With the transposition of the Fit for 55 package and other relevant legislation, national consumer organisations wish to provide guidance to national governments on what consumers need to encourage their transition to renewable energy.

Below are a list of steps Member States can take during the transposition process to build on the EU Directives and ensure higher numbers of consumers feel encouraged to buy their first heat pump.

Bring down the running costs of heat pumps

In some EU countries, the cost of heating your home with electricity is not competitive when compared with gas heating.1

When it comes time to transpose the Energy Taxation Directive, Member States should reduce the levies on electricity as low as permitted by the upcoming legislation. As done in Denmark, this reduced the cost of heating one's home with electricity by half and crucially, made the total annual cost of ownership lower than that of gas heating.2

Create attractive financing options

For many consumers to be able to afford a heat pump, the costs of the investment will need to be spread out over time. Such measures, along with

their proper communication, should be taken in line with the transposition of numerous directives.

When transposing the Consumer Credit Directive, Member States should set a lower cost cap on the annual percentage rate of charge for green loans under Article 31. This would make green loans more attractive to consumers, encouraging them to make the decision to opt for renewable energy or energy efficiency measures.

Green loans can be further built upon through the **Energy Efficiency** Directive (2023), where Member States must develop innovative financing options for consumers (Article 30), while the Renewable Energy Directive (2023) ensures Member States must properly communicate to home owners and/or tenants about

financial instruments to improve the use of renewable energy in heating and cooling systems (Article 23).

Train more installers, for better installations

Not only is there a lack of heat pump installers available to consumers, but many plumbers and heat designers already in the field are not familiar with heat pumps and actively encourage consumers to opt for a



¹ European Commission, Directorate-General for Energy, Breitschopf, B., Wohlfarth, K., Schlomann, B., et al., <u>Overview of heating and cooling: perceptions, markets and regulatory frameworks for decarbonisation: final report, Publications Office of the European Union, 2023.</u>

 $^{^2}$ Regulatory Assistance Project, Rosenow J., Thomas S., et al., Levelling the playing field: Aligning heating energy taxes and levies in Europe with climate goals. 2022. Pgs 24-33

³See <u>BEUC</u>, Mystery Shopping: Consumers' experiences with heat pump installers and retailers, 2023.

As per the Renewable Energy Directive (2023), Member States must now create training programmes to ensure there are enough wellcertified heat pump installers available to reach their national renewable energy targets (Article 18).

Member States, when coordinating the schemes, should put an emphasis on re-training for professionals already in the field such as plumbers or heating engineers.

To further ensure the high quality of installations, Member States should provide a list of certified installers for heat pumps, so that consumers can be assured of trustworthy, high quality installations, and not fall prey to scams. Once established, these lists should be regularly reviewed and updated, and promoted at the national and local level to ensure consumer awareness.

Create one stop shops for renovations

Because heat pumps run at a lower flow temperature than gas boilers, many homes are not yet heat-pump-ready, and will need to undergo insulation measures, which depends on the climate zone and the type of dwelling.⁴

However, most consumers don't know where to begin with making their home heat pump ready. This is where one stop shops can play a key role and guide consumers through the process while giving impartial advice on their renovation needs, as exemplified by Electric Ireland Superhomes.

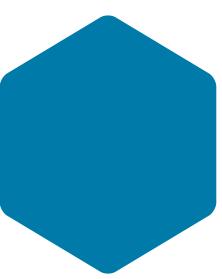
Under the Energy Efficiency Directive (2023), municipal decarbonisation plans for heating and cooling must be drawn up (Article 23). To aid this process, national governments should enable the setting up of one stop shops and build capacities among regional authorities via Technical Assistance (i.e, via ELENA European Local Energy Assistance programme).

Expand consumer protections for renovations and heat pumps (ADR)

Consumers want peace of mind that if something goes wrong with their home renovation or with their heat pump installation, they will be protected. However, in many cases, including the installation of a heat pump, consumer protections are limited, and consumers can be left holding the bag. The upcoming review and transposition of the Consumer ADR Directive gives the EU and Member States the opportunity to fully protect consumers and ensure that in case of poor installations, they will have access to redress, by adding that sector to the list of sectors covered by the Directive.

⁵ See Citizens Advice, The net zero protections puzzle: Helping people piece together home energy improvements. 2021.







⁴ WSee BEUC, Introducing the Heat Pump Readiness Indicator. 2023.