

EuroACE Feedback on Roadmap related to Climate Law

Following the publication by the Commission of the European Green Deal Communication, a Roadmap for a Climate Law was published on 9th January. Stakeholders were invited to give their feedback on this document, before publication of the Climate Law, scheduled on 26th February. This Paper sets out the EuroACE position on the matter.

1. A Climate Law underpinned with a Strong Governance Framework for a Climate Neutral EU by 2050

Achieving climate neutrality by 2050 is of utmost importance if we are to respect our Paris Agreement commitments. **EuroACE fully supports this objective and agrees that enshrining it into law**, transforming it from a vision to an **EU binding target**, which all Member States endorse, is key for achieving it. We know by experience that targets which are non-binding, such as the energy efficiency target, do not have the same political strength. This leads to sub-optimal implementation and therefore, missed benefits on the ground.

To have a real impact, we need binding targets.



Having a clear, **legally enforceable objective**, would give investors and industry the necessary confidence and therefore, would be a **market booster**. Having a legally binding target enables policymakers and stakeholders to **rally behind**, and to then devise, adopt and implement **concrete measures** to achieve it.

As for the format of the Climate Law, we would welcome a **Regulation**, which has the advantage of being directly applicable in Member States, without transposition. The Climate Law should also consider how it could be **integrated in the Governance process** and how National Energy & Climate Plans should be updated to reach this goal. It is important that progress towards climate neutrality by 2050 is regularly reported, monitored, and reviewed.

Adopting a Climate Law enshrining climate neutrality by 2050 into law, should be the basis to **align all EU funding**, notably the MFF, the Taxonomy and EIB lending, towards that objective. It would also facilitate the mobilisation of private investments.

2. A Climate Law having the Energy Efficiency First principle at its core

Energy efficiency holds the biggest potential in helping the EU to achieve climate neutrality by 2050, as we know this principally means reducing emissions to close to zero. According to the International Energy Agency, 75% of additional investments to cut GHG emissions in Europe to respect the Paris Agreement will have to come from energy efficiency.¹ Consequently, the **Energy Efficiency First principle** should be clearly set out in the Climate Law, based on its legally agreed definition (Governance Regulation Article 2§17a).

¹ IEA, WEO Special Report 2015: Energy and Climate Change.

The Climate Law should also recall that the EU energy & climate policies are based on a **successful target trio approach** (GHG emissions reduction target, energy efficiency target and RES target). In that framework, EuroACE would welcome the inclusion in the Climate Law of clear pathways, i.e. **intermediate binding targets for 2030 and 2040**. This would mean at least -55% GHG emissions reduction and 40% energy efficiency by 2030. In the buildings sector, there are already such '*indicative milestones*' for 2030 and 2040, as included in the national long-term renovation strategies.

3. A Climate Law recognising the Benefits of Energy Renovation of Buildings

The buildings sector has the biggest potential in terms of efficiency gains, equating to half of the decarbonisation measures needed to achieve our Paris Agreement goal. Swift, strong and sustainable actions in energy efficient renovations will be key to attain climate neutrality by 2050, as buildings represent 36% of the EU GHG emissions, 40% of its energy consumption and 50% of all extracted material. With the upcoming Circular Economy Action Plan, the buildings sector will undoubtedly be even more the **biggest contributor to reaching climate neutrality**.

The Climate Law should also recognise (and recall) that the buildings sector is the **only sector that has a 2050 objective which is in line with climate neutrality**. The Energy Performance of Buildings Directive includes in its Article 2A a clear objective for the building stock in the EU: being renovated "*into a **highly energy efficient and decarbonised building stock** by 2050, facilitating the cost-effective transformation of existing buildings into nearly zero energy buildings*". Moreover, energy renovation of buildings helps **delivering other benefits**, which makes it particularly relevant in the framework of the EU Green Deal which wants to be socially fair and providing opportunities for both European businesses and citizens.

The Commission indicates in the roadmap that an impact assessment is not required for the Climate Law, as it will use the full analysis made in November 2018 in the framework of the

preparations for the Communication '*A Clean Planet for All*'. We would like to recall that in this work, although only two (out of eight) scenarios were compatible with the Paris Agreement ambition, i.e. climate neutrality by 2050, **reduction of energy consumption in buildings was recognised as the policy delivering most of GHG emissions reduction in all scenarios**. It was also found that building renovation rate needed to be at **3% annually** to deliver the savings required², but the modelling only used rates between 1.3 to 1.8% in the various scenarios, which is inconsistent and should be corrected³.



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² European Commission, In-depth analysis in support of the Commission Communication COM (2018)773, p. 90.

³ Ibid, p. 102.

For further information

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About EuroACE

EuroACE represents Europe's leading companies involved with the manufacture, distribution and installation of energy saving goods and services for buildings. EuroACE members employ around 200,000 people in these activities in Europe and have around 900 production facilities and office locations. 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 (2020)

