

EBC position on the revision of the Energy Performance of Buildings Directive

About EBC

Established in 1990, the European Builders Confederation (EBC) is a European professional organisation representing national construction employer associations of micro, small and medium-sized enterprises. EBC is a member and partner of SMEunited, the European association of SMEs, and Small Business Standards (SBS), the European association representing SMEs in standardisation.

The construction sector is of vital importance to the European economy. With 3.4 million enterprises and a total direct workforce of 18 million, the construction sector contributes at around 9% to the GDP of the European Union. 99.9% of the European construction sector is composed of micro, small and medium-sized enterprises.

General remarks

Buildings are a central element of the daily life of Europeans by providing a space to live, learn and work. Indeed, research suggests that Europeans spend over 90% of their time indoors, so our health and well-being strongly depends on how these buildings are built, maintained and renovated.

It is estimated that buildings are responsible for approximately 40% of energy consumption and 36% of the greenhouse gas emissions in the EU, making them the single largest energy consumer in the EU and a core component for action to achieve the 2050 climate neutrality target. Approximately 85-95% of the buildings standing today will still be in use in 30 years although the majority of them, roughly 75%, is considered energy inefficient, a consequence of the appearance of building codes with specific regulation on thermal insulation of the building envelop only after the 1970s in Europe.

Based on the above, EBC welcomes the European Commission's initiative to revise the [Energy Performance of Buildings Directive](#), as an essential step to meet the goals of the European Green Deal and the Renovation Wave. The increased ambition put forward by the Green Deal, makes it imperative that all sectors contribute to the pan-European goals of reaching a climate neutral Union by 2050. As a result, the building sector is contributing to this collective effort by pursuing more ambitious emissions reduction targets. However, EBC is concerned by proposals of including a number of additional out-of-scope elements into the Directive. It would be worrisome that the EPBD loses the clarity of its legal purpose, in an attempt to overload it with provisions that are not essentially linked to the energy performance of buildings. Moreover, Member States are still implementing the latest EPBD revision and a completely new regulatory framework would discourage and make it increasingly difficult for construction SMEs to adapt to regulation. Hence, we believe it is essential that the Commission acts with proportion regarding

additional regulatory requirements and provides the means for European citizens and construction SMEs to adapt to the upcoming legislative changes.

Specific remarks

a) **Make use of the full potential of One-Stop Shops**

One-Stop Shops can play a key role in providing citizens, public authorities and the construction value chain with the necessary knowledge that will allow them to make informed choices, including in the direction of reducing the carbon footprint of their heating equipment. Local authorities are a central actor in order for One-Stop Shops to be a success. However, many public authorities face some major obstacles to the wider deployment and long-term sustainment of One-Stop Shops, e.g., related to regulatory differences, legal requirements and required performance indicators.

Recommendations

- The framework of [One-Stop Shops](#) for sustainable buildings should be strengthened within the EPBD.
- **Local authorities** should play a key role in maximising the potential of One-Stop Shops in their respective communities, by making the link between citizens and the entire administrative process required for the renovation of a building.
- A political discussion with the **European Investment Bank (EIB)** should take place to explore how one can further accelerate the uptake of One-Stop Shops at local level.

b) **Whole life-cycle carbon should not be cramped into the EPBD**

As the EU works to deliver on the goals of the EU Green Deal, the issue of whole life-cycle of all types of activities and products will need to be addressed. This will include whole life-cycle carbon emissions of buildings. However, opting to address such a complex issue in the context of the EPBD would prove extremely challenging. While EBC agrees that it will become increasingly important in the future to report on whole life-cycle carbon emissions from buildings, the EPBD specifically deals with energy performance of buildings and not carbon emissions from the whole life-cycle of the built environment.

EBC believes that there is a need for a thorough discussion on the appropriate means to address whole-life-carbon, which will include all relevant stakeholders of the construction value chain. At this point in time, there is no scientific consensus of an acceptable baseline for embodied carbon from construction. Whole life (embodied) carbon is complex and challenging to measure; as a result, additional time will be needed in order to make sure a credible methodology and baseline are adequately discussed and agreed by all actors involved.

The different phases of the life cycle of buildings will require different approaches, as they also represent unequally sized emissions. Indicatively, the United Nations Environment Programme (UNEP) estimates

that 38% of total energy related emissions comes from buildings and construction value chain¹. Of these 38% emissions, buildings construction (general contractors and specialised trades) is responsible for less than 1% of direct and indirect emissions, whereas material manufacturing is responsible for around 25% of direct and indirect emissions. Hence, it is clear that the various aspects of whole life carbon of buildings cannot be treated only from the perspective of building performance, making the EPBD an unsuitable tool thereof.

