

The Consumer Voice in Europe

ENERGY PERFORMANCE OF BUILDINGS DIRECTIVE

BEUC key recommendations for the trilogue negotiations



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BEUC recommendations at a glance

1. Definitions (Article 2) and (Article 19)

EP Mandate	Council Mandate	BEUC recommendations
<i>Article 2, first paragraph, point (36b))</i>		
<p>36b. ‘energy building benchmark’ means an information platform to publicly disclose energy performance and yearly consumptions of single and multi-unit buildings over time, compared to similar buildings or to modelled simulations of a reference building built to a specific standard, such as minimum energy performance standards, and using the range of energy performance classes;</p>		<p>BEUC welcomes the European Parliament proposal.</p> <p>Energy building benchmarks will be instrumental to trigger the engagement of key stakeholders into data gathering:</p> <ol style="list-style-type: none"> 1] local authorities, who will implement them, and 2] building managers and owners, who will populate them with data.
<i>Article 19 (1), second subparagraph</i>		
<p>The database shall be interoperable with other relevant online platforms and public services and shall allow data to be gathered from all relevant sources related to energy performance certificates, inspections, the building renovation passport, the smart readiness indicator, energy building benchmarks and the calculated or metered energy consumption of the buildings covered. In order to populate the database, building typologies and energy building benchmarking may also be gathered. Data may also be gathered and stored on both operational and embodied emissions and overall life-cycle GWP, using metrics based on the LEVELs Framework.</p>	<p>The database shall allow data to be gathered related to energy performance certificates, inspections, the building renovation passport, the smart readiness indicator and the calculated or metered energy consumption of the buildings covered</p>	<p>BEUC welcomes the European Parliament proposal.</p> <p>It is essential to integrate energy building benchmarks into data platforms to come. Energy building benchmarks not only facilitate data gathering but also the engagement of stakeholders with data.</p>

2. National Building Renovation Plans (Article 3 and Annex II)

EP Mandate	Council Mandate	BEUC recommendations
<i>Article 3 (1), second subparagraph, point (a)</i>		
<p><i>(aa) an overview of implemented and planned policies, including those pursuant to the Pact for Skills set out in the communication of the Commission of 1 July 2020 entitled "European Skills Agenda for sustainable competitiveness, social fairness and resilience", to increase the availability of qualified professionals in the construction, efficiency, and renewable energy sectors, investments in the development of the required skills, including upskilling or reskilling and targeted training and education programmes, for both public and private stake holders, on the basis of a quantitative and qualitative assessment using key performance indicators as set out in Annex II, to meet the targets, in accordance with this Directive and the resulting market needs for skilled professionals in the construction and renovation sector;</i></p>		<p>BEUC welcomes the European Parliament proposal.</p> <p>Several BEUC members observe that dynamic and successful public policies in energy retrofitting tend to drain the workforce and induce bottlenecks. Matching the workforce's development with the unfolding of the retrofit support programmes will be key to sustain the interest and trust of consumers.</p>

