



LIFE info days 2024

Energy policy update – OSS + TA
Fit-for-55 and REPowerEU

25 April 2024

Pierluca Merola, Policy Officer, Energy Efficiency Unit -
ENER.B2

Energy Efficiency Directive (EU) 2023/1791

- Updated **EU energy efficiency targets to 11.7% reduction** in primary and final energy consumption: indicative **PEC target of 992.5 Mtoe**, binding **FEC target of 763 Mtoe**
- Strengthen annual **national energy saving obligations to 1.49% in average with step-wise approach** and exclusion of savings from direct fossil fuels combustion. Including **a Just transition sub-target**
- Reinforcement of the **Energy Efficiency First Principle** across sectors
- Update the definition of **energy efficient district heating and cooling**, introducing the **2050 trajectory for efficient district heating and cooling system**, and introduce **local heating and cooling plans** for municipalities (over 45.000).
- Update **thresholds for energy audits (10TJ/year)** and **energy management system requirements (85TJ/year)** for enterprises
- Increase the **exemplary role from the public sector: annual reduction of 1.9% of public sector energy consumptions**, increase the annual renovation rates to 3% of the public buildings over 250 m².
- Reinforces **provisions on financing** to leverage further private capitals
- Introducing measures to alleviate **energy poverty and boost consumer empowerment**

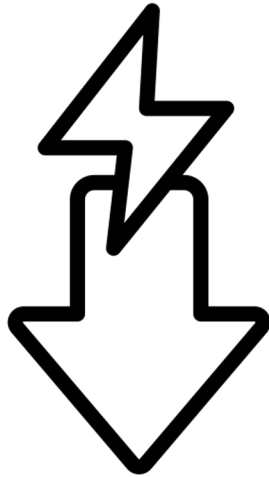


11.7%
Decrease
in energy
consumption

Stepwise increase
in annual cumulative
energy savings
obligation in end use:
1.3% as of 2024
1.5% as of 2026
1.9% as of 2028

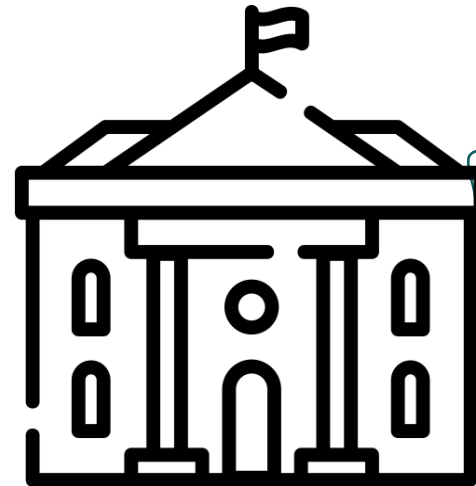
Articles 5 – 7 EED: Exemplary role of public sector

