

Response to European Commission Consultation Paper: Financial Support for Energy Efficiency in Buildings

Introduction

The ELO is committed to promoting a sustainable and prosperous countryside and to increasing awareness relating to environmental and agricultural issues. Engaging various stakeholders, ELO develops policy recommendations and programmes of action. ELO organises interdisciplinary meetings gathering together key actors from the rural sector and policy makers at the local, regional, national and European level. Its ability to do all of this assures ELO its unique position among the think tanks in the agricultural, environmental and rural activities' sectors.

ELO targets its work and actions towards eight major issues of European importance:

1. Environment;
2. Renewable energy;
3. Water;
4. Agricultural and rural development;
5. Status of private property and companies;
6. Forestry;
7. Enlargement;
8. Trade.

The Country Land & Business Association (CLA) is a member of the ELO and represents over 34,000 members in England (and Wales). Our members both live and work within rural areas; they operate a wide range of businesses including residential, agricultural, tourism and commercial ventures – at the last count the CLA represents some 250 different types of rural businesses.

We have been looking after the interests of our members, as well as promoting the positive aspects of land ownership, land management and rural business activities for the past 100 years. CLA members own or manage approximately half the rural land in England and Wales, and the resulting expertise puts us in a unique position to formulate

policies and lobby effectively. In terms of the subject European Commission Consultation Paper, the CLA is responding as lead ELO organisation. The contact is therefore London-based danielle.troop@cla.org.uk.

By way of reference to historic consultation responses submitted by the CLA, the preferred terminology is that of minimising “carbon impacts” as opposed to solely “energy efficiency in buildings.” This preferred terminology covers the requirement to be mindful of the whole life carbon impact that some building materials used to mitigate against heat loss, can generate. Indeed, the response to the final question within this consultation document identifies a need for EU policy guidance on the issue of whole life carbon impacts.

5.2 Consultation Questions

1a. Barrier - The issue of older properties expensive to bring up to energy efficiency is missing. For example, the UK has chosen to implement a “golden rule” as part of its Green Deal Framework which states that the cost of the intervention should be paid for through the commensurate reduction in the energy bill. Analysis on older domestic and non-domestic buildings has indicated that owing to the “hard to treat” nature of older properties, particularly those with solid walls, the cost of bringing them up to an Energy Performance rating of “E” will not be possible through payments based on reduction in energy bill costs alone (the golden rule).

Barrier - Risk that for heritage buildings in particular, highly invasive works linked to energy efficiency, will damage structures that member states are trying to protect.

1b. Market Failures – Green Deal seeks to mitigate against many of the barriers identified in section 4.1 “Market Failures”. Lack of incentive is dealt with through the mandatory nature of Green deal and split incentive is dealt with through running the Green Deal intervention with the property rather than with the Landlord or the Tenant. Within section 4.1 the most challenging market failure identified is the “inconvenience” factor. For our membership and the construction of the units let to tenants, there will almost certainly be a requirement to move out during some renovations since in the majority of cases, external cladding will be inappropriate. No monies are identified within Green Deal to pay for temporary accommodation or to compensate the Landlord for loss of rent during the renovation period.

Level at Which Market Failures should be Addressed

It is believed that the issue of payments for temporary accommodation, loss of rent and match funding to bring older properties up to an Energy Efficiency Rating of “E” should be dealt with at an EU level in policy and funding allocation terms. National Organisations within member states or European Organisations representing Property Interests would be eligible to apply for match funding based on the legal frameworks and level of intervention funding being enabled by individual national governments

1c. Addressing failures is referred to at 1a and 1b above.

Improving Access to Funding

2a. The future role of centrally-managed financial instruments at EU level should be to identify relevant Energy Efficiency monies from a range of streams/programmes that would be made available to National and or European Organisations to use as match funding alongside nationally managed energy efficiency frameworks such as Green Deal. Outputs in terms of energy efficiency ratings resulting from EU match funding would be monitored centrally.

2b. The European Commission is advised to look at the “Green Deal Bank” being established as part of Green Deal. Private financing for such structures is more likely to be mobilised if there is recognition that match funding is available. In this regard, private finance becomes leverage as opposed to European monies “pump priming”

2c. This is dealt with by Green Deal. Green Deal Providers (Utility Companies et al), guarantee the work undertaken by accredited Green Deal Installers. Green Deal Installers are accredited by a Green Deal certification body. European match funding should be covered by these guarantees if monies bid for were to extend the scope of intervention works in UK properties (using accredited installers).

2d Established energy efficiency schemes within the EU should be monitored and findings disseminated.

2e Not known. Green Deal not yet rolled out.

Strengthening the Regulatory Framework

- 3a.** No, beyond existing EU-level regulatory frameworks, regulation and framework formation should stay at National Levels with incentives only provided at the European level. Policy guiding match-funding would be welcome.
- 3b.** To establish bespoke frameworks at the national level that deliver EU stated targets both in terms of spend and CO2 emission reductions.

3c Awareness raising:

- the ability for Energy Efficiency interventions to assist with job creation – target MP's
- the ability for Energy Efficiency interventions to deliver warmer homes (through lessening emissions/heat loss) at no upfront costs to landlords – target property groups
- the ability for Energy Efficiency interventions to deliver warmer homes (through lessening emissions/heat loss) and improve health outcomes – target health departments

3c Specific Policy Guidance Needs

Whole life carbon impacts policy work underpinned by statistical analysis of carbon generation linked to (all) building material manufacturing and installation processes.

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