



How to optimize the role of the European Union as a leader in Energy Efficiency Investment in Housing

Feedback from Housing Federations

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Consultation with CECODHAS Members:

- ☐ We asked for:
- ☐ View on EU funding and financing tools;
- ☐ Suggestions on measures which could smooth the way for increased investment;
- ☐ Update on the situation in their countries,
- ☐ Initial comments on the expected financial implications of new standards contained in the EPBD(2) (keeping in mind that so far only two countries have definitions for nZEB) in context of Power House Nearly Zero Energy Challenge

Contradictions



- ❑ EU – message is clear: Energy efficiency in housing is a no regrets option – Top priority – Up-front investment needed.

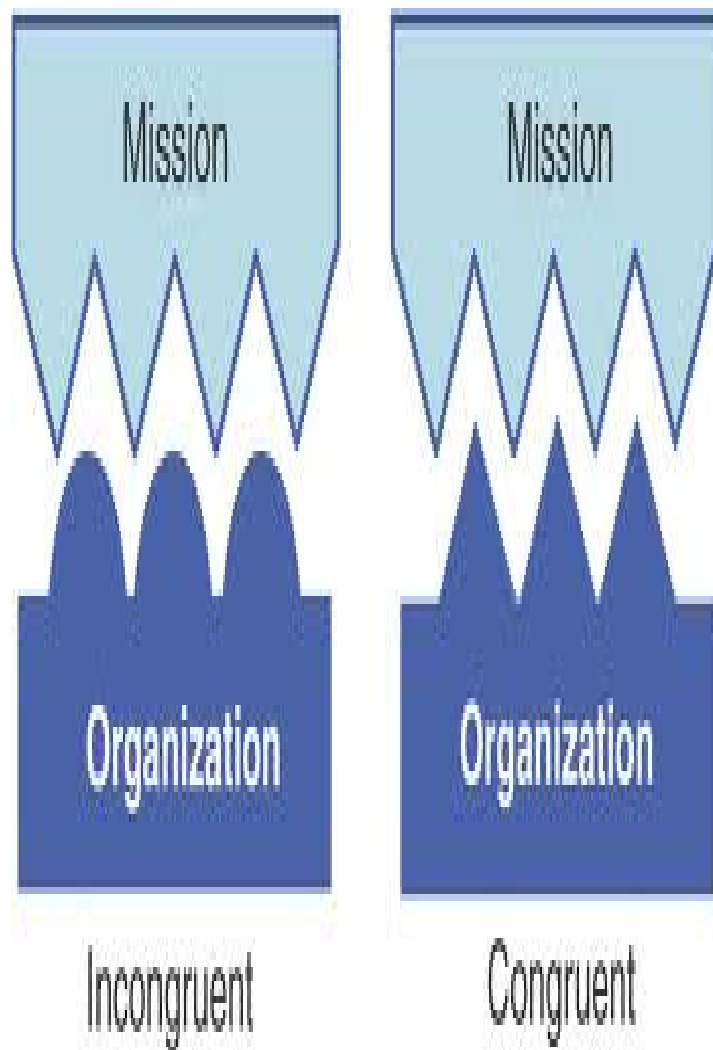
BUT Investment blocks/disincentives at local level can include

- ❑ EU Fiscal Consolidation;
- ❑ EU State Aid laws;
- ❑ Market regulation: Lack of correspondence; between reduced consumption and bills;
- ❑ High construction costs.



