

Press Release

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Consumers to get basic energy efficiency standards in housing but are given mixed signals on heating

Consumers will benefit from new basic housing standards that will allow them to use less energy to heat or cool their homes, according to the European Commission's Energy Performance of Buildings Directive announced today, part of its 'Fit for 55' climate package. However, the Commission's Gas Package – also released today – sends mixed signals to consumers about the future of heating and their rights in the sector.

BEUC Director General Monique Goyens said: "Cutting our energy consumption is one of the best ways to reduce our energy bills. After all, the cheapest energy is the energy we don't consume. The proposed Minimum Energy Performance Standards for all buildings will set the direction of travel and help ensure we speed up the rate of home renovations, which until now has been too slow. It's good for consumers looking to move as they will benefit from lower energy-consuming homes. But it's vital consumers needing to make the required energy efficiency improvements to their homes, like insulation or new windows are given the right financial support – which is missing from the proposal.

"Home improvements should go hand-in-hand with rethinking how we heat our homes. The transition away from gas to greener and more efficient solutions, like heat pumps, will take some time. So it's good that the Commission proposes to give gas consumers the same basic contractual rights as for electricity consumers. The right to easily switch suppliers, for example, is long overdue for gas consumers. But when energy prices are surging, the Commission should have gone further and proposed stronger and dedicated protections for vulnerable and energy poor consumers.

"It's also worrying that hydrogen blending will be allowed and that consumers might have to bear the cost of hydrogen networks via their energy bills. This is unacceptable. It leaves the door open to a wider roll-out of hydrogen into consumers' homes, which is both expensive and unproven. Instead, the focus must be on promoting cheaper, tried-and-tested alternatives, like heat pumps.

"The European Parliament and Council should work on improving both of these proposals to get consumers on board with home renovation and to give them clear signals about the future of heating".

Background

1. Minimum Energy Performance Standards will set basic housing standards in buildings, but consumers will need solid financial support

The Commission proposes to introduce **Minimum Energy Performance Standards on buildings** for the first time. This would mean that energy inefficient buildings would have to be renovated. However, a lot needs to be done to get consumers on board by identifying the worst buildings, setting the right energy target and providing technical and financial support. One of the key tools for this – **Energy Performance Certificates** - which inform consumers about the energy efficiency of their homes and what could be done to improve it, are still too complicated and unreliable. Today's proposal does not go far enough in correcting this.

2. Consumers will get equivalent rights in gas, but hydrogen is the least consumer-friendly approach

Whilst consumers using gas will get basic contractual rights similar to those using electricity, no clear direction is given on the future of **heating**. Countries will not be mandated to blend hydrogen into gas grids, but will be allowed to do so under certain conditions. This opens the door to residential hydrogen being pushed onto consumers, despite being proven to be more expensive. What's more, consumers may also end up paying for hydrogen networks through gas network tariffs on their bills, even if they don't use them, due to significant loopholes. Further, supporting the roll-out of gas smart meters will lead to stranded investments in consumers' homes.

Read more

BEUC study on the future of heating: <u>Goodbye gas: heat pumps will be the cheapest green heating option for consumers</u>

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