Reduce total
final energy consumption
of all public bodies



1.9% each year

Renovate
heated / cooled buildings
owned by public bodies

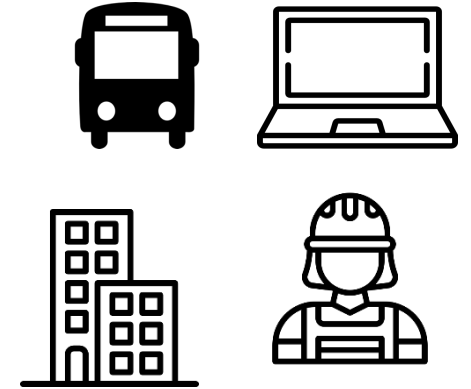


NZEB

Zero-emission

3% each year

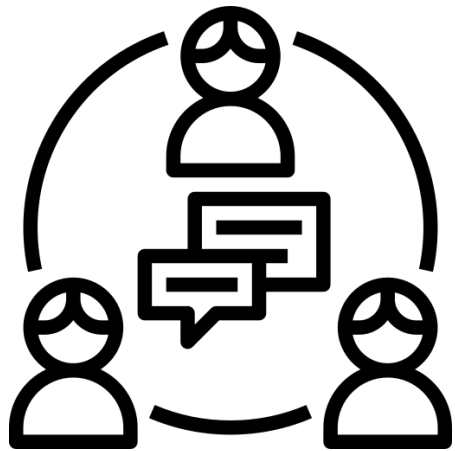
Purchase



High energy efficiency
performance

Article 22: Information and awareness raising

One-stop shops



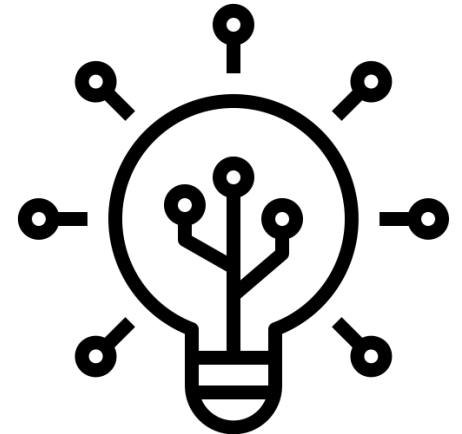
Disseminate **information** on available energy efficiency improvement measures, individual actions and financial and legal frameworks to all relevant market actors

Ensure access to simple, fair, transparent, independent, effective and efficient **out-of-court** mechanisms for the settlement of disputes

Remove regulatory and non-regulatory barriers to energy efficiency due to **split of incentives** between owners and tenants



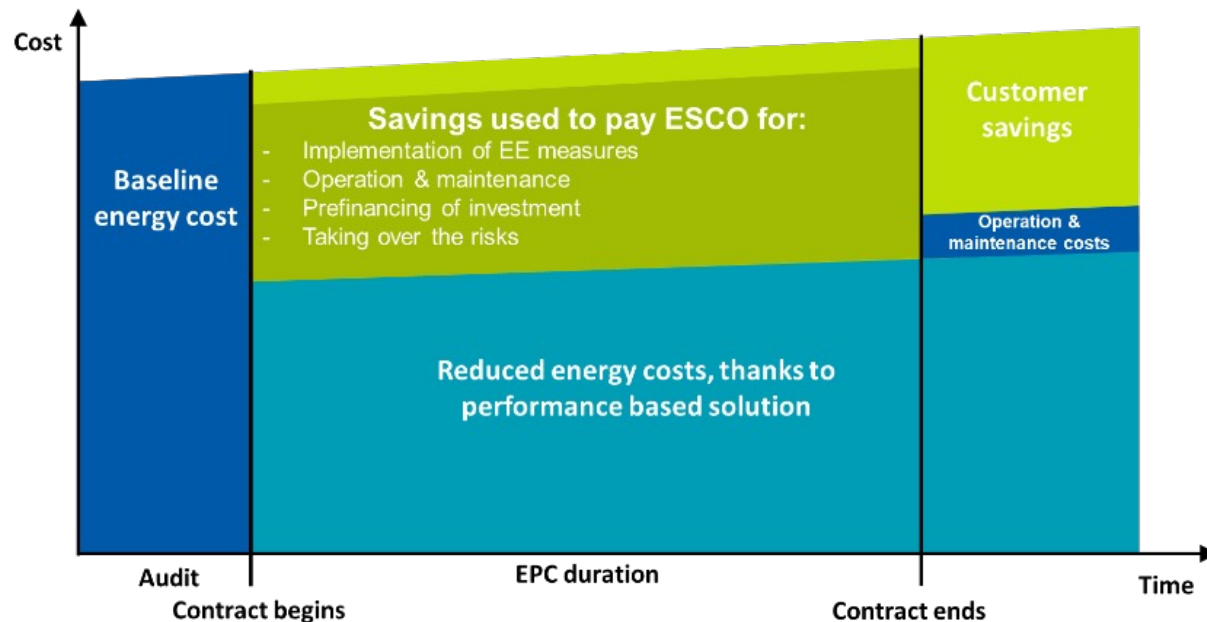
Single point of contact
information on rights, applicable law and dispute settlement mechanisms



Article 29: Energy services

Objectives:

