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CONTRIBUTION

From:	General Secretariat of the Council
To:	Working Party on Energy
Subject:	Joint non-paper on EPBD by LU, FR, NL and DE

Delegations will find in the annex the joint non-paper on EPBD by LU, FR, NL and DE.

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Non-paper on Energy Performance of Buildings Directive
by Germany, France, Luxembourg, Netherlands
for COREPER on the 28th of September 2022

Russia's war on the Ukraine has clearly shown **Europe's dependency on energy imports** and the harsh results if energy supplies are unlawfully stopped or reduced. To solve this situation and to lower our dependence on imported fuels it is necessary to speed up energy efficiency and the use of energy from renewable sources in the European Union (EU). This is especially relevant for the building sector as this sector accounts in total for 40% of energy consumed and 36% energy-related direct and indirect greenhouse gas emissions in the EU.

For this reason, we need to speed up the renovation rate of existing buildings and a revised EPBD that supports this as soon as possible. As a key priority the revision has to address the building stock thoroughly. In this context, we support the introduction of **Minimum energy performance standards (MEPS)** for existing buildings. We will not reach our aim of a decarbonized building stock by 2050 if we do not concentrate on higher efficiency - and the reduction of GHG emissions - of these existing buildings. A **lowering of the ambitions of the Minimum energy performance standards cannot be the right** answer to the current geopolitical crisis and the aims of the European Green Deal.

As a result, we call for ambitious measures and targets in the non-residential and residential building sector. Especially the **residential sector** needs to be addressed consequently so that Member States set **adequate and reliable standards and thresholds** for their building stock leading to the decarbonisation in 2050. In addition to this, the overall structure of Article 9 should not be changed. At the same time, we are aware that a possible compromise has to reflect a **balance between overall targets and sufficient flexibility** for Member States so they are able to fit the MEPS within their national context and thereby retain the support of citizens for the aims of the Green deal. A very important aspect of this balance is social acceptance. Therefore the EPBD allows Member States to decide on their national trajectory on national level where they may take into account cases of social hardship. Therefore, we have jointly worked on a possible compromise.

In particular, the following points are key for us:

- As regards non-residential buildings we support to maintain the **threshold approach** as proposed by the European Commission; apply the 15%/25% **for each building category** so that 15%/25% of each building category have to be renovated and not for instance all hospitals with a high energy need in the first place.
- As regards residential buildings :
 - In a spirit of compromise, we can agree to an approach that MEPS defined at Member State level are based on a national trajectory, where MS are obliged to fulfil **a certain average energy performance or a greenhouse gas reduction** over their residential building stock, if achievement is proven also at **intermediate points** (2030, 2040);

However, this should be proven by equal and verifiable parameters (increase energy performance, reduction of direct greenhouse gas emissions) **and not the EPC classes anymore**, because these classes have different meanings in each country today and will lead to an uneven renovation effort in each MS.

- **In addition to the national trajectory**, we support to **use the trigger point approach as proposed by the PRES** with MEPS defined at building or building unit level, with a calendar enabling to renovate increasing volumes of the residential building stock in line with the EC proposal, and verifiable at key moments in the life of the building or building unit. This trigger point approach should not be based on the EPC classes either, but apply ambitious thresholds.
- We also support regulation to **replace fossil-fuelled heat generators in existing buildings with sustainable alternatives** when they have to be renewed or replaced (e.g. all available technologies that use at least 65% renewable energy, hybrid or non-hybrid heat pumps, waste heat, highly efficient district heating) in line with the pathway for transforming the building stock into zero-emission buildings.
- In addition to primary energy use, we ask for giving Member States the possibility to add criteria based on operational greenhouse gas emissions and other energy performance indicators when defining energy performance and setting MEPS, both for the national trajectory and the individual objectives as long as they can prove towards EC that they lead to the same level of ambition.

We call for **constructively working together on viable compromises** that actively contribute to the aim of a decarbonised building stock and ensure flexibility, while preserving the ambition and fundamental structure of the EPBD revision.