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Date December 16, 2013
Subject Report on policy measures Article 5 EED

Dear Paul,

Referring to Article 5 of the Directive on energy efficiency (2012/27/EU) (EED) please find enclosed the report on the policy measures that the Netherlands are intending to implement as an alternative to renovate 3 % of the building stock of the central government. The report is drawn up in accordance with Article 5 of the EED.

The policy measures in the report are based on the objective of 2 % energy saving a year in accordance with the existing government policy for the Government Buildings Agency and the implementation of the Energy Performance Advice project of the buildings of The Real Estate of Defence. With this combination of policy measures the Netherlands aims to achieve at least an equal amount of energy savings compared to a renovation program as mentioned in Article 5 of the EED.

The report includes the option of an alternative approach by which the minimum energy performance requirements as stated in Article 4 of the Energy Performance of Buildings Directive will be met.

Yours sincerely,

Director-General for Housing and Building

Mark Frequin

Directorate-General
for Housing and Building
Building Department

Contact
Kristel Wattel-Meijers

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December 16, 2013

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To:
European Commission
DG Energy
Mr Hodson

Memorandum

Report on policy measures Article 5 EED

Copies to:

Directorate-General for Organisation and State Asset Management

Government Buildings Agency (Rijksgebouwendienst)

Ministry of Defence

Introduction

The Netherlands would like to encourage energy saving in central government buildings. The public sector plays an important role in the context of the Energy Efficiency Directive (EED). Buildings owned by the government make up a considerable share of the building stock and have a high profile. By improving the energy performance of central government buildings, the government can set a good example and contribute to the realisation of the energy savings objective for the built environment.

Article 5 of the EED requires the Netherlands to renovate each year 3 % of the floor area of buildings owned and occupied by its central government. Following renovation those

3 % of the building stock must meet the minimum energy performance requirements set by the Netherlands under Article 4 of the EPBD. The Netherlands may also opt for alternative measures that achieve at least the same savings and sustainability effect.

The Energy Research Centre of the Netherlands (ECN) has studied the savings which the 3 % renovation obligation produces versus the savings achieved by the Netherlands with its alternative measures. The ECN's findings are set out in the report 'Alternative approach, Article 5 Energy Efficiency Directive, ECN-E--13-031, May 2013.'

This memorandum describes the way in which the Netherlands intends to meet its targets for Article 5 of the EED and explains why the Netherlands has opted for an alternative approach.

Choice of alternative approach

Article 5 provides for a renovation obligation but also allows the Member States to opt for an alternative approach to meet equivalent targets. The Netherlands is making use of the possibility offered by Article 5(6) to opt for an alternative approach.

The Energy Research Centre of the Netherlands (ECN) has studied the savings which the 3 % renovation obligation produces versus the savings achieved by the Netherlands with its alternative measures. For this study ECN received data from the Government Buildings Agency and the Ministry of Defence. These data do not give a complete overview of the central government buildings to which the Directive relates, but it is estimated that they cover more than 90 % of the building stock. Thus the study is representative of the central government's entire building stock.

The Dutch Government Buildings Agency ('RGD') is the service within the Ministry of the Interior and Kingdom Relations responsible for the management and development of government buildings. The Government Buildings Agency acts on behalf of the state as the commercial owner of government-owned buildings (the private-law management of government-owned property is in the hands of the Government Property and Development Company). The RGD is responsible for a floor area of 7 million m².

The Real Estate of Defence agency ('DVD') is responsible for the management, maintenance, surveillance, security and new construction of the Ministry of Defence's property. The DVD is responsible for a floor area of more than 6 million m². The Netherlands has opted to limit the application of Article 5(1) to Ministry of Defence buildings to its living quarters and office buildings.

The requirement covers buildings owned and occupied by central government with a useful floor area over 500 m², and from July 2015 over 250 m². ECN's study shows that, of the central government's building stock, in total 2.1 million square metres of useful floor area do not at present meet the standards which the Netherlands has laid down under Article 4 of the EPBD.

If 3 % of the building stock is renovated to EPBD requirements each year, over the period 2014-2020 this will involve more than 400 000 m², belonging to the building stock of the Government Buildings Agency as well as Ministry of Defence offices and living quarters. This will result in a total saving of 219 TJ (0.2 PJ), assuming that buildings with a G energy label are renovated first.