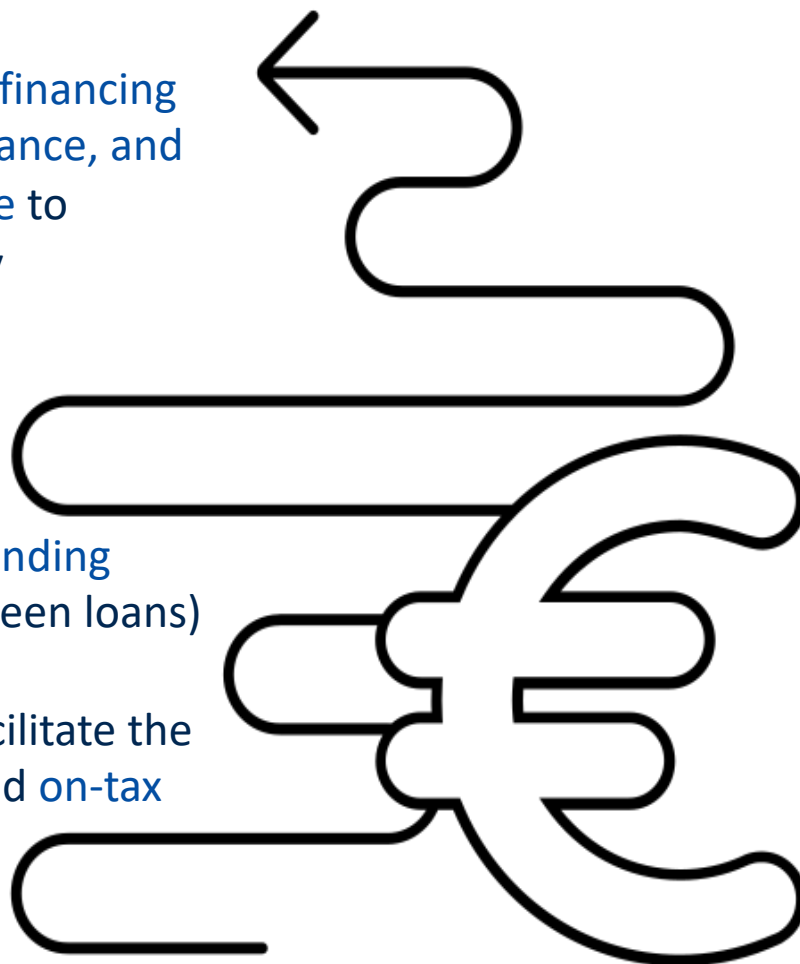
- Create the **enabling framework** for energy services by promoting and developing **model contracts, financial instruments, M&V tools, quality labels and advisory** as well as by **removing market barriers**.
- Facilitate and increase **uptake of energy services in the public sector** by ensuring the use of energy performance contracting for renovations of large public buildings.



Article 30: Financing energy efficiency

- Facilitate the establishment of financing facilities, increase access to finance, and project development assistance to mobilise investments in energy efficiency in different sectors

- Promote energy efficiency lending products (EE mortgages & green loans) by ensuring a wide and non-discriminatory offer, and facilitate the implementation of on-bill and on-tax financing schemes



- Strengthen cooperation and dialogue with private and public financial institutions to mobilise private investments in energy efficiency measures and energy renovations

Regulate the voluntary National Energy Efficiency Fund set up by Member States

- Introduce reporting requirements on energy efficiency financing (volume, leverage factor, lending products)

EPBD Revision: objectives

Long term vision
for buildings' contribution to 2050 targets

Contribute to **reducing GHG emissions & final energy consumption by 2030**

EU building stock
one of the largest energy consumers in Europe, responsible for more than **one third of the EU's energy-related emissions**

Climate target plan

- by 2030 the EU should reduce **buildings' GHG emissions by 60%**, their **final energy consumption by 14%** and **energy consumption for heating and cooling by 18%**.



