
EGEC welcomes the opportunity to provide feedback to the Inception Impact Assessment of upcoming revisions to the Energy Performance of Buildings Directive.

1. **Significance:** It is impossible to meet the EU’s 2030 and 2050 climate neutrality targets without ensuring all heating and cooling equipment and appliances are renewable by 2025. The EPBD objective of decarbonisation of the European building stock must therefore become the core principle of the review of the text. On average, fossil applications tend to have an operational life between 25-30 years meaning that they must be phase out of the market and replaced by renewable solutions within the next five years.

   It also means that fossil heating and cooling appliances must be prohibited beforehand. Many Member States have already introduced these measures to allow their domestic heating industries to gain competitive advantage in renewable solutions as well as reducing carbon costs and climate damages. Austria banned new gas boilers from 2025 whilst the City of Vienna banned new gas boilers from 2020. France has banned gas boilers in new buildings from 2021, Germany has introduced a carbon mechanism and municipal initiatives to convert district heating systems to geothermal and other renewables.

2. **Making the EPBD Fit for 55%:** The 2050 Target Impact Assessment indicates that buildings have to reduce their consumption of fossil methane, oil and coal by 60% to meet these targets. The current EPBD and overall EU building policy framework lacks effective implementation measures to deliver this outcome. New implementing measures must be designed to accelerate investment in geothermal district heating or geothermal heat pumps and other renewable heating and cooling solutions. An important first step has been the inclusion of carbon emission thresholds in the EPBD assessment in 2018. This requirement must be strengthened, reinforcing the decarbonisation of the building stock via an efficient use of renewable energy sources. These must be integral to the renovation strategies and investment rates. The ongoing review must now include strict thresholds for the overall carbon footprint of buildings, barring any fossil equipment in new and deeply renovated buildings.

3. **The right policies for the right buildings:** Europe’s buildings are not equal. To achieve the decarbonisation of the building stock, there is a need to address the
specificities of the various types of buildings, and the specific challenges of European citizens and businesses.

- **Tackling energy poverty with building decarbonisation:** Europe’s least affluent households are already the most likely to live in poorly insulated buildings consuming the most polluting fossil fuels such as coal or fuel oil. They are also the most exposed to energy poverty, spending the highest share of their income on heating and cooling. The EPBD review must include requirements to Member States accompanying vulnerable households and local authorities in planning and financing a just decarbonisation of the building stock.

- **Public building exemplarity:** public buildings must lead the way in the decarbonising the building stock, notably allowing the beginning of the transition of the building infrastructure towards an efficient use of renewable energy. Public authority have been leading the way with programmes such as ELENA, the EPBD must now include decarbonisation requirements for public buildings from 2021.

- **Local heating and cooling planning** is the key to an efficient decarbonisation of the European building stock, tapping into available renewable resources and maximising their use through economies of scale and the development of the necessary infrastructures. Capacity building must be deployed to accompany the development of heating and cooling decarbonisation strategies by local and national authorities, that accompany and give confidence to investors in renewable heating and cooling projects.

4. **Policy coherence and ending ‘fuel neutrality’**: Energy efficiency and building decarbonisation policies can no longer be “fuel neutral”. This means new buildings must have appliances which do not utilise fossil methane, coal and oil heating and cooling installations. The Article 4 setting "Minimum Energy Performance Requirements" must be revised accordingly.

A key measure to this end is to include the definition of “Renewable heating and cooling” in the Article 2 of the EPBD, which must correspond to renewable energy sources as defined in the Renewable Energy Directive article 2 used for heating and cooling. All supply side efficiency measures for heating and cooling must be limited to this set of technologies.

Therefore, we recommend: **Article 2a on long term renovation strategies** must be adapted to accelerate the decarbonisation of the building stock through renewable heating, cooling and energy savings measures.

5. **Implementing measures:** The following measures are key to delivering an effective EPBD:

   a. **NZEB:** The framework for evaluating the energy performance of buildings must be adapted to exclude fossil fuels from deep renovations. To do so, the definition of NZEB in the EPBD Article 2 must be adapted to ensure that the residual energy consumption of buildings is entirely covered by renewable sources, notably for heating and cooling. The Article 9 on Nearly Zero Energy Buildings must be amended accordingly.

   b. **Life-cycle ratings:** A specific methodology for the overall efficiency of renewable energy uses for heating and cooling should be established. This methodology should notably establish distinction between the efficiency ratings of renewable energy solutions according to temperature needs.
This methodology must be included in the framework setting minimum energy performance requirements (Article 4) and precised via delegated act in a procedure that includes technical experts and stakeholders.

6. **Putting an end to fossil fuel subsidies under the guise of efficiency:** Energy efficiency policies have allowed Member States to provide subsidies to fossil fuel equipment such as gas boilers to increase the efficiency of fossil fuel consumption. Direct subsidies are for instance provided by Belgium regions to support the acquisition of a condensing gas boilers to replace less efficient ones, while this technology is already dominant on the market.

We recommend **Article 10** is revised to exclude financial support to equipment that lock-ins fossil fuel consumption such as gas boilers.

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