3. Energy Performance Certificates (Article 16 and Article 17, Article 5, Annex V)

EP Mandate	Council Mandate	BEUC recommendations
<i>Article 16(2), fourth subparagraph [337 and 337h]</i>		
<p><i>The letter G shall correspond to the 15% worst-performing buildings in the national building stock at the time of the introduction of the scale. Member States shall ensure that the remaining classes A to F have an even bandwidth distribution of energy performance indicators among the energy performance classes. Member States shall ensure a common visual identity for energy performance certificates on their territory.</i></p>	<p>1a [...]and the letter G shall correspond to the 15% worst-performing buildings in the national building stock at the time of the introduction of the scale. Member States shall ensure that the remaining which have rescaled their energy performance classes (B to F) have an even bandwidth distribution of energy performance indicators among the energy performance classes. Member States shall ensure a common visual identity for energy performance certificates on their territory on or after 1 January 2019 and before the date of entry into force of this Directive, may postpone the application of the obligation under this paragraph until 31 December 2029 and update their performance classes for the application of article 9(2) third subparagraph.</p>	<p>BEUC welcomes both Council and Parliament positions and suggests the following compromise:</p> <p><i>The letter G shall correspond to the worst-performing and most poorly insulated buildings in the national building stock at the time of the introduction of the scale.</i></p> <p>The letter D shall correspond to performance levels fit for minimum demand response capacity, reflecting the implementation of sufficient envelope efficiency and/or the installation of smart electric space and water heating and air conditioning system(s) and/or connection to a low-temperature district heating, to allow for both thermal comfort and flexible operation of the power grids.</p> <p><i>Member States which have rescaled their energy performance classes by the date of entry into force of this Directive, may postpone the application of the obligation under this paragraph until 31 December 2029 and update their performance classes for the application of article 9(2) third subparagraph.</i></p> <p><i>NEW) 2.bis</i> By 1 January 2025, the European Commission shall adopt a delegated act in accordance with Article 29 specifying the criteria for a D rating in the Energy Performance</p>

		<p>Certificates, coherent with the characteristics mentioned in point 2. To that end, the European Commission shall more particularly compile guidance within a toolbox that addresses the different climates zones' specificities, for Member States to arrange elements as needed compared to the climate zones the country has.</p>
<p><i>Article 16 (4), first subparagraph</i></p>		
<p>4. The energy performance certificate shall include recommendations for the cost effective cost effective improvement of the energy performance to cost optimal level and the reduction of operational whole life-cycle greenhouse gases emissions, the improvement of indoor environmental quality of a building or building unit, and recommendations to improve the smart readiness level pursuant to Article 13, unless the building or building unit already complies with the relevant zero-emission building standard .</p>	<p>4. The energy performance certificate shall include recommendations for the cost-effective improvement of the energy performance and the reduction of operational greenhouse gases emissions of a building or building unit, unless the building or building unit already complies at least with the relevant zero-emission building standard energy performance class A0 .</p>	<p>BEUC welcomes both Council and Parliament contributions and suggests a compromise:</p> <p>4. The energy performance certificate shall include recommendations for the cost effective improvement of the energy performance to cost optimal level and the reduction of operational whole life-cycle greenhouse gases emissions, the improvement of indoor environmental quality of a building or building unit, and recommendations to improve levels of envelope efficiency and the readiness to operate low temperature heating, heat pumps or flexible electric space heating, and minimum demand response capacity pursuant to Article 5 paragraph 1a, unless the building or building unit already complies with the relevant zero-emission building standard, corresponding to the energy performance class A.</p>

4. Minimum Energy Performance Standards (MEPS) (Article 9, Article 15 and Article 15a on One-stop-shops)

EP Mandate	Council Mandate	BEUC recommendations
<i>Article 9 (1b)</i>		
<p><i>1b. Member States may exempt publicly owned social housing from the obligation referred to in paragraph 1a, point (a), where such renovations are not cost neutral or would lead to rent increases for people living in social housing beyond the economic savings on the energy bill.</i></p>		<p>BEUC strongly suggests rewording the Parliament suggestion:</p> <p><i>1b. Member States may adapt the Minimum Energy Performance Standards' design and support frameworks for publicly owned social housing from the obligation referred to in paragraph 1a, point (a), where such renovations are not cost neutral or would lead to rent increases for people living in social housing beyond the economic savings on the energy bill.</i></p>

5. Financial incentives and markets barriers are comprehensively addressed (Article 15 and Article 2)

EP Mandate	Council Mandate	BEUC recommendations
<i>Article 15 (4a)</i>		
<p><i>4a. By... [12 months after the date of entry into force of this Directive], the Commission shall adopt a delegated act in accordance with Article 29 to supplementing this Directive in order to ensure that mortgage portfolio standards effectively encourage financial institutions to increase volumes provided for renovations, to prescribe supportive measures for</i></p>		<p>BEUC welcomes this Parliament introduction and recommends its adoption.</p>

