

Directive 2012/27/EU on Energy Efficiency

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CECODHAS Housing Europe's position on the Energy Efficiency

Directive:

On 28th February, the European Parliament's Committee on Industry, Research and Energy approved the requirement on Member States to renovate the buildings owned by public authorities and public bodies (2.5% of the area per year instead of 3% proposed by the European Commission) with a total useable area of more than 250m² by January 2014, or find alternative ways to achieve equivalent savings.

CECODHAS Housing Europe stresses that in contrast to public authorities, public bodies covered by the obligation of thermal renovation, do not have the ability to self-grant public funds to finance these huge investments. Additionally in the case of public housing, there is often no way to recover investments due to rent regulation and low-income of tenants. It is also important to note that energy service contracting model, while promising, has yet to prove itself to be a valid option in the housing sector. This legal obligation of thermal renovation established by the EU therefore only makes sense if it is accompanied by an obligation to make funding available.

Housing Europe in this regard welcomes the report's proposal to encourage member states to develop systems and tools of public and private funding for investment. But this simple incentive is insufficient because it does not introduce any legal obligation, enforceable in the EU, for example in terms of creating a green investment fund guaranteed by the EU and priority allocation of ERDF for energy investments under such a legal obligation. Housing Europe calls on MEPs to rebalance this legal obligation to invest with a legal obligation to make available EU funding, including the priority allocation of structural funds for 2014-2020 and the creation a dedicated investment fund.

The EU Policy Context

Energy Efficiency in Buildings: an EU priority:

The Europe 2020 strategy aims at greenhouse gas emissions 20% lower than 1990, 20% of energy from renewables and a 20% increase in energy efficiency.

The 'Energy 2020' European strategy for a competitive, sustainable and secure energy identified Energy efficiency as one of five priorities with a focus on two sectors with the biggest energy saving potential: transport and buildings.

Low-carbon economy roadmap 2050 published in March 2011 also identified the crucial role of building sector where it was estimated that GHG emissions could be reduced by 90 % by 2050.

The Energy Roadmap 2050 from December 2011 Explore routes towards a low-carbon energy system by 2050 to give more certainty to governments and investors. Energy efficiency and renewables are 'no-regrets' options.

The Energy Efficiency Directive

Background and Timeline:

The Commission estimated a shortfall of 9% in the 2020 energy efficiency target and proposed this Energy Efficiency Target to address this shortfall. The Council and Parliament officially adopted EED on 25 October 2012. The Directive 2012/27/EU was published in OJ on 14 November 2012 and entered into force on 4 December 2012. The Transposition deadline are 5 June 2014 (for most articles) and 5 December 2014 (for reporting on certain aspects).

The EED requires a strong national commitment and strategic planning. It defines the 20% energy efficiency target: 1474 Mtoe primary consumption in 2020. Each Member State required to set indicative national target for 2020. Each Member State required to establish plans of how to reach it and to follow the progress. They should produce Annual Reports and National Energy Efficiency Action Plans (template) every 3 years.

Specific measures for buildings:

By April 2014, Member States must make long-term strategies for mobilising investments for building renovation (Article 4). An exemplary role of the public sector has been outlined whereby Member States must renovate 3% (by floor area) of their central government buildings per year or adopt measures to achieve equivalent energy savings in these buildings (voluntary for other authorities)(Article 5). Central government to purchase only products, services and buildings with high energy efficiency performance.

Mobilising end-use energy savings:

Member States to ensure 1.5% cumulative annual final energy savings over 2014-2020 period (Article 7). The savings are to be achieved by policy measures, not market developments – e.g. energy efficiency obligation schemes and/or alternative policies (funds, fiscal, voluntary).

Financing:

Member States shall facilitate the establishment of financing facilities, or use of existing ones, for energy efficiency improvement measures to maximise the benefits of multiple streams of financing (Article 20).

Source: http://www.powerhouseeurope.eu/policy_work/energy_efficiency_directive_eed/overview/