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Scale



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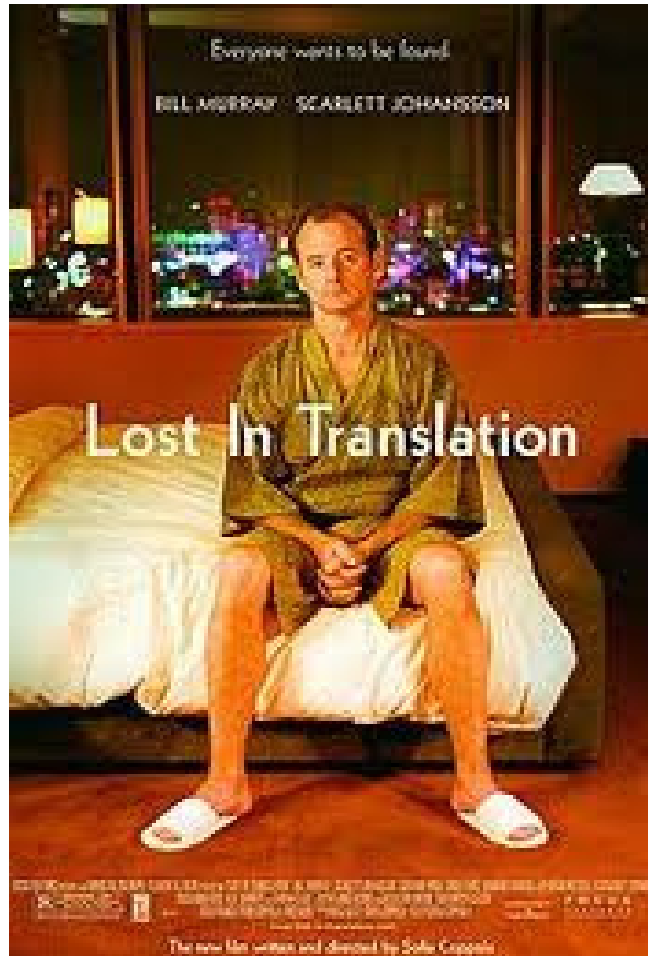
- ❑ ELENA, JESSICA, EEEF fund
- ❑ Technical assistance filling a real gap - Should become structural;
- ❑ Size requirement can present an obstacle;
- ❑ Technical assistance claw-back clause to ensure that bidder and provider share risk if project not bankable;
- ❑ Jessica could not be used as a guarantee fund;
- ❑ EEEF fund: interest rates and length not advantageous;

European Regional Development Fund



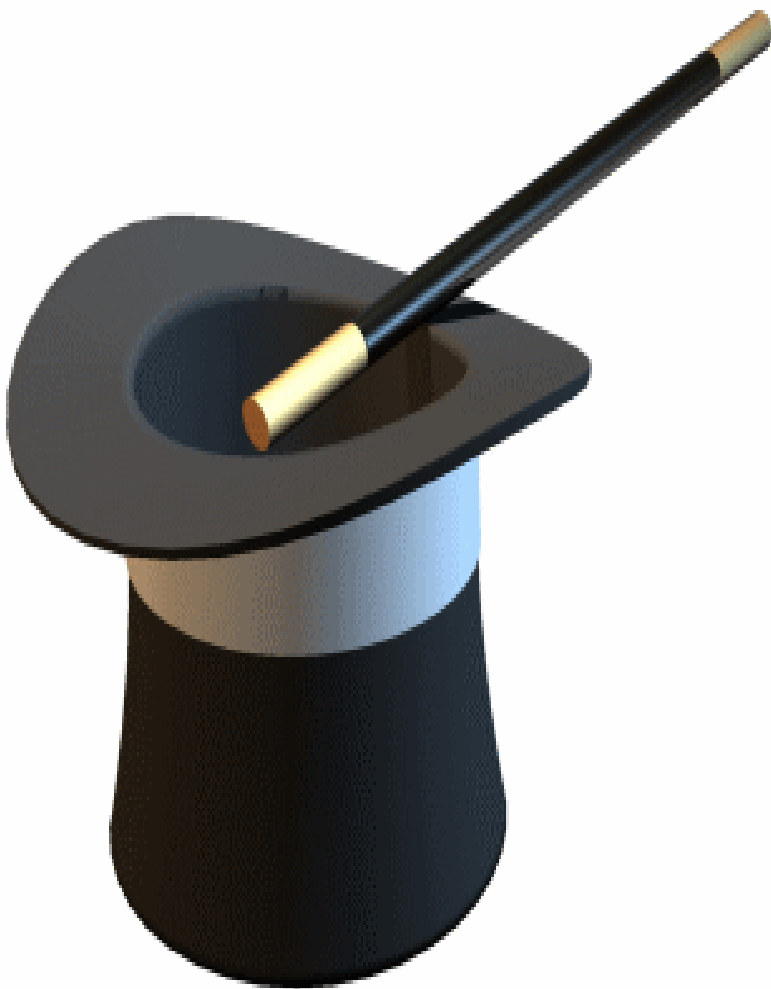
- ☐ Current proposals fitted to needs;
- ☐ Grants not only financial engineering;
- ☐ More simple access;
- ☐ Clarification on potential clashes with state aid regulation needed;
- ☐ Call of obligatory spending on housing if indicators such as fuel poverty reveal need?
- ☐ Area-based interventions to achieve economies of scale;
- ☐ See: SF Energy invest

