



Union Française de l'Électricité

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UFE answers the consultation on the roadmap on the Renovation Wave initiative

UFE welcomes the EC initiative of a Renovation Wave which will be crucial to reduce the GHG emissions of the building sector and to tackle energy poverty. The initiative will play a key role in Europe's green economy recovery following the impact of the COVID-19 with the creation of high-quality jobs.

UFE supports more ambition in terms of energy efficiency targets and a greater consistency between renovation policies and the objective of carbon-neutrality. As mentioned in the Roadmap, 80% of today's buildings will still be used in 2050. It is therefore crucial to ensure that the Renovation Wave is in line with the EU 2050 objective.

UFE supports an increasing role of electricity, alongside with biomass and district networks in buildings as the cornerstone of the decarbonisation of the EU and in line with the EU Green Deal.



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Nevertheless, UFE would also like to provide further elements that should be included in the upcoming EC communication and Action Plan.

Achieving carbon neutrality and energy efficiency

To reach carbon neutrality in the EU building sector by 2050, **Problems 4 and 6 should tackle the renovation of buildings with a more climate-centric approach and not just an energy efficiency one. To do so, the EC should ensure that all EU regulations set a minimum carbon requirement for residential and non-residential buildings.** It is important as, depending on the energy used, energy efficiency does not match systematically an equivalent reduction in GHG emissions. **All EU tools (e.g. Energy Performance Certificates (EPC) and energy performance contracting) should be paired with a complementary carbon component and GHG emission reduction obligations to meet the EU Green Deal objectives.** In a study published in January 2020, UFE emphasised the importance of focusing public investments and policy tools on renovations to achieve carbon neutrality, i.e. reducing both the consumption of final energy and the GHG emissions per kWh consumed.

Supporting investments in the renovation of building

Under Problem 2, the EC should address the complexity behind the investments supporting the renovation of the EU building stock and the lack of specific and dedicated EU funds. Therefore, more cost-effective, efficient and specific financial investment schemes for the renovation of building need to be developed to support households and building owners. **The administrative burden attached to the existent funds should also be reduced** to ease the access to the funds and bring more visibility on the eligible beneficiaries. **Regarding the projects financed by the EU (notably via the Cohesion Fund), the Renovation Wave should address the issue of their selection and their cost-effectiveness while guaranteeing their good use** to ensure more energy and GHG emission savings per euro invested.

In addition, the investments under the Cohesion Fund should create **more synergies between the EPC and the financial supports given to renovation.** Indeed, the EPC remain a niche sector supporting by few financial instruments. In this regard, the European Structural and Investment Funds (ESIF) can also constitute an important tool to help reducing the market gaps on the access to funds for the EPC providers. Through



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loan or guarantee products allocated at preferential conditions and standardised contracts, the EFSI could offer better support to energy efficiency in buildings¹.

Tackling energy poverty in the renovation of building and empowering consumers

UFE shares the concerns expressed under Problem 3 regarding **the need to tackle energy poverty in the renovation of buildings**. In addition to the special attention given to the buildings occupied by households with lower incomes, the EC should encourage within the Member States the development of an aid device such as a European energy check applicable to all heating fuels. **Taking France as an example, annually energy checks are provided to the households**, under consideration of means-testing and household composition, to bring relief to their energy bills and to accompany their energy renovation works.

Beyond tackling energy poverty, which is essential, **renovation can tremendously help improving living conditions and managing energy expenses**. Digitalisation and smart meters data could offer customers a simple but personalised assessment of consumption, by providing information that could assist decision making. At local level, aggregated data can be used to determine which area should be targeted by renovation actions. **Data can also be used to measure the benefits of a renovation on the long term**.

Strengthening climate resilience by prioritising efficient technologies using low-carbon energies only

The EC should further assess the ability of the building sector to face the upcoming rise of temperature and the climate change adaptation. In addition to passive solutions (e.g. natural ventilation, sun protections), the installation of refresh and cooling systems, as addressed under Problems 1 and 6, will be a challenge. **The EC should prioritise low-carbon and efficient technologies**, e.g. heat pumps over mobile air conditioning. As identified under Problem 4, **the issue is particularly urgent for public buildings** such as schools and other educational buildings, hospitals and retirement homes as well as administrations. It should therefore be prioritised and receive special attention.

¹ [European Structural and Investment Funds \(ESIF\) and Energy Performance Contracting \(EPC\) – Stimulating investments in energy efficiency](#), Fi Compass (2020)



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Integrating renewable energies in the EU building stock

The integration of renewables in the building stock is also a major priority and should not only be perceived under a self-consumption approach, as assessed under Problem 3. To ensure an optimised development of renewables, the EC initiative should **reflect the new role of the building users in the energy system** as they can contribute to the European and national energy production as prosumers.

Moreover, achieving low-carbon energy efficiency needs to consider buildings' performance at a district level. This will contribute to enhance the **development of heating networks, and therefore the use of renewable energies at a large scale for housing**.

