

Opinion Piece

July 2013

Staring Us In The Face

The malaise of the EU continues into another season. The talk – and reality – of high unemployment, zero growth and declining quality of life persists despite the efforts of the EU and its Member States to dig us out of crisis.

But what if the solution was staring us in the face and the EU Member States are not able to see it?

On 9th July 2013, the Member States of the EU passed another important deadline for implementation of many of the key provisions of the recast Energy Performance of Buildings Directive (EPBD). These provisions include minimum energy performance requirements, cost-optimal methodology, energy performance certificates and the inspection of heating and cooling systems. Unfortunately, only 3 Member States were in full compliance by the deadline. This continues the worrying trend of indifference, or even downright opposition, to doing anything serious about energy efficiency of buildings and the huge potential that it holds – a trend that EuroACE has observed with growing concern over recent years.

This trend has also been echoed in the difficulties that many EU Member States created during the negotiation and adoption of the Energy Efficiency Directive (EED) in 2012, although they did sign up to at least one significant buildings-related provision: the requirement to prepare long-term strategies for the mobilisation of financing for the renovation of buildings, both public and private.

Together, the EPBD and the EED have the potential to be transformative for European businesses, the construction sector and households alike but no matter how good the provisions of these directives adopted by the Council and the European Parliament are, there will be no benefit for anyone, unless they are fully implemented and complied with at Member State level.

In fact, the businesses represented by EuroACE and the partners engaged in the Renovate Europe Campaign, have estimated that full ambitious implementation of the EPBD and the EED, which would see the introduction of nearly zero energy buildings by 2021 coupled with a dramatic rise in the rate of renovation of existing buildings and a requirement that all renovations are deep or staged deep renovations, would bring very substantial financial, economic, environmental and social benefits to the EU.

The benefits have been quantified as a boost in annual turnover, by 2020, of about €670 billion for the construction sector; the creation of up to 2 million new local, sustainable, direct jobs; a rising annual boost to public finances estimated at €39 billion in 2020; increased health and well-being resulting from lower air pollution and a significant drop in CO₂ emissions as demand for heating and cooling of buildings drops. It is now up to the Member States whether they want to seize these benefits for their own citizens by swiftly and ambitiously implementing not just the EPBD, but also the EED.

But the work does not end there; the European Commission is currently running a public consultation on the post-2020 climate and energy policy, with a focus on 2030 as a new policy horizon. It is a horizon that EuroACE believes should be seen in the context of earlier work that led to the publication of several European Roadmaps with a policy horizon of 2050. If we are not well on track to our 2050 objectives by 2030, they will most likely be missed.

This consultation and the policy developments that will follow, offer the EU and its Member States a new opportunity to embrace the potential tied up in our buildings. The key will be to set binding energy efficiency targets for 2030. These targets should be designed on the basis of the measured technological potential for cost-effective energy efficiency in the main contributing sectors and the buildings sector should be the first among these. Setting a binding target for energy efficiency is crucial because the requirement for energy efficiency in the current energy and climate

policy package for a 20% reduction in energy use by 2020 is the only one of three targets that will certainly be missed. It is hardly coincidental that it is the only one of the three targets that was voluntary!

Measured against a base year of 2005, the energy demand of the existing buildings stock can be reduced by 36% by 2030 and measured against the EU "PRIMES 2009" projection for energy use in 2030 the potential is as high as 56% by 2030.

The International energy Agency (IEA) has warned in a recent report entitled *Redrawing the Energy-Climate Map* that the world is on a course to an average increase in global temperatures of between 3.5°C and 4°C, unless drastic action is taken by governments around the world. This level of temperature rise will lead to serious disruption of our weather systems and could potentially threaten world food supplies at a time when population growth is still rising at a rate of about 70 million per year.

So, the problem is staring us in the face, affecting our everyday lives. We all know we need to act. For the EU, the very best solution for the short and long-term is to address the poor energy performance of our building stock. In this way we can move the EU out of its crisis and re-establish its relevance for its citizens. But if the Member States have not been paying attention to the huge potential identified in the buildings sector, what can make them sit up?

End

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EuroACE represents Europe's leading companies involved with the manufacture, distribution and installation of energy saving goods and services for buildings. EuroACE members have a total turnover of around €140 billion per year in efficiency-related business and they employ approximately 172,000 people in these activities in Europe. 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 (July 2013) are:

