

**Brussels, 19 January 2009**

## **Orgalime position paper on Commission Proposal on the Recasting Directive 2002/91/EC on the Energy performance of Buildings (EPBD)**

### **I. INTRODUCTION**

The European Parliament and the Council will shortly discuss the Commission's proposal on recasting the Energy Performance of Buildings Directive (COM2008/780/Final).

Orgalime fully supports the objective of the recast to further improve the energy efficiency performance of buildings in all Member States. In the framework of the ELECTRA High Level Experts Group, our industry has, in cooperation with the European Commission and other stakeholders, developed a series of recommendations for realising the EU energy and climate change objectives of 20 % energy efficiency improvement, 20 % greenhouse gas emission reductions, and 20 % share of renewables by 2020 to which our industry is fully committed. If implemented, these recommendations render these targets achievable. The buildings sector has attracted particular attention in the ELECTRA work considering its high potential for energy efficiency improvements. The Electra report is available here:

[http://www.orgalime.org/Pdf/Electra-Brochure-Final-LR\\_25Jun08.pdf](http://www.orgalime.org/Pdf/Electra-Brochure-Final-LR_25Jun08.pdf)

In view of the upcoming discussions in the European Institutions, Orgalime therefore requests the support of regulators for the following views, which we believe are important to achieve the potential for energy savings in buildings.

### **EXECUTIVE SUMMARY**

#### **Orgalime supports the following principles for the recast of the EPBD:**

- Take action on all types of buildings, including new but particularly existing buildings, which bear the highest potential for improvement: it is dealing with the existing stock of buildings (80% of those which will exist in 2020 are already built today) which will be one of the key factors for achieving the Community's 2020 objectives
- Apply fully harmonised calculation methods of minimum energy performance requirements in all EU Member States and their regions
- Strive for full cohesion and convergence of the EPBD with other legislation related to energy efficiency, in particular the Eco Design Directive, the Eco Label Regulation, and the Energy Labelling Directive
- Promote changes in consumption patterns of consumers with regards energy use, particularly via the following tools:
  - promotion of active control systems such as automation, control and monitoring

*Orgalime, the European Engineering Industries Association, speaks for 35 trade federations representing some 130,000 companies in the mechanical, electrical, electronic, metalworking & metal articles industries of 23 European countries. The industry employs some 10.9 million people in the EU and in 2007 accounted for some €1,813 billion of annual output. The industry not only represents more than one quarter of the output of manufactured products but also a third of the manufactured exports of the European Union.*

- systems
  - measuring, displaying and monitoring the energy consumed by type of energy and by energy usage
  - making consumption data available and publishing benchmark data by type of building
  - servicing of all equipment by qualified personnel
  - extended use of energy performance contracting
  - training of all actors in the building chain
- Add provisions for installers

**Orgalime therefore welcomes the following elements of the Commission’s proposal:**

- The main motivation is to ensure that the potential for cost effective energy efficiency improvements is realised
- The 1000 m<sup>2</sup> threshold for new and existing buildings has been removed (article 6 and article 7)
- A reference to the consistency with other product related legislation has been made (article 8)
- A reference and new definition of European standards has been added (article 2, annex I)
- The energy performance certificate includes recommendations for improvements and steps to be taken to implement them as well as provisions on verification (article 10, article 11 and annex II)

**Orgalime, however, calls upon regulators to further strengthen the Commission’s proposal as follows:**

- Take this opportunity to fully harmonise articles 3-5 and annex I on the calculation method of minimum energy performance requirements across the EU via a legal base of article 95 of the EC Treaty
- Remove provisions limiting the EPBD to existing buildings that undergo major renovation and target any renovation in existing buildings that is technically, functionally and economically feasible instead (article 2 and article 7 in particular)
- Add provisions to further encourage the necessary change in consumption patterns
- Introduce complementary provisions for installers

**Orgalime hopes that the institutions will see fit to address these areas in a way that allows our industry to effectively and constructively contribute to energy and climate change objectives, to which we are fully committed.**

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## II. DETAILED COMMENTS

### 1) HARMONISATION OF CALCULATION METHODS THROUGHOUT THE EU

The Commission’s proposal is based on article 175 of the EC Treaty. This implies that the methodology and calculation methods of minimum energy performance requirements can be defined differently in the different Member States. This lack of harmonisation is of concern to our industries.

We feel that the current proposal in article 5 regarding the development of a comparative calculation methodology by the European Commission, to be used by Member States for comparison purposes only, is a step in the right direction, but is insufficient to ensure the necessary full harmonisation of calculation methods in all EU Member States.

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We also welcome that the Commission further proposes that the methodology for calculation should take into account European standards (article 2, annex I), which we consider as an improvement in comparison to the existing directive. However, we feel that this provision too, does not go far enough to ensure sufficient harmonisation across Member States.

Today's non harmonised requirements under the EPBD already result in different calculation methods in Member States and their regions, thereby weakening the internal market, industry's competitiveness and the benefits to the environment.

We are concerned about the negative impacts of such a lack in harmonising calculation methods on our industry. This is particularly substantiated by the following arguments:

- While we welcome efforts to ensure coherence between minimum energy performance requirements and product legislation for technical building systems in article 8 of the proposal, we are concerned that an EPB Directive, which would not fully harmonise calculation methods across Member States, would in practice prevent manufacturers of compliant products from marketing them across the EU.
- Furthermore, the lack of harmonisation of calculation methods would imply multiple tests for product performance, not only overlapping with the Eco design directive, but also inducing additional, and in our view, unnecessary costs for equipment manufacturers and consumers.
- Finally, in our view, it is important to achieve as greater degree of harmonisation as possible at this level in order to ensure the development of an internal market in energy efficient technologies based on common standards: this would be both to the advantage of consumers and help to foster leadership of the EU's industry in leading environmental technologies both in Europe and on export markets.

*We therefore request regulators to introduce a dual legal base of article 175 and article 95 of the EC Treaty, whereas article 95 of the EC Treaty should particularly apply for article 3, article 4, article 5 and annex I of the proposal.*

## **2) PROVISIONS ON EXISTING BUILDINGS**

We welcome that in the COM proposal, the 1000m<sup>2</sup> threshold has been deleted from articles 6 and 7, and that the minimum energy performance requirements apply to all types of buildings.

*We kindly request regulators to support this and to leave this provision of the proposal unchanged.*

However, Orgalime is concerned that the setting of minimum energy performance requirements would only concern existing buildings undergoing "major renovation". This provision in our view constitutes a clear limitation to the scope of the EPBD, which would result in preventing the directive from realising its full potential of energy savings, if finally adopted. Massive renovation of installed base is necessary if the EU's 2020 targets are to be achieved in reality. 80 % of the installed based that will still be existing in 2020, already exists today. The EU's 2020 goals will only be reached if a very large part of the installed base is improved or renovated significantly. Therefore, action on existing buildings should be the top priority for the recast of the EPBD.

*We therefore request regulators:*

- *To remove provisions limiting the EPBD to existing buildings that undergo major renovation and target any renovation in existing buildings that is technically, functionally and economically feasible instead (article 2 and article 7 in particular).*

- To add a new definition of “renovation” as follows: “Renovation means any upgrade of a building that influences its energy efficiency performance, according to the aspects listed in annex I.3”.
- To change the wording of articles 1, 7 and 10 accordingly.

### 3) CHANGES IN CONSUMPTION PATTERNS

Changes in consumption patterns will be a vital prerequisite to realise energy efficiency improvements. Such a change can only take place if the consumer or end user is aware of the energy consumption data of his building. The following proposals for amendments to the Commission’s proposal aim at helping the consumer to have access to such information:

#### **3.1. Beyond thermal insulation and use of high efficiency equipment, active control systems such as automation, control and monitoring systems (for electricity, gas, waster, heating, ventilation, air conditioning, lighting ...) should be promoted.**

Measuring, displaying and monitoring the energy consumed by type of energy and by energy usage can be provided by technology at an economical cost and will be a strong means to foster changes in behaviour of building occupants, which is vital to reach the targets: it will particularly provide essential information to consumers and end users allowing them to make informed choices. Users need to be able to get proper energy usage data, which is lacking today, in order to adapt their behaviour and realise the benefits of energy savings.

The use of active control/monitoring systems can in our view considerably contribute to achieving the EU’s energy efficiency targets. For example, a shift in temperature of 2°C can result in an increase up to 15% of heating or air conditioning energy use, which represents the main energy use in a building. Also, effective lighting control combined with high efficiency lighting bulbs can halve the energy used for lighting.

*We therefore request that regulators add a new article to the EPBD that should read as follows:*

*“Member States shall encourage the installation of active control systems such as automation, control and monitoring systems where appropriate, in order to allow consumers to get proper information on their energy usage, to allow highly efficient output-time control manually and/or by building automation systems and to serve as data provider for implementing articles 3, 4, 5, 10 and annex I of the directive”.*

*Additionally, we recommend regulators to:*

- *Mention in a new item in the preamble that a provision for monitoring energy consumed by type of energy and by energy usage shall be made.*
- *Refer in the preamble to this as good energy management practices.*
- *Reference this in article 2, definition 3 “energy performance of building”: The amount of energy actually consumed in a building and use of data coming from such energy monitoring systems should be encouraged for energy performance certificates of existing non residential buildings.*
- *Introduce an obligation to indicate the global cost and the cost by usage in users’ invoices which should be made available on a more regular basis (monthly for example).*
- *Make reference to active control systems in the preamble specifically in items (9), (21).*
- *Make reference to CEN standards EN15232 and EN 15913 in item (21) of the preamble.*
- *Complete the definition of “technical building system” with a clear reference to measurement, control and automation systems in article 2.*
- *Add an article on regular service of control systems by qualified personnel in line with articles 13 and 14, and*

