EUROPEAN BUILDERS CONFEDERATION

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Public consultation
Review of progress towards the 2020 energy efficiency objective and a 2030 energy efficiency policy framework

Established in 1990, the European Builders Confederation - E.B.C. - is a European professional organisation representing national associations of Craftsmen and SMEs working in the construction sector. Through its national members, E.B.C. represents 2 million micro, small and medium sized enterprises from the construction sector.

The construction sector is of vital importance to the European Economy. With 2.7 million enterprises, an annual turnover of almost € 1300 billion, a total direct workforce of almost 14 million, the construction sector contributes about 10% to the GDP of the European Union.
The European construction sector is composed at about 99% of Small and Medium-sized Enterprises (SMEs), who produce 80% of the construction industries output. The small enterprises (less than 50 employees) ensure 60% of the production and employ 70% of the sectors working population.

This consultation is part of the assessment of progress towards the 2020 energy efficiency objective required under Article 3(2) of the Energy Efficiency Directive 2012/27/EU. It is also a follow-up to the Communication "A policy framework for climate and energy in the period from 2020 to 2030".

The EU has set itself an energy efficiency target for 2020: 20% energy savings compared to projections. It has defined what this means at EU level: energy consumption of no more than 1483 Mtoe primary energy and 1086 Mtoe final energy. At national level, Member States have set themselves indicative national targets.

Analysis suggests that the EU is making progress towards its 2020 target, but there is likely to be a shortfall. Latest projections and national targets - which will be updated later this year - indicate that about 17% energy use reduction will be achieved by 2020. It therefore needs to be considered what policy options could address this situation in the most appropriate manner.

The "2030" Communication makes it clear that, with a 2030 perspective, more ambitious energy efficiency efforts are necessary and the exact ambition of future energy savings policy and the measures necessary to deliver it need to be established.

A. Energy efficiency targets and measures

1. Do you think the right approach in addressing the shortfall is:

a) To define energy efficiency target(s)
b) Reinforced implementation of existing legislation, including active policy on infringements
c) Proposing new legislation

Details and justification:

It is essential to define REALISTIC energy efficiency targets for both households and companies.

1.a.1. How should these target(s) be expressed?

- In terms of energy intensity improvements of the economy and economic sectors
- As absolute energy savings
- **<u>As a hybrid of the two represents a better benchmark upon which to frame a 2030 objective</u>**
- No opinion

Details and justification:

A combination of both will:

- enable to strengthen the energy efficiency, so as to improve the energy intensity in the economic sector (e.g. with more efficient and high performing boilers, one gets better energy efficiency)
- and enable bigger energy savings in housing (e.g. by reinforcing insulation works in housing.

The combination of both should enable the EU to reach its 2030 objectives.

1.a.2. At what level should they apply?

- EU
- <u>National</u>
- Sectoral

Details and justification:

In fact, we believe that a mix of national and sectoral level approaches should apply. It would be better to have national targets that take into account the sectors that are more exposed. The national objectives should be combined with a sectoral plan to boost the energy efficiency of buildings, that can at the same time act on the supply side and on the demand side and integrate all the stakeholders of the sector.

1.a.3. Should they be:

- Legally binding
- **<u>Indicative</u>**
- No opinion

Details and justification:

A coherent 2030 climate and energy policy is necessary in order to provide policy predictability to businesses and to stimulate investors' confidence. In this sense, a target for energy efficiency improvements to buildings must be a key element of the energy savings target given it is the end-use sector with the highest savings potential. Nevertheless EBC does not preach for a binding target for the renovation of buildings, as EBC does not think that the obligation to perform construction work is the right message to send to private households – it is better to encourage households to perform energy savings works rather than to force them. Indeed the obligation to perform renovation works can lead to the loss of households' subsidies/incentives and hence encourage undeclared work.

Encouraging households to perform energy renovation works can be done through a long-term, stable policy framework. Indeed constantly changing rules do not encourage undertaking any works.

B. Energy efficiency sectors

2. Do you think that further policy measures are needed at EU level to foster energy efficiency in buildings?

- Yes
- No
- No opinion

Details and justification:

It is essential to efficiently and coherently accompany the sectors concerned by the energy efficiency as they will contribute in the medium term to the reduction to the energy consumption and help achieve the targets.

Within the overall framework that will support a 2030 energy efficiency target, ambitious programmes for the energy efficient renovation of buildings are essential. Even if non-binding, long-term strategies for energy efficient renovation of the building stock must be at the heart of any future climate and energy strategy and should be incorporated into that strategy through the setting of a sectoral plan for the energy efficiency of buildings.

Further policy measures should focus on how to financially support energy efficiency in buildings.
For companies, they should:

- help them access training courses focusing on energy efficiency (for example, FEE Bat in France)
- encourage the creation of self-assessment instruments enabling companies to check the quality of the energy improvement works
- encourage the creation of reliable and universal thermal evaluation instruments

8. Do you think that further measures are needed to build the capacity of actors in the energy efficiency sector?

- Yes
- No
- No opinion

Details and justification:

What is also essential to encourage households to undertake construction work in order to improve the energy efficiency of their building is:

- communication campaigns on the necessity to undertake energy efficiency renovation works;
- the development of powerful and sustainable financing tools for energy renovation of buildings;
- the creation of a loan for the energy renovation of housing;
- the improvement of the energy savings certificates' image;
- the possibility to see the amount of their accrued charges on their energy bills;
- the use of reduced VAT rates for the renovation of housing (renovation works of housing automatically lead to energy saving works);
- to encourage the possibility for small construction companies to group themselves in order to be able to propose global offers.