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Energy and buildings on the policy agenda for the new Commission

Paula Rey García
Team Leader- Unit C4 DG Energy

REHVA Brussels Summit- Delivering healthy, zero-carbon buildings by 2050?

5 November 2019

Clear vision towards 2050: A clean planet for all

7 building blocks

- For the EU to lead in climate action, it means **achieving net-zero greenhouse gas emissions by 2050**
 - The Long Term Strategy shows **transforming our economy is possible and beneficial**
1. Energy efficiency
 2. Deployments of renewables
 3. Infrastructure and inter-connections
 4. Clean, safe & connected mobility
 5. Competitive industry and circular economy
 6. Bio-economy and natural carbon sinks
 7. Tackle remaining emissions with carbon capture and storage

The right framework for 2030 and 2050

Policy framework for 2030: ambitious climate and energy targets



Minimum **40%** cut in greenhouse gas emissions compared to 1990 levels



At least a **32%** share of renewables in final energy consumption



At least **32,5%** energy savings compared with the business-as-usual scenario

Vision for 2050: achieving **net-zero GHG emissions**, including highly energy efficient and decarbonized EU building stocks

Green Deal: at least 50% CO₂ reduction by 2030 and climate neutrality by 2050.

- Improve energy performance of buildings, increase renovation rates,
- Generate needed socio-economic and technology breakthroughs,
- Ensure consistency of policy, enabling actions, and R&I

Kadri Simson Commissioner-designate for Energy



At least 50% CO2 reduction by 2030

Given energy production and use accounts for 75% of the EU's emissions, energy will have a central role to play in the European Green Deal.

- Focus on the **rapid implementation** of energy-efficiency and renewable-energy legislation
- **Work closely with the Member States** to set out their National Energy and Climate Plans
- Given the increased ambition of the European Green Deal, there is a need to **review legislation**
- Ensure Europe follows the **energy-efficiency-first principle** across the board
- Look at how Europe can further **improve the energy performance of buildings and speed up renovation rates**

Energy Efficiency in Buildings

A key sector for decarbonisation by 2050: 40% of energy consumption, 75% of existing buildings are energy inefficient

2016

2030

2050



Implementing the strengthened Energy Performance of Buildings Directive (2010/31/EU)

- Renovation: speeding up current low rates, mobilising investments at higher scale
- Modernisation: smart technologies, e-charging infrastructure



Consolidating the basic EU framework

- Energy Performance Certificates, labels informing citizens and businesses, creating a market
- Nearly Zero-Energy Buildings, low consumption & high on-building renewables in new construction



Engaging citizens

Finance focus

Sustainability of the built environment

Alleviation energy poverty

Circular economy

Cities action

Industrialisation and Digitalisation

Competitiveness



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GOVERNANCE REGULATION - A ROBUST GOVERNANCE TO MEET 4 OBJECTIVES

✓ Meet Energy Union objectives (notably the 2030 targets)

✓ Ensure Better Regulation and reduce administrative burden

✓ Allow for investor certainty and predictability

✓ Synchronise planning and reporting cycles with Paris Agreement

2030 FRAMEWORK FOR CLIMATE AND ENERGY AGREED TARGETS


| | GREENHOUSE GAS EMISSIONS | RENEWABLE ENERGY | ENERGY EFFICIENCY | INTER-CONNECTION | CLIMATE IN EU-FUNDED PROGRAMMES | CO2 FROM: |
|------|--------------------------|------------------|-------------------|------------------|---------------------------------|---|
| 2020 | -20% | 20% | 20% | 10% | 2014-2020 20% | |
| 2030 | ≤ -40% | ≥ 32% | ≥ 32.5% | 15% | 2021-2027 25% | CARS -37.5% Vans -31% Lorries -30% |

Upwards revision clause by 2023


Energy efficiency- at least 32,5% energy efficiency by 2030



National contributions to be clarified and to better reflect the impact of policies, national circumstances and savings potentials



Need for policies and measures with an adequate scale and timeline, to demonstrate that they are sufficient to deliver the proposed contributions



Need for integrating Annex III (energy savings to be achieved under Article 7 of the Energy Efficiency Directive) and the long-term building renovation strategy

National Energy and Climate Plans and Long Term Building Renovation Strategies

Directive 2010/31/EU EPBD

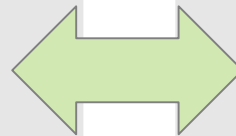
Long Term Renovation Strategies
(LTRS)

- ✓ LTRS part of **Integrated national energy and climate plans**
- ✓ **first Long Term Renovation Strategy**, to be submitted by **10 March 2020**, transposition deadline for Directive (EU) 2018/844 (the amending directive).

Regulation(EU) 2018/1999 Governance Regulation

Integrated national energy and climate plans (NECP)

- ✓ Draft NECP – **31 Dec. 2018**
- ✓ Final NECP – **31 Dec. 2019**
- ✓ **Draft and Final Integrated national energy and climate plans** include:
 - Indicative **milestones**
 - Domestically established measurable progress **indicators**
 - Evidence-based estimate of expected energy **savings** and **wider benefits**
 - Contributions to Union's energy efficiency **targets**.



Building renovation

National Long Term Building Renovation Strategies, a key instrument moving forward



MOBILISING INVESTMENT – Article 2a (3)

To support the mobilisation of investments into the renovation needed, Member States are to **facilitate access** to mechanisms for:

- a) Aggregation of projects
- b) Reduction of perceived risk of EE operations
- c) Public funding
- d) Guiding investments into EE public building stock (in line with Eurostat guidance)
- e) Advisory tools (one-stop shops, energy advisory services)

FINANCIAL MEASURES LINKED TO SAVINGS – Article 10(6)

Member States are to link their financial measures for energy efficiency improvements to targeted or achieved energy savings

FINANCE: need for large mobilisation



Increased climate mainstreaming (25%)

- Cohesion Funds
- Invest EU
- Horizon Europe
- *€15 bn to R&I on Climate, Energy, Mobility*
- LIFE
- *€ 1 bn to market uptake for the Energy Transition*
- Connecting Europe Facility
- Innovation Fund

Horizon Europe R&I Partnership on People-centric sustainable Built Environment -development of new technologies with 2050 decarbonisation horizon

The "Smart Finance for Smart building" Initiative

Unlocking investments and private financing through:

More effective use of public funds

- Deploying Financial Instruments and flexible energy efficiency and renewable financing platforms
- Building on EFSI blending with ESIF funds



Assistance and aggregation

- Supporting the project pipeline at EU and local level
- Project Development Assistance facilities
- "One-stop-shops"



De-risking

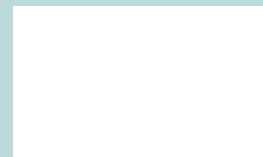
- Understanding the risks and benefits for financiers and investors
- The De-risking Energy Efficiency Platform
- Commonly accepted underwriting framework



Building modernisation

Ongoing work to define a Smart Readiness Indicator for Buildings

- New **topical expert group** to be launched soon to explore requirements and feasibility of in-use smart buildings performance as part of the Smart Readiness Indicator
 - Methodological aspects: benchmarking
 - Technological aspects: monitoring
 - Legal aspects: privacy and cybersecurity
- **CALL FOR EXPERTS:** interested in joining this topical group? Let us know through info@smartreadinessindicator.eu



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Thank you!

European Commission DG ENER Unit C.4.
Energy Efficiency: Buildings and Products

<https://ec.europa.eu/energy/en/news/commission-proposes-new-rules-consumer-centred-clean-energy-transition>

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