Renovation wave

- aims at **doubling renovations by 2030** and foster **deep renovations**

Energy Performance of Buildings Directive Recast adopted

12/04/2024

Renovation

- Minimum Energy Performance Standards
- National trajectories for the progressive renovation of the residential building stock
- National Building Renovation Plans

Enabling framework

- Strengthened Energy Performance Certificates
- Renovation passports
- Sustainable finance & energy poverty
- One-stop-shops
- Deep renovation standard
- National energy performance databases

Decarbonisation

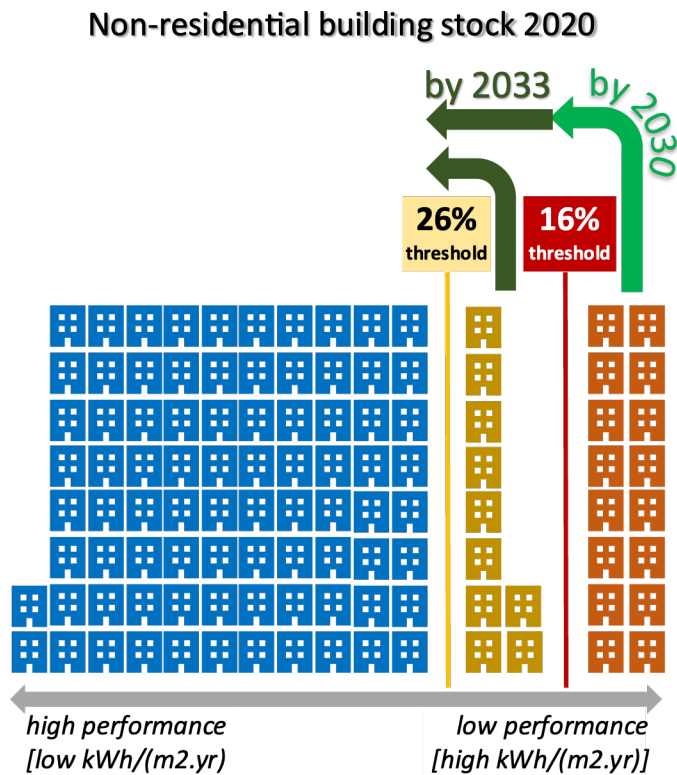
- Introduction of zero-emission buildings as standard for new buildings
- Solar deployment in buildings
- Calculation of whole life cycle carbon
- Phasing out incentives for fossil fuels and new legal basis for national bans

Modernisation & system integration

- Infrastructure for sustainable mobility
- Smart Readiness Indicator
- Indoor air quality: ventilation and other technical building systems
- Digitisation, data access and exchange

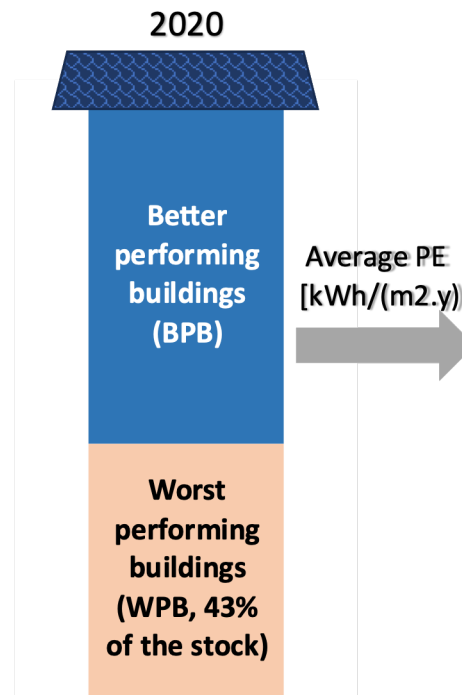
MEPS for non-residential buildings and primary energy use trajectory for the residential building stock (Article 9)

Non-residential: Minimum Energy Performance Standards (MEPS)