At a renovation rate of 3 % per year according to Article 5 of the EED Directive, the Government Buildings Agency will save 1 % energy each year across its entire real

estate portfolio. For its government buildings the Government Buildings Agency has committed itself to achieving 2 % energy savings per year, as an average over its entire real estate portfolio. By 2020 it is intended that this will lead to 25 % energy savings compared to 2008. On the basis of the 2 % savings target per year the Netherlands expects to achieve a saving of 700 TJ for all Government Buildings Agency buildings over the period 2014-2020.

The Real Estate of Defence agency has been running its Energy Performance Advice project for some years. By applying the measures recommended under the EPA approach to the property falling under the EED scheme, the Ministry of Defence has achieved a saving estimated at 300 TJ.

These measures are:

- Application of sustainable buying-in requirements for purchasing and renting offices, with at least energy label C for rented and purchased buildings and strict requirements for new construction and renovation.
- Disposal or demolition of property with a poor energy label in the context of more efficient use (and contraction) of the property stock.
- Optimisation of energy installation settings under the 'FCIB' ('functional control, adjustment and testing') project.
- The Energy Performance Advice project under which a tailor-made recommendation for energy-saving measures and the necessary investments is drawn up for each building.
- Implementing cost-effective measures for maintenance and renovation on the basis of the Environmental Management Act.
- Using performance contracts (along the lines of Main contracting and ESCOs, for example), *inter alia* on the energy savings to be achieved, under which the management of energy installations is transferred to the contractor for the duration of the contract and the contractor guarantees a specific energy saving.
- Roll-out of smart meters.
- Nearly zero-emission new build from 2019 on the basis of the EPBD.

In the Sustainability Agenda the cabinet has undertaken to report on the progress of sustainability in the management of state-run enterprises. To demonstrate that the government is meeting this objective, each year it reports on its own enterprise management in the State-run Enterprise Management Annual Report (<http://overheid.nl/media/downloads/JaarrapportageBedrijfsvoeringRijk2012.pdf>).

State-run Enterprise Management Annual Report

As part of the State-run Enterprise Management Annual Report, an account is given of the energy savings achieved. In view of its special status, the Ministry of Defence submits its own report to the House in the Ministry of Defence Annual Report (http://www.rijksbegroting.nl/2012/verantwoording/jaarverslag.kstl81216_28.html).

The two diagrams below show that the objective of 2 % energy savings per year over the last three years has been achieved. They show the change in energy consumption on the 13.3 million m² gross floor area from 2008 to 2012 inclusive, as a total and per m². The figures are for the overall energy consumption of the property belonging to the Government Buildings Agency, the Directorate-General for Public Works and Water Management (Rijkswaterstaat), and the Real Estate of Defence agency.

The account given of energy consumption and sustainability for 2012 is based on the following:

- The total floor area is 13.3 million m² of gross floor area (GFA), of which 7 million m² GFA is government property and 6.3 million m² GFA Ministry of Defence property. Energy consumption in 2012 was 10 500 TJ.
- Energy consumption in kWh and m³ has been converted to MJ, using the following conversion factors:
 - electricity: 1 kWh = 3.6 MJ
 - gas: 1 m³ = 35.2 MJ.

Conclusion

The Netherlands is taking various cost-effective measures to reduce energy consumption in central government buildings.

In its study the ECN has shown that it is definitely possible to achieve the required savings under the renovation obligation covering 3 % of the stock of central government buildings in accordance with Article 5 EED by means of an alternative approach.

On the basis of the ECN report, as an alternative approach it is sufficient if the Government Buildings Agency pursues the 2 % energy savings per year by means of sustainable buying-in, optimising and adjusting energy installations and possibly using performance contracts, and if the Ministry of Defence continues implementation of the recommended measures under the EPA approach in its existing office buildings and living quarters.

Monitoring will be carried out over the next few years on the basis of the State-run Enterprise Management Annual Report and the Ministry of Defence Annual Report to demonstrate that the obligation under Article 5(1) EED is being met.