



Buildings and energy poverty in the context of the Fit for 55 package

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European Green Deal and Fit for 55 (1)

- ✓ Just transition as key pillar of the European Green Deal (leave no one behind)
- ✓ EGD fully endorses the “right to housing” aimed at investing in social housing and households struggling to pay energy bills
- ✓ The Fit for 55 package of interconnected legislative proposals covers a wide range of policy areas including climate, energy, transport and taxation
- ✓ Structural solutions to vulnerabilities and underlying inequalities
 - ✓ Measures to identify, assess and address key drivers of consumer risks, including high energy prices, low household income, poor EE of buildings and appliances.



European Green Deal and Fit for 55 (2)

- ✓ Increased climate ambition with **buildings and their renovation** as a key focus:
 - Buildings are big energy consumers -40% of energy consumed
 - Very slow rate of renovation, exposing citizens to spikes in energy prices and to volatility
 - Many citizens struggle to keep their homes adequately warm
 - Low-income people own either old, non-refurbished buildings or rent houses or apartments with a low quality and energy performance. Often left behind for sustainable and affordable heating and cooling technologies
 - Efficiency measures, particularly building retrofits, are one of the means to address high energy expenditure in households.
 - Multiple benefits of building renovation: higher comfort levels, better health and well-being with improved indoor climate, lower GHG emission, jobs, better quality of life, combatting energy poverty



Energy poverty framework (1)

- **Regulation on the Governance of the Energy Union and Climate Action (EU) 2018/1999,**
 - Need to assess energy poverty and - where significant - design measures in the National Energy and Climate Plan
- **Electricity Directive 944/2018**
 - ✓ Sectoral framework for energy poor and vulnerable customers (protection from disconnections, direct support, flexibility for MS)
- **Commission Recommendation on Energy Poverty & set of energy poverty indicators**
 - ✓ Structural measures to address root causes of energy poverty

Energy Poverty in the Fit for 55 package (1)

- **Proposal for recast of the Energy Efficiency Directive**
 - ✓ EU-wide definition of energy poverty
 - ✓ Priority of energy saving for energy poor and vulnerable
- **Proposal for review of the Energy Performance of Buildings Directive**
 - ✓ Renovation of worst performing buildings in application of minimum energy performance standards coupled with financing, to address the root causes of energy poverty
 - ✓ National building renovation plans will pay attention to monitoring the reduction of people affected by energy poverty
 - ✓ Member States are required to focus their financial support on the alleviation of energy poverty and to support social housing
- **Hydrogen and gas decarbonisation package**
 - ✓ Mirror consumer protection provisions of the Electricity Directive

Energy poverty in the Fit for 55 package (2)

- **Proposal to set up a Social Climate Fund**
 - ✓ financing of solutions to address root causes of energy poverty => structural solutions (building renovation, decarbonisation of heating and cooling, integration of RES)
 - ✓ Temporary direct income support
- **Council recommendation on fair transition to climate neutrality (June 2022).**
 - ensure access to affordable essential services and housing for people and households most affected by the green transition, in particular those in vulnerable situations and those in regions facing transition challenges

Energy Poverty Advisory Hub

- Set up in early 2021 by the Commission
- Replaces earlier Energy Poverty Observatory and assumes and further expands its functions
- Main role: technical assistance to municipalities and other local actors in designing concrete programmes to address energy poverty.

High energy price environment

- **Commission communication on energy prices (October 2021)**
 - ✓ Short term: direct support to the most vulnerable
 - ✓ Medium term: Structural measures to address root causes of energy poverty
 - ✓ Closer co-operation on energy poverty among MS (new Coordination Group)
- **REPowerEU: Joint European action for more affordable, secure and sustainable energy (March 2022)**
 - ✓ Short and medium term: speed up European Green Deal and structural measures
 - ✓ Short term: Price regulation for consumers (in particular energy poor and vulnerable) possible.