Language Issues



- ❑ This consultation for e.g.
- ❑ Applications for ELENA must be made in English;

Financial Engineering – Energy Service contracting



- ❑ Perception is that only simple measures addressed
- ❑ Need for a mediator to defend interests of client (social housing organisation/local authority);
- ❑ Risk must be covered by guarantee (risk of non-payment);
- ❑ Specificities of the sector – low income households, subsidies required due to tendency to under-heat homes – therefore payback reduced;
- ❑ FRESH conclusions to be reviewed by Members;

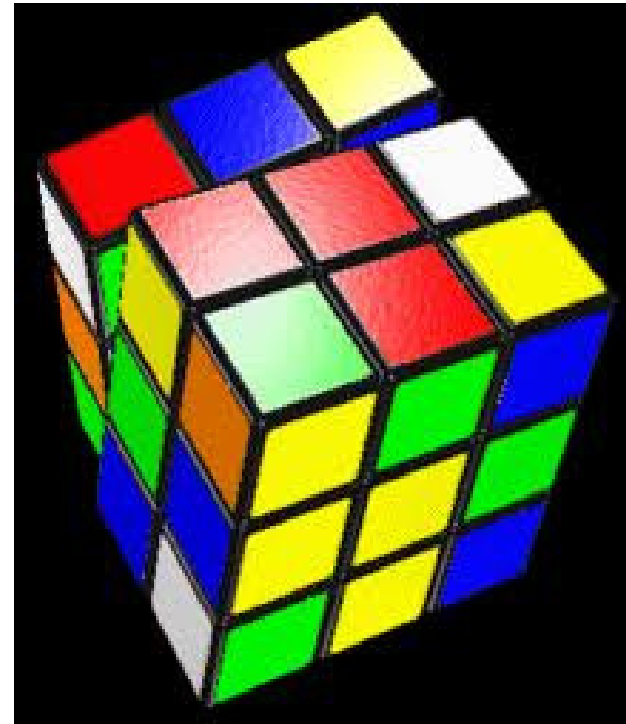
Timing – Demand Response and Continuity



- ☐ Demand Response?
- ☐ Needed now not in one Year (ELENA, MLEI);
- ☐ Support and Incentive schemes must be continued over time;
- ☐ Solid Legal framework will help;

Complexity – Consolidation of Funds desirable

- ❑ Range of different funds create complexity;
- ❑ One stream needed which brings together all the possible funding and functions such as technical assistance and loans for refurbishment;
- ❑ In social housing sector, subsidies needed to cover at least 30% of the cost;



New Funding Streams?

- ❑ Energy Efficiency
Feed-in Tariffs; (UK, Flanders)
- ❑ Housing organisations to be recognised as energy efficiency and energy producers;
- ❑ Question of who pays;
- ❑ Carbon Credits (CZ);
- ❑ Local production of renewable energy efficiency due to reduced transportation – also as a way to finance efficiency (Blocked in many MS due to restrictions on activities of housing organisations/Tax laws);

Home is not a fridge



- ❑ 15% of refurb cost is community outreach;
- ❑ New SGI – Might be soft but still requires investment;
- ❑ Re-bound effect;
- ❑ Fuel poverty – underheating;
- ❑ *Engineer «We have created the perfect energy efficient house – people should stay outside»*

National Issues

- ❑ Political priorities (energy mix/fuel poverty/private housing);
- ❑ VAT – low VAT on maintenance, renovation, rent needed;
- ❑ Banks not interested – lack of long-term low-interest loans;
- ❑ Split incentive/ Mixed ownership – no structures to absorb
- ❑ Lack of coordination of the building chain – integrated design (see SHELTER IEE project);
- ❑ Integrated with local priorities, Ageing, Social Exclusion, District approach;



Nearly Zero Energy Challenge 2012 – 2015 (IEE)

- ❑ Take stock of progress and results made on low-energy housing in front running countries
- ❑ Cost-Benefit analysis taking into account maintenance of low energy housing
- ❑ Launch – Solar Decathlon, September 26th Madrid