- *List automation, control and monitoring systems in annex I.*
- *Promote active control systems as a starting point for “home and building automation” throughout the EPBD.*

### **3.2. Making consumption data available and publishing benchmark data by type of building and usage would foster implementation of saving actions; the public sector should take the lead in such a move and build the references.**

Energy consumption data in the form of comparable benchmarks are rare today in the European Union. The energy performance certificate's process is a unique source of data, which could be very useful to all actors in the building chain. A single method for calculation, with a formula for accounting for local climatic conditions, would enable common technology assessment and provide the ability to benchmark.

*We therefore request regulators to:*

- *Implement this in a coordinated way at EU level and as a first step at least for residential and public buildings.*
- *Modify article 19 accordingly.*
- *Use annex 1 paragraph 4, complemented by a list of energy usages, as a first structure of this benchmark.*
- *Article 10 paragraph 7 refers to a maximum 10 years validity period for energy performance certificates. According to the above, the validity period should be reduced, at least for non residential buildings.*
- *Provide further details on the accreditation of experts in Article 16.*

### **3.3. Servicing of all equipment by qualified personnel should be made mandatory at installation and on regular basis throughout the life of the building to ensure that performance improvements are maintained.**

Buildings are subject to numerous modifications and control systems should be adjusted accordingly in order to maintain the energy performance. Where building control systems are not properly installed or maintained, settings are not adjusted to the building occupancy conditions and it has been observed that up to 8% to 10% of energy consumption can be lost due to this.

*We therefore recommend that, similar to article 13 on heating systems and article 14 on air conditioning systems, a specific article should be added for building automation and control systems. Instead of the “inspection concept” of articles 13 and 14, however, this new article should foresee a regular maintenance by qualified personnel.*

### **3.4. Beyond energy performance certificates including recommendations for implementing saving actions, real implementation of the actions shall be encouraged by incentives:**

Since in most cases refurbishing houses will be costly, fiscal encouragement is needed for citizens to take up energy efficient products in their houses. Fiscal incentives (such as rebate schemes or tax credits), which are mentioned in the Communication on a European Economic Recovery Package, should be recommended for enactment in all Member States. They could be linked to the implementation of energy performance certificates.

*We recommend regulators to:*

- *Add an article dealing with this issue in line with article 18 of the proposal.*
- *Add a new annex with a list of indicative recommendations of improvement.*

### **3.5. Extended use of Energy Performance Contracting should be facilitated and promoted:**

Energy Performance Contracting has proved to be a very good model in some Member States, specifically in the public sector, allowing financing of the energy savings actions and investments by the future energy savings.

*We recommend regulators to:*

- *Add a definition of Energy Performance Contracting (in line with the one of Directive 2006/32/EC) in article 2.*
- *Include in article 19 the obligation for all Member States to:*
  - o *Ensure that local regulations do not prevent the use of the model or render it inefficient through administrative burden.*
  - o *Promote the use of the model specifically in the public sector.*

### **3.6. Training of all actors in the building chain is necessary and massive actions should be launched, if possible in harmonised programmes across the European Union.**

From design, installation, operation and occupancy up to services including certification the actors along the chain are numerous. Massive training (technical, as well as behavioural) is necessary to raise the level of awareness and knowledge and thereby provide a persistently high level of performance.

*We therefore encourage regulators to foresee provisions in order to launch a massive pan European training plan. In line with article 19, a specific article could frame this plan to be organised with the European Commission, the Member States and representative stakeholder organisations.*

## **4) PROVISIONS FOR INSTALLERS**

The Commission proposal falls short of applying requirements for installers: yet the availability and role of installers is a critical to achieving the savings potential in buildings, particularly in the domestic sector.

*Member States should be strongly encouraged to train more installers and to ensure training to a higher level of competence so as to enable installers to play the key role they have to support the improvement of building energy efficiency. We propose that such development should focus on two elements:*

- *Providing a suitable pool of installers competent in the installation and integration of the energy efficient and renewable technologies required.*
- *Training installers who are able to advise homeowners in respect of their building energy performance (including the energy performance certificate) and on potential improvements.*

This would encompass training and the production of a standard to validate trained installers. It could also be incentivised through the EPBD.

## **III. CONCLUSION**

Orgalime very much welcomes the recast of the EPBD proposed by the Commission. In the light of the Community's 2020 objectives, we feel, however, that the opportunity of ensuring the full potential of this recast should not be missed. We therefore would welcome the support of regulators towards achieving a recast which will provide the foundations for achieving the full energy savings potential in buildings for the future and the application and further development and installation of environmentally friendly technologies in the EU by European manufacturers and installers.

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*The European Engineering Industries Association*