<p><i>financial institutions and necessary safeguards against potential counter-productive lending behaviours such as reducing or refusing access to credit to households living in low energy performance class dwellings, or limiting their mortgage lending to consumers purchasing high energy performance class dwellings</i></p>		
<p>Article 15 (13)</p>		
<p><i>13a. Member States shall take appropriate measures to remove regulatory, statutory, and administrative barriers to the scaling up housing cooperatives, including not-for-profit cooperatives. Member States shall ensure the eligibility of such housing cooperatives and integrated districts for financial incentives. The Commission shall facilitate the exchange of best practices among Member States on the creation of an operational status for not-forprofit housing cooperatives and shall provide guidance on measures to streamline their introduction.</i></p>		<p>BEUC welcomes the Parliament introduction of this paragraph and recommends its adoption.</p>

<i>Article 15 (14)</i>		
		<p>BEUC suggests reinforcing dispositions on Mortgage Portfolio Standards with new, complementary measures:</p> <p><i>NEW 14. Member States shall ensure that the Mortgage Portfolio Standards are combined with other financial tools like grants, subsidies, and guarantee funds and other enabling tools like One-stop-shops, especially for the inclusion of low-income households and in line with the Article 22 of the Energy Efficiency Directive 2012/27/EU. Member States shall ensure that the combination covers both existing and newly contracted mortgages.</i></p> <p><i>(NEW) 14.a By 1 January 2025, the Commission shall adopt a delegated act in accordance with Article 29 specifying the criteria for complementary measures to Mortgage Portfolio Standards protective of low-income households. These measures shall include both the accuracy of the creditworthiness assessment regarding energy efficient retrofit benefits and the inclusion of pathways for low-income households via complementary financial instruments like grants and guarantee funds, in line with the Mortgage Credit Directive 2014/17/EU.</i></p> <p><i>(NEW) 14.b The delegated act shall be based on the best available scientific data, including social science and</i></p>

		<i>micro-economics and aim at defining simple and protective rules to facilitate the uptake of building renovations by households.</i>
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Why it matters to consumers

Most consumers are ready to improve their homes to make them greener and more efficient to **keep them affordable in the foreseeable future**. To do that and to pave the way to beneficial heating and cooling decarbonisation, consumers need further support and clearer, steadier pathways. To engage consumers, the right balance needs to be reached between regulation and support. This means properly designed **Minimum Energy Performance Standards** that set mandatory energy efficiency requirements for residential buildings. It also means reliable and accurate **Energy Performance Certificates**.

In parallel, it is key to ensure that financial, technical, administrative settings and supports, and even the legal dimension in case of litigation, are given a human face via the roll out of one-stop shops.

Summary

The trilogues on a revised Energy Performance of Buildings Directive will start soon. BEUC would like to provide the European legislators with a set of recommendations to ensure consumers get the right enabling conditions. Consumers are the decision-makers of each retrofit project. Setting things right for them means unlocking the renovation wave for housing. Decision-makers should:

- **Ensure that consumers get clear and consistent messages on the progress of the decarbonisation of heating in the EU.** Energy Performance Certificates (EPCs) should be updated to let people know whether a property is fit for low temperature heating or needs further investment in insulation and/or radiator replacement. This will pave the way to electrification and connection to district heating.
- **Make sure that EPCs are reliable.** Now, EPCs are often diverging from one assessor to the other. More consistency and accountability are needed for consumers to be confident in basing their retrofit projects' decisions on EPCs.
- **Empower consumers to live in energy efficient homes, thanks to Minimum Energy Performance Standards (MEPS).** MEPS, by setting clear and coherent timelines, combined with thresholds of energy efficiency for homes, will introduce guidance for consumers and stakeholders. The right balance between ambition and timelines is then key, to give consumers enough room for manoeuvre to plan and implement change.
- **Engage with consumers in multi-unit buildings to get them on-board the retrofit journey via Energy Building Benchmarks (EBB).** Communication and information are not enough. Even when people know something, they do not necessarily act upon it. Engagement strategies, such as comparisons with peers, are the main trigger to behavioural change. Once the information on your building's EPC rating and your energy and water consumption are publicly disclosed, you can compare yourself with better-

performing peers and are more inclined to act. This is precisely what EBBs are designed for and would provide valuable intel to the local authorities implementing them.

- **Ensure the blending of public and private financing to address up-front-costs and provide steppingstones to low-income households.**
- BEUC welcomes the level of ambition given by the European Commission's Proposal and its reinforcement by the European Parliament in its Report. BEUC also seconds the acknowledgment by six Member States that the general approach found in the European Council in October 2022 needs to be reinforced¹.
- The EPBD plays a cornerstone role for the Fit-for-55 package regulatory framework revision. There is a need for consistency across the Directives of the package and a need for an 'out-of-silos' approach. Bridges to other Directives exist but are not strong enough yet in the EPBD: the energy retrofit of the housing sector should ensure that it paves the way to the scale-up of renewables and to demand response capacity, from which consumers will benefit in a systemic way.

1. Definitions (Article 2) and (Article 19)

What is the problem?

Consumers too often are not nudged into action. It is one thing to think of a regulation to benefit consumers. It is another thing to design the complementary tools that will convince consumers to act upon their own situation. Repeating the same message again and again that retrofitting would be beneficial is inefficient.

This blind spot needs to be addressed, as communication is not enough. Engagement strategies that aim at behaviour change through nudges need to be implemented. This will unleash real and full support and compliance with regulations. It is even more true for Minimum Energy Performance Standards for multi-unit buildings.

How to address it?

BEUC is supportive of the reinforcements of the definitions provided by the European Parliament as they are comprehensive and sound. BEUC is more particularly supportive of the introduction of article 2, first paragraph, point (36b) that sets the definition of the **Energy Building Benchmarks (EBB)**. EBBs are essential to ensure that consumers are properly and consistently engaged with the energy performance of their multi-unit building.

EBBs are linked to **Energy Performance Certificates (EPC)**, that need to be improved and made more reliable. However, to make consumers in multi-unit buildings act, the mere provision of information via an EPC rating is not enough. The EPBD needs to include the dimension of engagement of consumers at the time of issuance of the EPC. A database that simply compiles ratings is not enough, consumers need further incentives. **An appealing method to engage consumers via comparison with their peers will facilitate the uptake of EPCs as a key tool e.g., 'Where does my building stand compared to similar buildings in my city?'**

¹ These six countries are France, Germany, Belgium, Luxembourg, the Netherlands and Spain.

That is why EBBs are instrumental. Implemented in the US by cities (i.e.; Chicago²) and covering multi-unit buildings, they consist of the mandatory public disclosure of 1] the EPC rating of the buildings (not of the units) and; 2] of the quarterly or annual energy consumption. This makes it a dynamic database designed for the facilitation of homeowners'/building managers' engagement because they must fill in the public disclosure platform. It then makes it easier for everyone to observe how their non-retrofitted building compares with the similar retrofitted ones.

EBBs can also disclose the need for investment, the resulting benefits of energy retrofits and how the building complies with the upcoming Minimum Energy Performance Standards while communicating the related deadlines. It would only be to homeowners this time, via a secured profile on the EBB digital platform. Printing of the different profiles should be easy and straightforward though.

Implemented and managed by European cities and/or regional authorities, EBBs would also help them in their local heating and cooling planning.

BEUC recommendations

- Support the introduction of the definition of EBBs,
- Specify in article 19 how EBBs should be implemented by local authorities, to not leave this definition idle.

2. National Building Renovation Plans (Article 3 and Annex II)

What is the problem?

National Building Renovation Plans (NBRP) remain too narrow. NBRPs do not cover all aspects needed to address multi-factor bottlenecks: training, accreditation and reinforced coordination of enough installers, scaling up the production of materials and appliances, etc. Left as is, their scope would not lead to holistic approaches and would leave key challenges unaddressed and residential retrofits stranded.

