Mars 2022

UFE's reply to the consultation of the European Commission on revising the Energy Performance of Buildings Directive

UFE, the association representing the French Electricity Industry, supports the Commission's proposal on the revision of the Energy Performance of Buildings Directive (EPBD). We believe that the proposal of the Commission sends positive signals to ensure the EPBD supports the decarbonization of the building sector, which is still behind on the path to climate neutrality.

UFE welcomes the following proposals:

- **The integration of the reduction of operational GHG emissions and a target to have zero-emission buildings in Europe by 2050, in the objectives of the directive alongside the energy performance** (art. 1).
- The setting of **national building renovation plans replacing the long-term renovation strategies** (art. 3), especially the roadmap for 2050 with milestones for 2030 and 2040.
- The introduction of a **'zero-emission building' requirement**, the setting of specific calendars according to the type of buildings to apply it (art. 7), and the **new carbon threshold established along the life cycle of new buildings** (Annex III).
- The **introduction of minimum energy performance standards (MEPS) and renovation passports** (art. 9 and 10) as well as new provisions on **indoor air quality** in technical building systems (art. 11) and on **smart readiness of buildings** (art. 13).
- The **implementing act planned on data exchange** regarding interoperability criteria (art. 14).
- The **provisions improving financial incentives and removing market barriers** (art. 15), particularly those supporting building renovations and giving priority to vulnerable households. Within this framework, the recognition of the energy performance contracting is appreciated as it constitutes one of the useful tools to guarantee the quality of a renovation over the long-term.
- **The obligation mandating Member States to stop providing financial incentives for the installation of fossil-fuelled boilers from 2027** (art. 15. 10) which will help accelerate the phase-out of fossil fuels in buildings.
- **The possibility to include in energy performance certificates, advice to the owner or tenant on how to increase the climate resilience of a building** (art. 16.7).

UFE proposes recommendations to ensure the effectiveness of the directive in the decarbonization of buildings.

Recommendations to acknowledge the role of all technologies decarbonising buildings (Art. 2 & 7, Annex III)

UFE regrets the approach chosen by the European Commission regarding the energy use in buildings as it focuses only on RES and does not guarantee technology neutrality among renewable energies and low-carbon technologies.

The **new definition of 'zero-emission buildings' (definition 2) and related annex III pose various problems:**

1. They do not take into account the **key role played by decarbonised energies, nor that of the electricity network** in transforming the EU building stock by 2050.

   The annex notably sets that ***"the total annual primary energy use of a new or renovated zero-emission building shall only be covered by renewable sources of energy, either generated on-site, or from a renewable energy community, or from renewable energy and waste from district heating and cooling system".***

   First of all, **it is important to emphasize that the overall development of renewable energies is important, regardless of the actual location of this production**. Therefore, the limit to the production location does not make sense. Renewable energy should be produced where it is most efficient,

   Second, this requirement fails to recognise the role that **decarbonised electricity plays in the decarbonisation of buildings.**

   Finally, it does not recognise the role played by distribution networks in the distribution of renewable and decarbonised energies although its use brings several advantages. For instance, grid connection facilitates energy sharing between residential and non-residential buildings or between rural areas and cities. The public distribution network can also provide zero-emission buildings with renewable or decarbonised electricity that contributes to achieving zero-emission buildings objectives while ensuring consumer's rights to choose and switch energy supplier. Buildings must also remain connected to the grid for technical and security reasons.

2. They **remain energy-oriented** despite referring to the term 'zero-emission'.

The **definition of 'energy from renewable sources produced nearby' is limited to renewable energy *"distributed and used within that local and district level perimeter through a dedicated distribution network".*** It seems essential here to recall that electricity distribution network is a public service which can be used by all producers and consumers and guarantees total freedom of choice of energy

supplier, in opposition to dedicated networks.

Recommendations to ensure GHG emissions become a building performance indicator (Art. 2 & 16, Annexes I & III)

The French power sector **welcomes the integration of GHG emissions in the directive as it sends the right signals to put buildings on a low-carbon trajectory**. In particular, UFE supports the introduction of a mandatory indication of operational greenhouse gas emissions in the energy performance certificate by 31 December 2025. To accelerate the necessary decarbonisation of the building sector, the French power sector recommends making this indication mandatory by 31 December 2024.

However, UFE believes that the reduction of GHG emissions should be even further integrated in the different tools of the directive. Given the climate urgency and the need to reinforce European-energy sovereignty, the limited results obtained so far, using the integration of CO2 emissions as a performance indicator alongside an energy performance indicator would lead to a quicker phase-out of fossil energies.