Recommendations

- In order to ensure policy coherence, will be more suitable to **wait for the adoption of the 2050 Whole Life-Cycle Performance Roadmap** which will aim to reduce carbon emissions from buildings (an action foreseen in the Renovation Wave), before proceeding with further legislative action.
- Indeed, it may be more useful to **focus on the proper implementation of the current provisions of the EPBD** first, before introducing additional measures, which do yet remain to be properly conceptualised.
- We invite the European Commission to **consider the possibility of a new, dedicated policy vehicle**, that will determine how to address this intricate side of the circular and green transition for buildings.
- **Extensive dialogue** which should include **all stakeholders** of the building and construction sectors needs to take place before adopting regulation, with the aim to arrive, inter alia, at a **consensus on the appropriate baseline** for embodied carbon of buildings

c) Energy Performance Certificates should be harmonised

Energy Performance Certificates (EPCs) were meant to play a significant role in informing citizens of the energy performance of their buildings. However, varying quality and characteristics of the various versions of EPCs that exist in each Member State has undermined the credibility of the tool, together with the comparability of the data generated.

Recommendations

- Ensure the **harmonisation of Energy Performance Certificates**, which is needed to accelerate the increase of building performance and can be achieved thanks to a **common template at EU level**.
- However, when increasing the quality of Energy Performance Certificates is also important to **ensure their affordability** for EU citizens.
- In this context, provision of **detailed guidelines for EPCs** (including use of visual identity, common logo, recommended indicators) would help to ensure compliance with EPC requirements across the EU.

¹ : [2020 Buildings GSR FULL REPORT.pdf \(globalabc.org\)](#)

d) Nearly Zero Energy Buildings need to be clearly defined

EBC considers that the current definition of Nearly Zero Energy Buildings (NZEB) is ambitious enough. However, the characteristics of NZEB currently vary across Member States, making it a challenge for citizens to know what exactly to expect depending on each geography, but also to compare data from across the EU.

Recommendations

- A more **harmonised definition of Nearly Zero Energy Buildings (NZEB)** is necessary.
- At the same time, **minimum thresholds** for primary energy use in the building's operation **should be defined in the EPBD for different climate zones**. The application of minimum thresholds would also allow for **increased comparability of data** between different Member States.

e) Accompany citizens if minimum energy performance standards (MEPS) are introduced

We estimate that additional requirements such as mandatory renovation/minimum performance requirements will not have solely positive effects with regard to increasing renovation rates, but may e.g., drive property owners without the financial means to renovate their buildings into debt problems. Hence, we believe it is essential to first provide strong incentives for citizens and public authorities to renovate their buildings, before introducing additional requirements. In particular, this will help avoid surcharging the construction sector and property owners with additional regulatory burdens, as they only recently adapted to the last substantial revision. This could for instance be achieved through one-stop shops for energy renovations of buildings, which display a transparent and accessible advisory tool that can be a linked to new and innovative business models.

Recommendations

- Before introducing MEPS, it will be necessary to establish a **robust framework** accompanied by **appropriate economic incentives** for building owners (e.g., tax incentives, subsidies, financing tools).
- **Public buildings should function as pioneers** that would give the example for the private market to engage in renovation works.
- In order to make a MEPS system practically feasible and comprehensible, including when it comes to monitoring, a **focus on harmonised EPCs** appears most suitable.
- **Fully activate One-Stop Shops** to accompany citizens in the renovation process from A to Z.

f) Ensure Europe has the skills to deliver on the green & digital transition of buildings

With the European Green Deal - EU's most ambitious policy transformation - currently full-fledged, each sector of the economy is being called to contribute. The revision of the EPBD aims to shape a new policy vehicle that will help make the green and digital transitions possible for the building sector. For instance,

different initiatives and frameworks related to the EPBD are already providing digital building-related data. In addition, new schemes, e.g., digital building logbooks, are offering further possibilities to store and thus provide building-related data, which could also help to improve service offers by building professionals, especially construction SMEs.

Construction SMEs represent more than 99% of construction companies in the EU, making them central actors in delivering on the Green Deal ambition and the Renovation Wave for buildings. That is why it is essential to ensure construction workers are equipped with the green and digital skills that will make of those ambitions a success.

Recommendations

- Ensure **proper implementation** of the **digital-related provisions of the EPBD**.
- **Accompany construction SMEs** in their effort to further adopt and incorporate **digital tools** through the entire construction process.
- Provide a robust framework for **reskilling and upskilling** of workers in the construction sector focussed on green and digital skills.
- Make the **digital transformation** of the built environment and the construction sector a priority in European funding programs and put **special attention to the inclusion of SMEs** to enable all enterprises, independent of their size, to participate.