How to address it?

The NBRP plans need to provide guidance to Member States on their own actions, and guidance to all stakeholders involved in the sector of housing energy retrofit. Stakeholders need clarity, visibility, and intermediary time markers to engage with the implementation of the decarbonisation pathway till 2050.

Currently, consumers are left facing multiple shortfalls in accredited workforce and rising costs to access materials and appliances. NBRP need to cover the topics of skills and the availability of materials and appliances, to secure access to these key resources by consumers.

² Link to the website dedicated to the municipal Energy Building Benchmarks <https://www.chicago.gov/city/en/progs/env/building-energy-benchmarking---transparency.html>

The EPBD also needs to provide clear intermediary markers on the buildings' retrofit timelines (by 2030, 2040 and 2050) and the related fossil fuel and standalone gas boiler phase out. This needs to be combined and consistent with a roadmap that blends public and private financing which specify how energy poverty is tackled.

Finally, NBRPs need to include robust assessments of whether the measures, either implemented by Member States and/or local authorities, are accessible and affordable for consumers.

BEUC recommendations

NBRPs need to include skills and the training of the workforce, materials' availability, a roadmap on blending public and private financing, the specific inclusion of energy poverty and clearer assessments of the accessibility and affordability of all measures for consumers.

3. Energy Performance Certificates (Article 16 and Article 17, Article 5, Annex V)

What is the problem?

Energy Performance Certificates (EPCs) are still unreliable and do not convey crucial information, when they could be an essential tool for consumers. Firstly, to understand how efficient a future home is. Secondly, it is essential to know how, where and when to invest in measures that will improve the energy efficiency of the building, resulting in an improved affordability of comfort.

EPCs are also becoming a key tool for public authorities to structure their support and grants programmes. EPCs increasingly are requested by retail banks and lenders to decide on the provision of a loan or a mortgage. It is even more crucial to improve their reliability and fine-tune the guidance EPCs provide on investments in energy retrofitting that will impact the decades to come. This was rightfully highlighted by the European Central Bank in its opinion on the EPBD in January 2023.

Moreover, the decarbonisation of heating and cooling will trigger the massive roll-out of heat pumps and low-temperature district heating. Consumers need to know whether their home is fit for these technologies, or whether they need to invest in energy efficiency before the switch. This means putting the performance of the fabric at the forefront of parameters treated in the EPC software. Otherwise, we collectively risk facing a counter example of households investing in heat pumps and being cold during winter, with very high electricity bills.

How to address it?

EPCs need to go further than defining what consumers are expected to evolve from (i.e., a G rating) and what they are expected to achieve in 2050 (i.e., an A rating). What happens in between? Consumers need to know whether their home (or a potential one) is already fit for a heat pump to be installed and operate flexibly and efficiently, or if they need to further invest in insulation. **The best and most obvious vehicle are EPCs:** they need to

let people know about the readiness of the property to low temperature heating, via a dedicated indicator.

Building Performance Institute Europe (BPIE)'s study for BEUC highlights that a large majority of needed parameters for an indication of the need for more insulation are already in the EPC. The study shows that some homes and buildings already have a "heat pump ready" insulation, some require intermediate investment and for others a deep retrofit is a no-brainer. This is highly climate zone and building typology sensitive.

An indicator of "heat pump readiness" would help structure the whole sector and give clear insight to consumers. This will help consumers avoid the pitfalls of the "too little" and the "too much" insulation, two kinds of mis-investments.

Consumers need a consistent approach on low temperatures and heat pump readiness across the EPBD, on EPCs as on minimum requirements. In its final version, the Parliament's Report refers in Article 16 §4 to cost optimality and "smart readiness level pursuant of article 13". Article 13 does not really address residential building. It is necessary to refer instead to Article 5 § 1a and support its introduction in the same breath. Otherwise, the focus is put on the wrong article and paragraphs, with relatively heavy checks on whether smart appliances are installed when the key factor is the fabric performance. A smart thermostat that communicates with your smart meter will not keep you warm without proper insulation.