Furthermore, to ensure complete information for consumers, UFE recommends setting a clear reference to **both final energy and primary energy**.

Recommendations on the infrastructure for sustainable mobility (Art. 12)

UFE supports the creation of a dedicated article for mobility. The French electricity sector notably welcomes:

- **The new obligation of pre-cabling, including technical** (cable path, technical sheaths) **and electrical pre-equipment** (switchboard, horizontal electrical column, bus cable) **to ensure that the installation of a charging point is feasible at a later stage**.
- **The provisions addressing the outstanding barriers to the installation of recharging points in buildings.**
- **The deletion of the current exemptions applying to SMEs.**
- **The obligation of smart charging for all recharging points in residential and non-residential buildings** as it contributes to promoting flexibility services and grid balancing as well as to integrating more renewables into the grids. When meeting the obligations on smart charging (V1X, V2X), the possibility to consider smart meters as one of the solutions allowing smart charging should be envisaged.

<u>Missing measures for EV charging infrastructure deployment:</u>

UFE regrets however that art. 12 differentiates requirements between residential and non-residential

buildings and is limited to new buildings and those undergoing major renovation when all buildings should be covered. In addition, the many differentiations between categories of buildings in paragraphs 1, 2 and 4 also risk leading to administrative confusion.

To support and encourage demand for EVs, **a right-to-plug must be guaranteed for all EV users. Requirements for electromobility must therefore apply to all buildings, residential or not,** (and not only new and undergoing major renovation buildings).

Measures to improve smart charging:

The proposal of the European Commission lacks requirements to **guarantee the non-discriminatory access to battery-related data, which is a prerequisite for third-party operators of smart charging services and for the well-functioning of smart charging technologies** as well as to ensure consistency with art. 15 of the Electricity Directive (2019/944). UFE therefore calls for introducing an **obligation for all Members States to ensure an open, free from charge and non-discriminatory access to battery-related data to all stakeholders**, similarly to what is proposed in art. 20a, paragraph 2 of the revised Renewable Energy Directive.

Recital 39 rightly recognises the **essential role of smart charging functionalities** in the energy system integration of buildings, facilitating data sharing and allowing the deployment of flexibility solutions. Smart meters are critical to ensure a proper coordination between the charging infrastructure and the electricity grid. For this reason, they should be included as a solution in the definition of smart charging in the EPBD, as well as in RED and AFIR.

The EPBD proposal highlights the benefits of smart charging and bidirectional charging as well as encourages the uptake of electric vehicles with pre-cabling. However, **it does not allow to set up a smart and cost-efficient charging system for buildings with requirements for pre-cabling allowing simultaneous charging**. Moreover, to ensure a sustainable mobility development, it is important, as highlighted in art. 12, para. 6, to promote the installation of recharging points capable of smart charging. Then, the pre-cabling should be dimensioned so as to enable the simultaneous use of the expected number of recharging points taking into account the natural pattern of consumption related to EV charge. When the pre-cabling is carried out by the DSOs, they **have the experience and necessary knowledge to ensure that the installations of recharging points in parking spaces meet the actual charging needs in the building**.

Recommendations to clarify the framework for minimum energy performance standards and for financial incentives (Art. 9 & 15)

UFE **welcomes the introduction of MEPS** but believes that the framework of art. 9 should be further clarified and the **timeframe should be more ambitious** for residential buildings. Notably we believe that the Directive should specify that if a building does not comply with MEPSs, it shall be neither sold

nor rented and its rent level shall not be revised upwards, **while indicating public funding which could be granted to meet the required standards.**

In France, for instance, the Climate and Resilience Law bans the renting or the increase of the rent of a building if it does not comply with the energy performance criteria.

Furthermore, considering the current crisis on energy prices and the urge to accelerate the reduction of the European dependence to fossil energies, particularly used to heat buildings, the proposed timeline for the Minimum Energy Performance Standard (MEPS) should be reviewed. To do so, we recommend **advancing the calendar by 2 years for buildings to achieve an energy performance class at least equal to E.**

Regarding the provisions to improve financial incentives to support building renovations, UFE highlights the importance of energy performance contracting as a solution to ensure the quality of the renovation in the long-term. Smart meters could also be a solution to measure energy consumption, and thus GHG emissions savings.

Recommendations to strengthen the provisions on indoor air quality and thermal comfort (Art. 2 & 16)

While UFE welcomes the new provisions on indoor air quality in art. 7 and 11, we believe the directive could go further to ensure it is further taken into account with thermal comfort. To do so, **new definitions of thermal comfort and indoor air quality should be inserted**.