



European Commission
DG Energy - ENER.C3
Energy Efficiency
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Contribution to the Public Consultation on Financial Support for Energy Efficiency in Buildings

Question 1: Addressing market failures

- a. Are the barriers identified in this document the most important ones? If not, which barriers are missing and why are they important?

Sustainability which is key to achieving value over the product life cycle is missing.

- b. Which market failures would be most urgent to address? At what level (i.e. EU, national/regional/local) would these failures be best addressed?

Information failure is the most urgent market failure to be addressed. The degree of information failure may vary: Sometimes there may be a general lack of awareness, sometimes adequate information on energy efficient technologies may not be accessible.

The improvement of energy efficiency has to be in the center of policy making both at EU and national level. Given the climatic differences within the EU, however, it is advisable to provide general information on the energy efficiency of buildings as well as on financing schemes at national level. The reason being that in some regions the loss of heat (towards the outside) is critical when measuring energy efficiency of buildings whereas in other regions it is the penetration of heat from the outside.

When it comes to individual projects information failure has to be addressed at a regional or even local level.

- c. How could these failures be best addressed? [e.g. What could be done to increase awareness raising and promotion of energy efficiency in buildings? How could the business community (e.g. building sector, ESCOs, local banks, etc.) be better supported in delivering energy efficiency in buildings?]

The general absence of awareness with regard to energy efficiency in buildings could be addressed by awareness campaigns.

Another way of raising awareness is leading by example, i.e. pushing ahead with energy efficient retrofits of public buildings. Information on energy efficient retrofits and financing then has to be made publicly available and actively communicated, e.g. through open days or awards.

When it comes to developing specific building projects it is important to promote the availability of specialist knowledge. To this end, training and qualification standards for energy efficiency consultants have to be defined at EU level. These consultants should not only be trained in technical issues but also in financing matters.

To promote energy efficiency of buildings energy efficiency labelling should be extended. Another incentive to increase the attractiveness of energy efficiency in buildings could be the introduction of a scrapping bonus (Abwrackprämie) for energy efficient products (e.g. 10% of product value).

Building owners could be obliged to work with energy efficiency consultants when developing a building project. The business community could be supported through tax and VAT reductions for businesses producing and installing energy efficient products.

Question 2: Improving access to financing

- a. How could more private financing (both from institutional investors as well as building owners) for energy efficiency projects be mobilised?

Setting up green banks such as the German KfW, granting loans at low interest rates to home owners for energy efficient retrofits

What would be the role of public funding (both at EU and national level) in this context?

Incentives e.g. through tax relief

Is access to (project development) technical assistance an issue and how could it be provided most efficiently at the national, regional and local level?

At craftsmen level this certainly is an issue. At corporation level easier and transparent financing schemes would be welcome because the current process is time-consuming.

How could both national and EU financing schemes be improved to best cover all segments of the market (residential, commercial, public buildings, etc.)?

Traditional big institutional lenders could be integrated into financing schemes. Apart from the creditworthiness of the lender other criteria such as energy efficiency of the project should have to be taken into account, also keeping in mind life cycle costs.

- b. How could the capacity, knowledge and risk perception regarding energy efficiency investments be improved, both at financial institutions as well as with private investors and administrations at all levels?

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- c. Are there examples of good practice at national or regional level (with data on costs and benefits) that could be applied more widely?

In Germany the reduced VAT rate of 7% applies to DEHOGA members. This could be extended to businesses producing and installing energy efficient products.

Another example of good practice is the car scrapping scheme (Abwrackprämie). This scheme could be applied more widely: e.g. more than 300,000 windows in Germany alone do not meet energy efficiency regulation as of 2012. By creating incentives to replace these windows huge benefits in CO2 reduction and energy saving could be achieved.

Question 3: Strengthening the regulatory framework

- a. Is there any need for further EU-level regulation to stimulate energy efficiency investments in buildings beyond the Commission proposal for a new Energy Efficiency Directive? If so, what should these measures entail?

Germany has come a long way in energy efficiency. EU level regulation should ensure the EU wide extension of the demanding standards and the good practices in Germany.

- b. What could be specific measures to be taken at national level to implement and complement most effectively the EU-level regulatory framework for energy efficiency?

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- c. What are the specific needs for policy guidance and awareness raising among different stakeholder groups?

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