

January 28<sup>th</sup> 2009

## **Position Paper on the recast of the Energy Performance in Buildings Directive**

### **AmCham EU Supports Energy Efficiency in Buildings**

The American Chamber of Commerce to the European Union (AmCham EU) is the voice of companies of American parentage committed to Europe towards the institutions and governments of the European Union.

AmCham EU members believe that energy efficiency is a key part of the EU's energy policy going toward the 20-20-20 targets. Energy efficiency in buildings is a crucial part of this effort, as it has the potential of combining the objectives of cost saving, achieving further energy security by reducing demand and meeting the Lisbon Agenda objectives of creating more employment locally.

The energy savings potential in the sector is vast, but there are many barriers to efficiency efforts and initiatives. As identified by the World Business Council for Sustainable Development<sup>1</sup> in its *Energy Efficiency in Buildings: Facts & Trends 2007*, many players in the buildings sector will only be motivated to change their behaviour through regulation. The present recast of the EPBD is Europe's main opportunity to strengthen energy performance regulation on the EU level for years to come. AmCham EU believes we should seize this opportunity and welcomes the Commission's ambitious recast text. AmCham EU believes key improvements in the recast proposal are:

- Broadening of the scope of the directive to all sizes of existing buildings, when requiring use of energy efficient alternatives in major renovations.
- Strengthening the role of the Energy Performance Certificates (EPC) by requiring them to be presented whenever a building is sold, rented or advertised.
- Introducing a benchmarking tool, for comparison between Member States' certification schemes.

AmCham EU recognises the urgency of energy savings in the buildings sector and calls on the European Parliament and the European Council to work together for a fast adoption of the recast directive.

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<sup>1</sup> <http://www.wbcsd.org>

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## **The recast proposal and potential improvements**

AmCham EU welcomes the proposal by the European Commission to strengthen the main aspects of the EPBD. It also welcomes the intent to approach a harmonisation of EU buildings energy performance calculation methodologies and certification, through the benchmarking tool. However, AmCham EU believes there are still a number of details that could be improved in the text, with a view of further harmonisation and improvement of the single market, as well as linking the directive to national financial incentives and increasing public sector leadership in green buildings through procurement objectives.

### **1. Harmonisation of certificates**

Currently the EPBD requires Member States to establish a certificate scheme with minimum energy performance requirements for buildings. However, the minimum levels and the certification scheme are left to the Member States to develop themselves. This has led to all countries having different schemes in place.

This has resulted in significant segmentation and confusion in the EU single market with negative effects on the movement of products, workers and worker training and certification. It is indeed very complex not only to compare different national schemes, even those with almost identical climatic conditions, and a near impossibility to have efficient sales strategies or training and certification schemes for workers.

Therefore AmCham EU warmly welcomes the Commission's proposal to initiate a common benchmarking tool to make it possible to compare Member State energy performance levels, and to bring them closer to each other by 2017. We believe that this could be made more ambitious, e.g. explicitly allowing building owners the opportunity to choose between an EU certification model and the relevant national scheme. This would further encourage harmonisation and cross-border trade, particularly in commercial buildings where there is great potential to promote an open market for energy efficient buildings. AmCham EU urges decision makers to support a single EU-level certifications scheme.

Additionally, mutual recognition of EU training programmes of buildings professionals across Europe as well as harmonised accreditation of inspectors of installations and of those who issue the EPCs would facilitate the creation of a single market in this sector.

AmCham EU also stresses the importance of making any supporting harmonised European standard proposals following from the Buildings Directive compatible with international initiatives and standards for the energy efficiency of buildings, such as the work developed by ISO technical committee ISO/TC 205, Building Environment Design.

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## **2. Including national financial incentives**

The current EPBD has a review clause Article 11, which calls for evaluation of the implementation of the directive, and suggests looking specifically at adding general incentives for energy efficiency measures. AmCham EU members believe this is an area where Member States could very usefully develop incentive programmes and consider fiscal measures. Technology and energy efficient applications and building components exist today, but we need to kick-start the market and raise awareness among consumers of available options. Financial incentives at national and local level are an excellent tool for that. The EPBD should include a clause which requires the Member States to put in place one or more financial incentives, usefully linking them to the Energy Performance Certificate (EPC) scheme.

## **3. Public procurement objective**

The public sector should lead the way by example. Public procurement has an important impact on local economies and public buildings are a large part of the existing buildings stock in Europe. Public procurement also plays an important role in boosting demand for energy efficient buildings. AmCham EU believes that the EPBD should require that Member States link public procurement to certain minimum energy performance requirements, e.g. mandating that a certain percentage of public procurement of buildings be very low energy buildings according to Article 9.

### **Background: The Energy Performance in Building Directive**

On November the 13<sup>th</sup>, the European Commission adopted a proposal for a recast of the Energy Performance in Buildings Directive of 2002/91/EC (EPBD). The objective of a recast is to clarify the directive, make its implementation easier and to strengthen its effectiveness and impact.

The EPBD obliges EU Member States to set minimum energy performance requirements for both new buildings and for the renovations of existing ones of a certain size. Member States are also to put in place an Energy Performance Certificate (EPC) system for buildings, as well as regular inspections of heating and cooling equipment.

The Commission has now put forward an ambitious recast proposal with the objective to capture the enormous energy savings potential in the building sector, which is the source of 40% of the EU's CO<sub>2</sub> emissions. The recast proposal is to broaden the scope of the EPBD to cover all buildings regardless of size, and to strengthen the use and visibility of the EPCs. The Commission is also proposing to set up a benchmarking tool, which will allow comparisons between the Member States on the minimum performance levels in their certification systems.



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The Commission says if implemented fully, the recast EPBD could reduce the energy used in the EU as a whole by 5-6%, and the CO2 emissions by 5%, by 2020. The effect of the EPBD will also bring cost savings for the European economy of 25 billion euros annually, and help create up to 450.000 new jobs in the construction sector, especially in SMEs.

Additionally, the European Commission has put a special focus on energy efficiency in buildings in its Economic Recovery Plan as published on November 26<sup>th</sup>. The aim of the plan is to “relaunch the EU’s long-term efforts to become a twenty-first century low-carbon, energy-efficient economy”, according to Commission President Barroso, and it proposes to focus both EU funding and Member State fiscal incentives in energy efficient building programmes.

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*The American Chamber of Commerce to the European Union (AmCham EU) is the voice of companies of American parentage committed to Europe towards the institutions and governments of the European Union. It aims to ensure an optimum business and investment climate in Europe. AmCham EU facilitates the resolution of EU – US issues that impact business and plays a role in creating better understanding of EU and US positions on business matters. Total US investment in Europe amounts to €702 billion, and currently supports over 4.1 million jobs.*

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