Enhancing ambition on the deployment of charging infrastructures in all buildings

Under Problem 6, **the massive deployment of recharge infrastructures in all buildings** will also contribute to reduce drastically the GHG emissions of all vehicles. E-mobility creates also synergies with the integration of RES in the electricity system. **Ambitious targets for the implementation of recharge infrastructure should be integrated in the Renovation Wave initiative**. To do so, the EC should re-open article 8 of the Energy Performance Building Directive in order to have targets in buildings consistent with the uptake of the e-mobility market. To go as fast and as far as possible in this regard, **the distribution network stands ready to provide assistance**, especially by providing grid connection or reinforcing existing ones when needed.

UFE's key recommendations for the Renovation Wave:

- **Assess measures improving and encouraging the integration of renewables in the building sector and the charging infrastructures for electric vehicles.**
- **For each EU tool, a reference to the final energy** should be made to ensure a better understanding among consumers of their energy bill and use.
- The EC should push Member States **to carry out after-work diagnostics** to assess the effectiveness of the EU-financed projects in order to better target the investments.



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- **An aid device to help households with lower incomes** to pay their energy bills should be encouraged in the Member States.
- **Mandatory targets for GHG emission reduction within the EPC** should be set.
- **Mandatory objectives for the reduction of energy consumption and of GHG emissions in the residential and tertiary buildings** should be set.
- For each Member State, **an energy and climate efficiency map of all public buildings** should be created with free and open source access.
- The EC should encourage the **phasing-out of fossil energies** towards low-carbon energies for the renovations of residential and non-residential buildings.
- Indicating the GHG emissions produced within energy performance diagnosis should be mandatory **to raise knowledge among citizens about the climate efficiency of buildings**.
- **Enhance the use of data** to improve customers' living conditions and energy expenses and to increase the long-term benefits of renovation.



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Synthesis of UFE answer

UFE welcomes the willingness of the EC to release a Renovation Wave (RW) initiative to support a renovation of the EU building stock in line with the European Green Deal. Indeed, the renovation of buildings will play a key role to achieve carbon neutrality by 2050 by creating jobs and tackling energy poverty, in particular in the context of Europe's post-COVID 19 economic recovery.

UFE supports the RW initiative and calls for a **stronger consistency between policies in building and EU climate objectives**. The renovation of the existent residential and non-residential buildings is a major enabler to achieve carbon neutrality by 2050 and, in this regard, electrification will play a key role. **Electrification has the potential to provide massive benefits for the building sector** and its decarbonisation by bringing more flexibility through the installation of heat pumps and the integration of renewables (RE).

Firstly, UFE believes that a stronger **climate-centric approach is needed alongside the focus on energy efficiency** to achieve the decarbonisation of the building sector and help to reduce its GHG emissions. Indeed, energy efficiency savings does not automatically map an equivalent GHG emission reduction. Therefore, all EU regulations should integrate a **minimum carbon requirement for residential and non-residential buildings** and introduce **complementary obligations for carbon component and GHG emission reduction**.

Secondly, it is crucial that the RW address the **issue of the lack of information, visibility and awareness** on the financial support to building renovation. UFE thinks that more specific funds should be created to assist the households and building owners in their efforts. **The selection and cost-effectiveness of the projects financed by EU funds** should be addressed to deliver more GHG emission and energy savings per euro invested. The **Cohesion Fund and the European Structural and Investment Funds** can both contribute to address these barriers and to create more synergies with the Energy Performance Contractin.



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Furthermore, UFE welcomes the will of the EC to **fight energy poverty and empower consumers**. UFE fully supports the **generalisation of aid advice among Member States**, such as the energy checks set up in France, and the focus put on the **buildings inhabited by the low-income households**. In this regard, **digitalisation and smart meter data** can help improving the living conditions and managing the energy expenses of customers.

UFE firmly believes the EC should prioritise **low-carbon and efficient technologies**, such as heat pumps, to strengthen the climate resilience of the EU building stock. The EC should also give a special attention to the **renovation of the public buildings** (e.g. schools, administration, hospitals, etc.).

For the power system and the building sector, **the integration of RES is a top priority** which should also contribute to empower the consumers and reflect their new role as prosumers and notably be enhanced by developing heating networks. **Another priority is the deployment of recharging infrastructure in all buildings** by implementing ambitious targets and re-opening the article 8 of the Energy Performance Building Directive. The distribution networks are prepared to provide and reinforce the grid connections to assist the development of e-mobility.

UFE presents here **some of its recommendations** further developed in the **document attached**:

- **Mandatory objectives for the reduction of energy consumption and of GHG emissions in the residential and tertiary buildings** should be set.
- The EC should encourage the **phasing-out of fossil energies** towards low-carbon energies for the renovations of residential and non-residential buildings.
- Indicating the GHG emissions produced within energy performance diagnosis should be mandatory **to raise knowledge among citizens about the climate efficiency of buildings**.