More specifically, BEUC supports the **anchoring of a threshold to heat pump readiness in the D rating that will result from the reshuffle and for a clear communication to consumers – e.g., "Be D, Be Ready"**. Higher EPC classes would be achieved when the heat pump is actually installed or the connection to a low temperature district heating is implemented. The rating would go up to C, B or A accordingly to the decrease of the carbon content of the material and appliances installed and of their operating phase. The introduction of such a useful D rating and its combination to a delegated act to define it would allow the European Commission to centre its work on climate zones and a level playing field across the EU of "heat pump readiness" to pave the way for their roll out. The compatibility of current radiators, when they exist, with low temperatures resulting from improved insulation, also needs to be factored in.

BEUC general recommendations on EPCs

- Display consumption in both final and primary energy as both are useful to guide consumers' decisions.
- Designs should have easily understandable logos, clear pictograms and legible recommendations on next steps for consumers.
- Mention of the remaining lifespan of the space heating systems and air conditioning systems and an assessment of whether they can operate more efficiently is key, for consumers as for local authorities in charge of heating and cooling planning.
- Do not introduce any A+ or A° as it will be confusing for consumers.



BEUC's specific recommendations on EPCs, low heating temperatures and heat pump readiness

Cost optimality in article 16 paragraph 4 first subparagraph should not refer to "smart readiness pursuant of art 13" but instead to "recommendations to improve levels of envelope efficiency and the readiness to operate low temperature heating, heat pumps or flexible electric space heating, and minimum demand response capacity pursuant of article 5 paragraph 1a".

Issue EPCs at the time of refinancing when consumers renegotiate the interest rates of their loans/mortgages and can consider going into further debt when beneficial.

Introduce a D rating in the EPC rating scale that includes an "heat pump readiness" indicator. This indicator will let people know whether they need to further invest in insulation for their low temperature heating systems solution to operate flexibly.

4. Minimum Energy Performance Standards (MEPS) (Article 9, Article 15 and Article 15a on One-stop-shops)

What is the problem?

For consumers to act, both support and obligations are needed. Neither exist as of now and, on the obligations side, Minimum Energy Performance Standards (MEPS) are needed. Their design must be based on Energy Performance Certificates to not confuse consumers and consistently define the objective. MEPS are no 'one-size-fits-all' solution for all types of residential buildings. Not introducing minimum differentiation will lead to counterproductive effects. The logic is to define a "sweeping car", ratcheted approach, not too ambitious levels that would be a deterrent for households to act.

Out of clarity and consistency for consumers, the designs of MEPS need to rely on EPCs. This makes it even more essential to improve EPCs and make them more relevant with a "heat pump readiness indicator" integrated into them. Besides, such an indicator of heat pump readiness will introduce both accuracy and flexibility for Member States; under certain climates, millions of buildings only require medium retrofit and not a deep retrofit to be "heat pump ready". A much lighter public intervention is thus required

How to address it?

Consumers need clarity in the steps they need to make to play their part in the decarbonisation of the housing stock and of the heating systems. This is why MEPS are a crucial regulation to send the right signals to consumers and all other stakeholders of the sector.

Firm indicators and targets incentivising homeowners and landlords to renovate their homes will allow:

- Tenants to live in 'thermally comfortable' homes,
- Apartment owners to ensure that all co-owners decide that the building their apartment is located will be renovated, allowing their apartment to become comfortable,
- Owners to better understand what steps they need to undertake to make their home more comfortable.