REPowerEU Plan - to rapidly reduce dependence on Russian fossil fuels and fast forward the green transition



REPowerEU is a plan for

- saving energy
- producing clean energy
- diversifying energy supplies

Objectives of the EPBD revision as part of the Fit for 55 package

- **Climate Target Plan:** by 2030 the EU should reduce buildings' GHG emissions by 60%, their final energy consumption by 14% and energy consumption for heating and cooling by 18%.
- **Renovation Wave** aims at doubling renovations by 2030 and foster deep renovations



Twofold objective:

→ Contribute to **reducing buildings' GHG emissions and final energy consumption by 2030**

→ Provide a long-term vision for buildings and ensure an adequate contribution to achieving **climate neutrality in 2050**

Focus areas of the EPBD revision

Renovation

- Minimum Energy Performance Standards
- Energy Performance Certificates
- National Building Renovation Plans and renovation passports for individual buildings

Decarbonisation

- Introduction of zero-emission buildings as new standard for new buildings
- Consideration of whole life cycle carbon
- Phasing out incentives for fossil fuels and new legal basis for national bans

Financing

- Sustainable finance and energy poverty alleviation
- Deep renovation standard
- Renovation passports for individual buildings

Modernisation & system integration

- Infrastructure for sustainable mobility
- Smart Readiness Indicator
- Indoor air quality: ventilation and other technical building systems

Main provisions on existing buildings

Minimum Energy Performance Standards:

- Union-wide MEPS to phase out worst-performing buildings
 - Public and other non-residential buildings: at least EPC class F by 2027 & EPC class E by 2030
 - Residential buildings: at least EPC class F by 2030 & EPC class E by 2033
- MS to set up timelines for further improvement of their building stock in their building renovation plans
- Supporting framework with a focus on vulnerable households and monitoring of social impact

National Building Renovation Plans (replacing the long-term renovation strategies)

- BRP to be integrated into the NECP process, except the first plan
- Common template with only national goals and key mandatory indicator, several elements opening to other dimensions beyond energy remain voluntary (accessibility, safety,..)

Definition of „deep renovation“

Strengthened requirements for recharging of e-vehicles in case of major renovation

Stronger provisions on the removal of obstacles and barriers to renovation (right to renovate)

Member States must not subsidise fossil-fuel boilers as of 2027.

Financial resources at EU level (1)

- **Recovery and Resilience Facility**
 - estimated 76 billion EUR dedicated to building renovation (incl. residential buildings and social housing) – for the 22 RRP adopted by the end of 2021
- **Cohesion policy**
 - Historically has represented a main source of EU public funding for direct investment in improving buildings' energy efficiency
- **Social Climate Fund**
 - COM proposal: 72.2 billion EUR in 2025-2032
 - Link energy poverty assessment in the NECPs to EU finance
- **Just Transition Mechanism, including the Just Transition Fund, provides targeted support to alleviate the socio-economic impact of the green transition in the most affected regions.**
- **Affordable Housing Initiative for 100 lighthouse projects**

Financial resources at EU level (2)

- **Technical Support Instrument 2021-2027 (TSI, annual calls)**
 - Flagship “Support to the Renovation Wave” for reforms and measures linked to the implementation of the Renovation Wave.
 - BE, CY, EE, HU, IE, LT, MT, and SK were selected for funding. These projects are being prepared and will be launched in 2022.
- **LIFE-Clean Energy Transition sub-programme**
 - holistically address barriers to renovation, help reduce energy poverty and improve building-related interventions in vulnerable areas
 - Project development assistance, etc
- **Horizon Europe**
 - A total of 14 topics addressing the highly energy efficient and climate neutral EU building stock in the WP 2021-2022, including 8 topics addressing R&I activities for the wider sustainability of the built environment implemented under the European Built4People Partnership.
 - Mission on climate-neutral and smart cities under Horizon Europe



Thank you