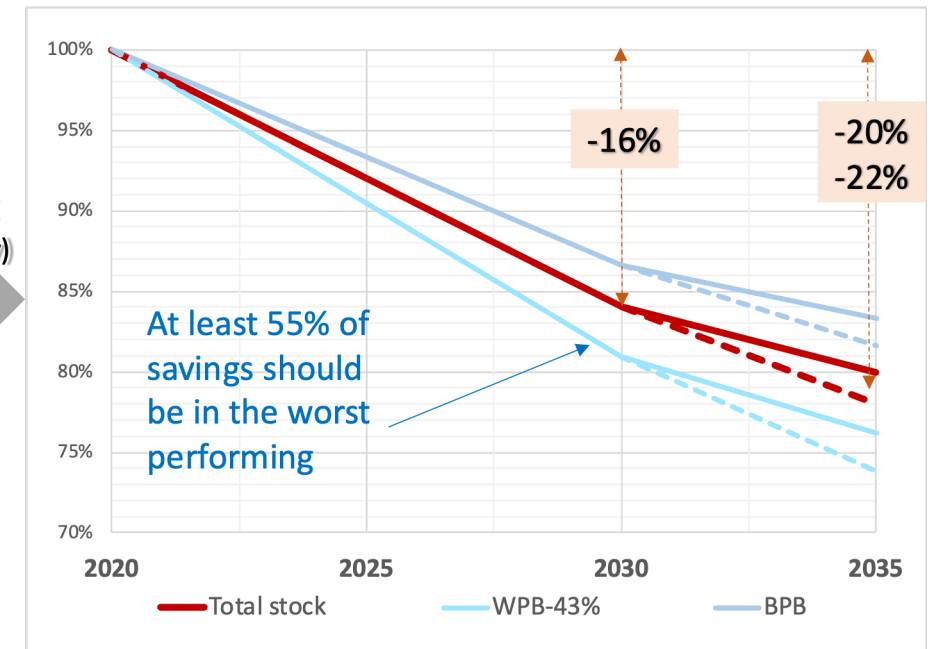


Residential: trajectory to reduce the average primary energy use

Residential building stock



National trajectory for the average primary energy use in kWh/(m2.y)



Exemptions allowed both for non-residential and residential (for protected buildings, temporary use, places of worship, etc.)

Gradual phase-in of solar energy in buildings (Article 10)

- New buildings to be 'solar-ready':
 - By 31 Dec 2026 for new public and non-residential buildings >250m²
 - By 31 Dec 2029 new residential building and new roofed car-parks adjacent to buildings
- Gradual phase-in of requirement for existing non-residential, where feasible:
 - For existing public buildings gradually between 31 Dec 2027 – 31 Dec 2030 according to floor area
 - For existing non-residential buildings >500 m² by 2027, based on trigger points (major renovation or works requiring a permit)



Other key provisions & strengthened enabling framework (3)

Financing, support measures and one-stop-shops (Article 17 and 18)



- Clear obligation for Member States to **provide appropriate financing and support** measures and **stimulate private investments**, in line with building renovation plans and 2050 goals
- Financial measures to offer **higher support** to **vulnerable households** and **deeper renovations**
- Member States to provide **safeguards for tenants** and to aim to **distribute the benefits for both owners and tenants** when providing financial incentives
- COM to adopt **delegated act** providing a comprehensive portfolio framework **for voluntary use by financial institutions**, to **increase financing volumes provided for energy performance renovations**.

- Member States to ensure that **EPCs and renovation passports are affordable**



- Member States to establish dedicated **one-stop-shops for energy performance of buildings**