More than a broadened base of exemptions that would leave consumers in limbo, it is better to achieve the right balance of ambition and timelines by design, following a 'no regrets' approach. To achieve this, BEUC recommends endorsing a differentiated strategy for Multi-Unit Buildings and Single-Family Houses:

- For Multi-Unit Buildings **strict deadlines for each building need to be coupled with a yearly average pathway compliance check** at the national level. For Multi-Unit Buildings, Energy Building Benchmarks would be useful to trigger awareness on compliance by engaging with people. It is also key to check the building managers' scope of work and responsibility. The deadlines should be **E "compatible with further steps to D" by 2033, and D rating as "heat pump ready" by 2040**. This recommendation follows a 'back-stop' logic, where all buildings owners know they mandatorily will need to take necessary steps for minimum performance improvements. One-stop shops should provide impartial support to assess and solve the tenant-landlord dilemma.
- **For owners (both homeowners and landlords)** of Single-Family Houses, **BEUC recommends making a very comprehensive list of 'no regrets' trigger points**. These trigger points include the time of purchase, the time of refinancing, the time of lease contract, the time of fossil gas boiler break down, etc. Households should be engaged to ensure a high level of compliance well before the trigger points. Smart and complete tailor-made support shall be made accessible and provided via one-stop shops.
- **Public authorities should organise** the technical, financial, and administrative **support**, including in case of litigation, so that consumers in Multi-Unit Buildings and in Single-Family Houses can **access the C rating as soon as possible**. This C rating includes an optimised decarbonisation solution for their heating system, and comes on top of the relevant fabric **performance (achieved at least via the D rating)**. BEUC does not make any recommendation regarding the threshold of population to trigger the implementation of a **one-stop shop**. However, BEUC supports the comprehensive scope of activities for a one-stop shop laid out in Article 15a.

BEUC also strongly recommends not to exclude social landlords from the implementation of MEPS.

BEUC recommendations

- Differentiate Multi-Unit Buildings and Single-Family Houses for the MEPS' design,
- Adopt a 'back-stop' design for Multi-Unit Buildings that couples strict deadlines with an annual check of an average trajectory – E "compatible with steps leading to D" by 2033 and D as "heat pump ready" by 2040.
- Adopt a trigger-point design for Single-Family Houses that substantially broadens the current scope.
- Social housing to have to comply with MEPS.
- Ensure the provision for social housing, Multi-Unit Buildings and Single-Family Houses of tailored made support for one-stop shops.
- Keep the distinction between vulnerable and low-income households as the definitions are different. An individual with disabilities is vulnerable, people with chronic illnesses are vulnerable and when also on a low income, need tailored made approaches.

5. Financial incentives and markets barriers are comprehensively addressed (Article 15 and Article 2)

What is the problem?

Key points for consumers on financing are to ensure offers are affordable and up-front costs are covered. BEUC acknowledges all the beneficial developments brought by the European Parliament on the whole of article 15 and supports all the additions introduced.

How to address it?

BEUC has been supportive of the blending of public and private financing sources for years. The key role the EPBD can endorse is to provide guidance on how financing can be made more affordable and clear for the energy retrofit of consumers' homes.

Smooth solutions for consumers require an extra effort from public authorities in the design and implementation of financial instruments coordinated with the private sector. It is also fundamental to address the up-front costs that currently remain the main barrier for consumers to make their decision on a substantial investment – the energy retrofit of their home. The return on investment for public authorities? Engaging people in energy retrofit works and unleashing the Renovation Wave.

BEUC is supportive of the specifications given in Article 2, first paragraph, point (36) on the definition of Mortgage Portfolio Standards (MPS). MPS are necessary and will provide data and information on the energy performance of the housing stock. However, leaving their implementation to only private lenders would prove detrimental to low-income consumers that more often purchase poorly EPC-rated properties. This profile of investor would be expected to both purchase the property and invest in energy retrofitting at once in order not to impede the median EPC rating of the lender's portfolio. Practically, this will restrict access of low-income investors to the real-estate market.

This is why BEUC is also supportive of the introduction of a delegated act to regulate the design and implementation of MPS. To address up-front costs and other barriers, MPS need to be coupled with:

- a. **Revolving funds**, to tackle the fact that grants are disbursed once the works are completed. The fund disburses up-front the grants allocated to low-income households. They need to lean on one-stop shops and accredited installers. The fund is replenished via grants disbursed by public authorities once the works are completed. This will improve low-income households' credit worthiness assessment.
- b. **Guarantee funds**, that step in in case of default. This will broaden access to financing to households otherwise deemed too risky to lend to. Of course, resulting energy savings and creditworthiness need to be intertwined.

