

EuroACE Position Paper - Heating & Cooling Strategy

10 September 2015

This document expresses the EuroACE Position on the upcoming Heating & Cooling Strategy from the European Commission, expected to be published in November 2015, and is based on the Papers which were issued by DG ENER in July 2015.

1. Recognising the importance of buildings in the Energy Union

EuroACE welcomes the efforts of the European Commission to gather some additional data on the Heating & Cooling (H&C) in the EU, in order to enlighten the decision-making process. The upcoming H&C Strategy should result in a **more comprehensive picture** of the policy options for the energy transition, through the identification of a **holistic vision of supply and demand**.

EuroACE would like to welcome the **recognition of the role of buildings** within the Energy Union framework, as buildings currently represent about 40% of the total energy consumption in the EU, and around 36% of CO₂ emissions. In fact, the potential of the building sector has already been recognised by the EU, as it has been identified as one of the *key priority sectors* by the Energy Union Communication. Indeed, today, buildings represent the biggest cost-effective energy savings potential, as 70% of them are still inefficient. Nonetheless, in spite of a better recognition of the potential of buildings at the political level, we are still missing a robust policy framework to implement it.

EuroACE also believes that **residential and non-residential buildings** shall be considered together, i.e. not separating non-residential buildings into an “Industry” Issue Paper. However, this shall not prevent adopting different tools and instruments for triggering energy renovation, depending on which building type is considered (residential or non-residential).

2. “Energy Efficiency First”! Let’s focus on the reduction of energy demand stemming from buildings

Considering the high potential of energy savings in buildings, and the fact that there is **no technological gap** (i.e. all necessary technologies to reduce demand are already available on the market), EuroACE calls for putting into practice the **Energy Efficiency First** principle in the H&C Strategy.

This means that the focus should lie on **first reducing the demand stemming from buildings**. This reduction of demand should not be capped to -30% or -50%, but instead, the objective shall be to reach **a building stock at nZEB level by 2050**. According to a study by Ecofys¹, a reduction of 80% of demand stemming from buildings by 2050 is technically feasible, and economically attractive.

¹ Ecofys, *Renovation Tracks for Europe up to 2050: building renovation in Europe – what are the choices*, June 2012, available at http://www.eurima.org/uploads/ModuleXtender/Publications/90/Renovation_tracks_for_Europe_08_06_2012_FINAL.pdf

This is the only way to unleash all related **multiple benefits** attached to reduction of energy demand in buildings, such as jobs & growth, energy security, improved health & comfort, improved public finances, and increased energy savings. EuroACE believes that these wider societal benefits shall be taken into account in cost-optimality calculations.

The primary focus on reducing demand towards nZEB level by 2050 would allow **avoiding lock-in effects** (i.e. investing in unnecessary infrastructures, which then become stranded assets) in terms of energy savings. Therefore, we will not miss a potential which can be easily and fully tapped. Moreover, EuroACE would like to underline the **economic feasibility** of reducing energy demand first, by focusing on building renovation.

More specifically, this focus on reducing demand first shall be put into practice by **increasing the depth and rate of building renovation**, where there is a strong case for action at EU level. This could take the form of **thoroughly implementing** the existing EPBD requirements, as well as **strengthening obligations** in the context of the EPBD Review, notably on the long-term renovation strategies, Energy Performance Certificates, and nZEBs. Concerning the use of **waste heat**, as it is suggested in the Issue Paper, EuroACE advocates for also applying the Energy Efficiency First principle, i.e. to ensure that avoidance of energy losses is the objective to be reached at any point in the energy system.

3. An optimised, decarbonised, efficient H&C supply relies on having a nZEB level building stock

EuroACE would like to highlight that the **decarbonisation of H&C supply** (i.e. inclusion of RES on-site or nearby, connection to decarbonised district heating when existing) relies on achieving the most cost-efficient way with a highly efficient building stock. Indeed, there is no point of integrating an efficient and decarbonised H&C supply to a building stock that is still energy inefficient.

Even more, **highly energy efficient buildings**, where energy demand has been reduced, are **fundamental for the energy transition** towards a more decarbonised supply, and therefore towards a sustainable and secure energy system. For example, a highly energy efficient building stock will limit the H&C peaks in summer and winter.

Finally, an energy efficient building stock will **empower consumers**, and enable them to be better protected against the uncertainty of future energy supply choices.

END

EuroACE

THE EUROPEAN ALLIANCE OF COMPANIES
FOR ENERGY EFFICIENCY IN BUILDINGS

For further information

Adrian Joyce
EuroACE Secretary General
+32 (0) 2 639 10 10
adrian.Joyce@euroace.org
www.euroace.org

About EuroACE

EuroACE represents Europe's leading companies involved with the manufacture, distribution and installation of energy saving goods and services for buildings. The EuroACE member companies employ over 300 000 people and have over 850 production facilities and office locations in the EU. The mission of EuroACE is to work together with the EU institutions to help Europe move towards a more efficient use of energy in buildings, thereby contributing to Europe's commitments on climate change, energy security and economic growth.

EuroACE Members (September 2015) are

