

Op-ed: Germany's Leadership Opportunity

In 2020 the stars will align for Germany, and a golden opportunity will emerge to lead the way in climate and energy policy. The German presidency of the Council of the EU falls from June-December this year, at a time when Europe is showing unprecedented commitment to tackling climate breakdown. The Presidency will also mean German leadership of the EU team during the next international COP meeting in Glasgow during November. The time is ripe for Germany to take advantage of the enhanced ambition at EU level and regain its position as a trailblazer in planet-saving climate policy.

The Challenge of Buildings



One area where Germany can make serious improvements is its commitment to improving energy efficiency in buildings. An ambitious German vision for tackling energy waste in its building stock would be a crucial source of inspiration for standards in Europe. The question then is, how can we encourage the German government and policymakers to seize this opportunity, improve energy efficiency measures, and drastically ramp up both the renovation rate of buildings and the level of ambition in each renovation project?

Consulting Stakeholders

As Secretary General of EuroACE, I visited Berlin recently to engage in a National Dialogue Event, hosted with our partner DENEFF (the German Business Initiative for Energy Efficiency), at the Bundestag. There we gathered a range of stakeholders for a roundtable discussion on German ambition in this area, in the context of the European Green Deal. We exchanged with industry, consumers and energy efficiency experts. The message was clear: German government policy needs to do more to implement existing EU directives (such as the EPBD) and cure the stagnation in the German energy renovation market. If the German government is serious about reaching its climate goal of cutting greenhouse gas emissions by 55% compared to 1990 levels by 2030, they will have to pursue more drastic and holistic measures to reduce energy demand in buildings. And they will have to do this bearing in mind that the buildings sector accounts for about a third of German emissions.

Some good news...

Stakeholders in Germany, and observers in Brussels, were pleased to see some movement in the right direction at the end of 2019. The government finally introduced tax incentives for homeowners to undertake energy renovation measures. They can now claim back 20% on the cost of energy renovation works up to a ceiling of €40,000 from their taxes. This is certainly encouraging, but it applies only to owner-occupied homes, meaning some 20 million homes do not qualify for this scheme. The issue of encouraging landlords to renovate their properties without placing an unfair burden on tenants remains unresolved, although this is proving a tough nut to crack throughout the EU.



...but not enough.

It is also clear that these tax rebates are not sufficient to address some of the major barriers that exist in the uptake of quality energy renovation works, including a shortage of skilled workers and a general lack of consultation culture in Germany when it comes to including stakeholder voices in policy formation. Participants at our roundtable voiced concerns that existing policies may incentivise homeowners to ditch their fossil fuel-powered heating systems for a greener, renewable source, but without undertaking the accompanying crucial energy renovation measures that really reduce energy demand in a building. It was noted that only replacing a heating system does not deliver other multiple benefits such as improved comfort, healthier indoor environments and increased well-being.



Efficiency First

The energy efficiency first principle must remain paramount when designing energy renovation policies. A pragmatic decarbonisation strategy knows that energy efficiency in buildings leads to an improved uptake of renewable energy sources, and that we cannot put the cart before the horse.

Other ideas that came from the exchanges at our National Dialogue Event included:

- Immediately launching a stakeholder consultation for the writing of the German Long-Term Renovation Strategy (LTRS), due to be submitted on 10th March 2020,
- Including in the LTRS a strategic roadmap for energy efficient renovation of the building stock, one that looks both at providing policy guidance on a macro scale, and support for individual homeowners at a micro one,
- Continuing with planned reforms of incentive programmes to ensure that energy renovation is also in the interest of landlords and commercial property owners, thus encouraging them to engage in energy renovation works.

Conclusion

Germany should seize the opportunity in front of it. The world is watching as the EU launches itself towards 2050 as the 'first climate neutral continent', and all eyes will be on Germany this year. During its Presidency, Germany should be a vocal and ambitious champion of the European Green Deal, showing the way through the energy transition within Europe and leading the EU on the world stage in Glasgow. The reality is that in this pivotal period, the credibility of the EU will hang on that of its largest Member State.

Further reading:

Did you catch the International Energy Agency's 2020 Energy Policy Review for Germany? It was published yesterday and you can read it here: <https://www.iea.org/reports/germany-2020>

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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)