BEUC is also supportive of solutions found in the most advanced privately rented sector, like housing cooperatives in Switzerland. These structures help overcome the split incentives between landlords and tenants.³ Exchange of best practices on how to foster cooperatives is needed.

BEUC recommendations

- Require private MPS to be coupled with public enabling tools that ensure the MPS implementation is beneficial to all investors' profiles via a regulation (revolving and guarantee funds).
- Support a delegated act by the European Commission on a regulation on MPS.
- Support the exchange of best practices on Housing Cooperatives in and out the EU.

6. Keep Hydrogen out of our homes (Article 7 paragraph 4 and Article 8 paragraph 3, Article 11)

What is the problem?

Decarbonisation of residential heating through reliance on hydrogen is an unproven technology, without any scientific backing which, if ever successful, will lock consumers into a very expensive energy future. Such strategy will most likely make consumers pay for the preservation of the business-as-usual, locking consumers into expensive fossil fuel technologies.

How to address it?

The EPBD needs to be cleared from the loopholes that pave the way to the continued installation of stand-alone gas boilers. Biomethane, hydrogen of any colour and other alternative sources to fossil gas will not supply the current level of demand for fossil gas any time soon.

³ Link to article introducing what housing cooperatives are in Switzerland: https://www.swissinfo.ch/eng/society/living-in-switzerland_cooperative-living-as-a-hip-alternative-/45143682

So-called 'renewable-ready' boilers are doomed to be predominantly almost exclusively fuelled with fossil gas, as also highlighted recently by the UK Competition & Markets Authority.⁴ As energy efficiency and electrification need to go hand-in-hand, stand-alone renewable-ready boilers will soon prove to be 'regret-ready,' resulting in stranded assets, higher costs and an impeded evolution of heating systems.

BEUC recommendations

- Support the introduction of a clear phase-out deadline for standalone gas boilers, both for new and existing buildings.

7. Renovation Passports (Article 10)

What is the problem?

Consumers need to be provided with consistent and complementary recommendations on their energy retrofit project. Renovation passports are needed to bring added value to consumers compared with Energy Performance Certificates.

How to address it?

Renovation passports should be available to consumers both in digital and paper format. Consistency with the Energy Performance Certificates is needed to avoid redundancy and unnecessary additional costs. Some information should be given twice, both in BRP and in EPC, i.e., a range of costs for the retrofit works.

Passports should include clear steps and work packages to achieve 1] the "heat pump readiness" stage when the fabric is compatible with low temperature heating, and; 2] 2050-compatible levels, that include the heating system and radiators' profiles.

BEUC recommendations

- Include the definition of a work package that ensures heat pump readiness,
- Include the definition of a complementary work package leading to 2050 compliant performance,
- Ensure that the renovation passports are accessible and consistent in both digital and paper formats.

⁴ CMA, [Consumer protection in the green heating and insulation sector](#), May 2023.

9. The roll out of infrastructure for sustainable mobility

What is the problem?

Consumers willing to buy an electric vehicle still face major difficulties charging them. It is true both at home, when they live in a multi-unit building, as at their destination. Buildings and power grids regulations remain too much 'in-silo', creating bottlenecks to the roll out of electric vehicles.

How to address it?

Ironing out the scaling up of electric mobility is not only a matter of getting the regulatory frameworks for electricity right. It is also ensuring that buildings do not remain locked into unsuitable conditions. Pursuing an out-of-silos approach, BEUC advocates for the removal of barriers to the installation of recharging points in multi-unit buildings and offices, to make the 'right-to-plug' a reality for all consumers.

BEUC recommendations

- Tackle the specificities of co-owners' associations and apartments buildings,
- Endorse the 'right-to-plug' in residential as in non-residential buildings, as consumers need to know they can charge at their destination to have confidence in EVs.