The Energy Efficiency Financing Challenge

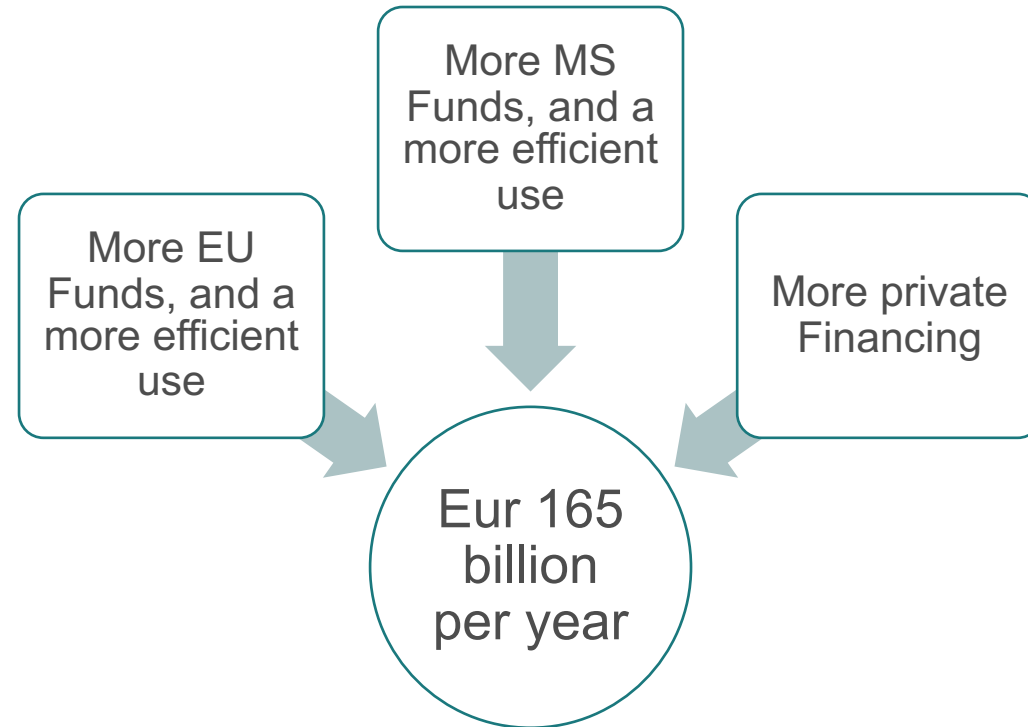
Energy efficiency and climate targets

- Energy Efficiency objectives – EED Recast
- Buildings objectives- EPBD Recast
- REPowerEU Objectives - heating decarbonisation



Energy Efficiency Investments Needs	
Total investments (2021-2030)	Eur 3.000 billion <small>(Source: Primes REPowerEU Plan)</small>
Investment Gap (2021-2030)	Eur 1.650 billion <small>(Source: IA EED, IA CTP)</small>

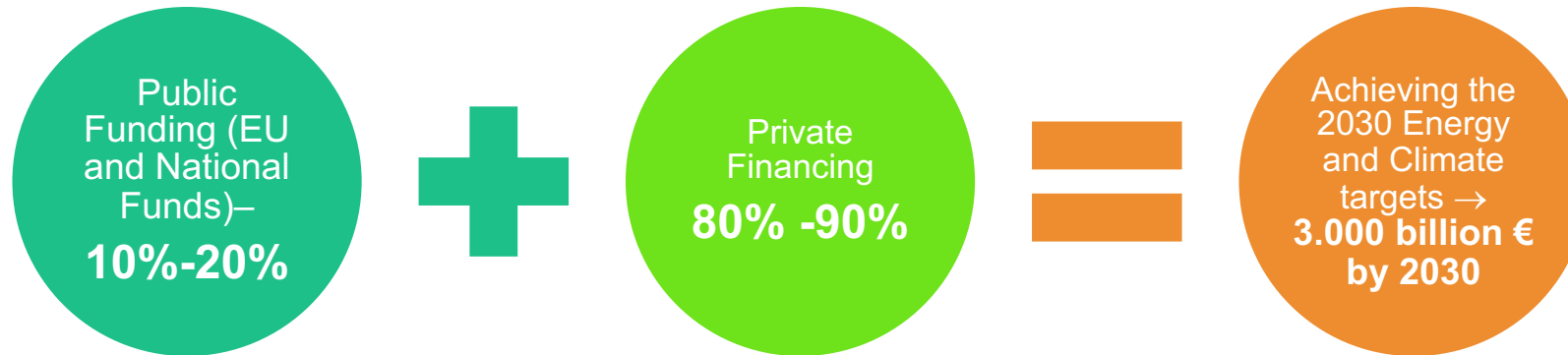
Closing the Investment Gap



Energy Efficiency faces one of the largest investments gaps. This represents an unprecedented challenge.

Energy Efficiency Financing

Leveraging private financing and investments **is conditional** to achieve the Union's climate and energy targets.



Drivers:

- **Public Funds as a catalyst for private investments** (grants models are insufficient).
- Combination of grants, financial instruments and technical assistance
- Development of financing schemes at scale/innovative/performance based (On-tax and On-bills, energy performance contracting, pay-for-performance, pay-as-you-save, etc).
- Project development assistance (e.g. replicating ELENA model) and technical assistance (ELENA, LIFE PDA), support to One-Stop-Shops for integrated home renovation
- Stimulate demand, including removing up-front costs, with measures that can be sustained over time.
- Development of energy efficiency lending products (EEM, Green Loans, etc).
- Strengthen the cooperation with financial institutions (EEEFin Coalition)
- De-risking investments

Thank you

Pierluca Merola, Policy Officer, Energy Efficiency Unit - ENER.B2