsidies on those who need them.
- EPBD is a booster, the most important regulatory drive for buildings.
- “Marshall plan” for renovation is needed, with multi-year planning.

Valladolid (Spain)

- Valladolid participated in the **EU programme “R2CITIES”** (2012-18) funded by the European Commission (30%) and complemented by the Valladolid municipality with funds for accessibility improvements such as the installation of an elevator and the removal of barriers at entrance portals.
 - The objective was to reduce 50% energy demand, but finally it reached 61% of energy savings.
 - Building-level solutions (not district level), talking with each community of owners (⅔ of the votes in each block).
 - This project covered the renovation of 15 blocks in the “4 de marzo” district.
 - Some of the measures taken were related to facade retrofitting, change of windows, etc.
 - Natural gas boilers were changed to a condensing boiler with high COP (coefficient of performance).
- The **Remo Urban** programme (under the lighthouse project initiative) involves different city interventions (i.e., electrification of municipal fleets).
- The **CITYFIED** initiative in Laguna del Duero (Valladolid) is a very large-scale demonstration project of around 50 million €.
- These projects were partially **funded by the European Commission**, which covered between **30-40% of the total costs**. The rest of the money was covered by the individual owners with long term contracts arranged with the construction company so it was not a hard cost for the owner.
- Now, there are a lot of initiatives in place at a European level, from different programmes and funds. **Renovation is gaining momentum. Every programme should be accompanied by a financial plan.**
- “Renovation Wave” targets: retrofit 35M buildings by 2030, +160.000 green jobs. We need a clear pathway that lets us design specific actions to reach these big energy and sustainability targets. This is not possible with public funds only; the private (and financial) side is an essential element to reach this.

4. Financing the EU Renovation Wave

- EPBD includes many features that were needed, although it comes a bit late. There is a need for a political mandate, and MEPS are the right one. After the adoption, it’s going to take about 2 years to transpose the directive into national legislation.
- The money is available, but there is a necessity to **involve industry and investors** to channel the investments for completing the EU Renovation Wave.
- Industry and investors should know what’s needed and what’s going to happen, so they can take the necessary steps.
- Policymakers need to promote the **vision**, by establishing MEPS, appropriate milestones and providing certainty so the market can catch up.

- It is key to convince **real estate actors** that MEPS are good for them, that can be easily implemented and compliance is possible. MEPS assure the value of their buildings.
- MEPS have to be developed also with the banks.
- As a complement to MEPS, we need an European instrument to match MEPS and the requirements of EPBD which could adopt the form of a **European Renovation Loan**.
- It is necessary to have more **financial schemes** to scale up the EU Renovation Wave as the technical solutions are already there. Much more investment is needed but the knowledge is already there.
- MEPS are good but not enough to cover the necessity to have more flexibility and new mortgage tools.
- Another challenge is to address **fragmentation** (actors, projects, funds...).
- **Best practice examples** to counter the common barriers that the EU renovation wave has to face:
 - The problem of lack of data was addressed in **Belgium** by a company that created an **online tool** that allows to **guarantee a minimum of 25% of energy savings** in the renovation. If this goal is not achieved the company agrees to pay for 2 times the value of the energy bill for the next 5 years after the renovation ends.
 - **Lithuania** acted against the lack of funds barrier (or perceived lack of funds) by **raising over 1 billion € which allowed the renovation of 90K households with 60% of energy savings** in multifamily buildings.
 - **Poland** is the Member State that has allocated the highest volume for renovation in absolute terms in the EU: 4.4 billion €. It was possible thanks to the **active role of private banks** developing energy efficiency financial instruments and offering low interest loans to housing coalitions.
 - **Spain** is the second largest in the list with 2.2 billion €. The [Spanish law 853/2021](#) allows up to **80% of public subsidies with a 60% of energy reduction from a building renovation project**.
- Regarding **private finance**, sustainable products within each bank should be better differentiated, specially for building renovation.
- Energy savings should be capitalised in order to pay back private loans.
- **Communicating to citizens** the necessity of renovation is critical as people don't think about renovating their homes.
 - Make the case that MEPS are good for a better quality of life, better living conditions.
 - People should be encouraged to renovate their buildings, not punished.
 - The Spanish Ministry has published communication materials to counter misinformation (for example, with the communication campaign "Home sweet home").
 - Some of the Lithuanian money was used on one-one communication (not only through posters).
 - Lithuania penalises people with the loss of social subsidies if they refuse renovation projects in their buildings.
- In some countries (such as Spain) it is wrongly believed that **multifamiliar apartments** are difficult to renovate but countries like **Lithuania** and **Poland** are doing it.
- With the current high energy prices (in Spain) it is even more important to communicate to the population the advantages of building renovation.

5. For an early and ambitious approval of the EPBD

- The **Spanish Group for the Promotion of the EPBD** presented a public [statement](#) signed by many sectorial, economic, social and academic actors, which encourages a quick and ambitious adoption of the EPBD during the Spanish presidency, ideally in advance of COP 28.
- The document also briefs about the elements of the EPBD, how it can accelerate renovations, and why it is crucial for Spain:
 - Building renovation should be followed by a cultural change of the people, which should be done through a clear communication to address misinformation.
 - Without buildings, an ecological transition is not possible.
 - The necessity of having new European financial instruments that help the EU Renovation Wave, like the European Renovation Loan and MEPS.
- The document is [open for signature](#) to anyone interested.

The next event organized by the **Alliance for a Climate ambitious Spanish Presidency of the European Council**, will be held at the end of September, coinciding with the meeting of the Council for Transport, Telecommunications and Energy that will take place in Barcelona.

More information about the EPBD Workshop

- News:
 - 04/07/2023 [“Eficiencia energética: taller EPBD mejores prácticas europeas en rehabilitación de edificios”](#)
 - 13/07/2023 [“Directiva de eficiencia energética de edificios \(EPBD\): un paso fundamental para acelerar la acción climática en la unión europea”](#)
- [Final agenda](#)
- Panellist’s presentations
- [Photos](#)