WorldGBC Europe – Energy Performance of Buildings Directive revision feedback response

31 March 2022

Introduction

WorldGBC's Europe Regional Network (ERN) is a community of over 20 national Green Building Councils, 8 Regional Partners, and close to 5,000 members across Europe. We are the common voice for a sustainable built environment in Europe.

We are deeply committed to supporting the deep renovation of our building stock and have supported, since 2015 the work of national governments on the long term renovation strategies with the Build Upon project. Between 2018 and 2021, we were again deeply involved, through the BUILD UPON² project, in developing local impact frameworks supportive of national long term renovation strategies (LTRS).

Additionally, the #BuildingLife project has brought together a coalition of Green Building Councils across Europe to drive decarbonisation of the building sector through private sector action and public sector policy. The focus of this project is creating whole life carbon roadmaps that present policy recommendations and industry action points for how built environment policy can embrace a whole life carbon approach.

As part of this project, WorldGBC sent an open letter to the European Commission in April 2021, signed by a range of built environment stakeholders across the value chain. The letter called on the Commission to ensure that the review of key legislative files, including the Energy Performance of Buildings Directive (EPBD), supported a Whole Life Carbon (WLC) approach in addition to accelerating renovation, and greater accountability for achieved performance.

Please find below WorldGBC's summary of our feedback on the proposed revision of the **Energy Performance of Buildings Directive** (EPBD) and our recommendations to ensure that the full potential of the buildings sector in delivering on EU goals is recognised.

General feedback

WorldGBC strongly advises that EU buildings policy follows the principle of energy efficiency first, whereby the energy demand for buildings is reduced as much as possible for both new and existing buildings. This means that all new buildings must have a very high energy performance in line with the energy efficiency first principle and the depth and ambition of renovation wave must be increased rapidly.

Crucial to delivering the renovation wave is the establishment of an ambitious framework of Minimum Energy Performance Standards (MEPS). WorldGBC welcomes the introduction of MEPS in the latest EPBD revision proposal, but as explained below, these provisions will need to be made more wide-ranging and ambitious to play a sufficient role in attaining the EU's climate targets.

Finally, WorldGBC supports a shift towards policy that addresses the whole life carbon impact of the built environment. A key element of this transition is to gauge the impact of this impact through the mandatory collection of whole life carbon data, and we welcome too the introduction of mandatory whole life carbon reporting. However, as explored in our recommendations below, this must be brought forward to allow to deliver on the aims of the EU Green Deal and the EU's goal of a decarbonised building stock by 2050.

Recommendations

Minimum Energy Performance Standards

The timeline of MEPS introduced is at a far slower pace than what is required to deliver the Renovation Wave and at minimum a doubling of the EU's renovation rate by 2030. Residential buildings achieving class E by 2033, in particular, is disappointingly unambitious, given the European Commission's previous commitments to tackling energy poverty and reducing energy costs for low income households.

Stricter MEPS thresholds must be introduced all the way to 2050, to ensure that the building stock is fully decarbonised by this time, a transition that can be supported at building level by Building Renovation Passports and at national level by National Building Renovation Plans. The Commission should also commit to assessing the feasibility of adding whole life carbon metrics to MEPS.

Zero Emissions Buildings

WorldGBC welcomes the introduction of the ZEB concept as an upgrade on the previous NZEBs. However, the ZEB definition in Article 2 should require that a building's energy usage is expressed in both primary and final energy consumption. The definition of ZEBs should also evolve to take into account the WLC impact of buildings.

In addition, thresholds proposed in the EPBD's Annex III are not sufficiently ambitious for new buildings as their minimum levels would exceed the European Commission's recommended lower values from 2016[1].

Energy Performance Certificates

WorldGBC supports the harmonisation of EPCs and that performance classes will be rescaled with the aim of a zero-emission building stock by 2050. In order to achieve this, however, WLC disclosure should be a mandatory indicator, not just an optional extra.

Article 16 should be updated to require the disclosure of WLC in EPCs.

Article 19 should be updated to determine how data from **Building Renovation Passports** that are to be introduced by Member States by end of 2024 (supported by digital building logbooks) and **Level(s)** will be used to populate whole life carbon databases at national level and inform benchmarks on whole life carbon that are aligned and comparable across the EU.

The co-benefits of renovation could be better captured by following the indicators of the BUILD UPON Framework which provides a methodology for measuring the social and economic benefits of retrofit.

In addition, the Commission must consider how to make the current EPC framework more robust, reliable and trustworthy whilst also exploring how to ensure homeowners have access to real time information on the performance of their homes. This will empower building owners to model and project the impact of building improvements on the EPC rating and thereby better judge the right course of action for them. The roll-out of smart electricity meters has so far failed to achieve this goal and more effort is needed. To support more accuracy of EPCs Member States should be enabled to use digital energy efficiency meters to determine the energy performance of buildings within the EPCs.

To facilitate the harmonisation of EPCs the EC must put in place standardised parameters to increase the reliability and accuracy of EPCs as design tools and in the context of the taxonomy.

[1] https://ec.europa.eu/energy/sites/ener/files/eu_renovation_wave_strategy.pdf

National Building Renovation Plans

The National Building Renovation Plans proposed by the European Commission in the December recast should evolve towards national climate action roadmaps, thereby ensuring that all buildings have an action plan aligned with a trajectory towards net zero. These roadmaps should eventually include milestones to ensure all buildings are 'net zero whole-life carbon' by 2050.

With regards to the common template set out by the European Commission in Annex II, the EU-funded project BUILD UPON^2 has developed a Framework designed to help authorities measure the impact of their renovation programmes against a set of environmental, social and economic indicators. The Framework has been developed with the assistance of over 30 local authorities across Europe and should form the basis of the EPBD's common template to measure the success of national building renovation plans.

Mortgage Portfolio Standards

WorldGBC supports the mention in Article 15 of the recast EPBD for Member States to promote the roll-out of enabling funding and financial tools such as mortgage portfolio standards, and would encourage the Commission to make this a mandatory requirement for Member States to do so.

Whole Life Carbon

The revision proposed by the European Commission in December 2021 represents a positive step as it mandates reporting of Whole Life Carbon from 2030 for all new buildings and from 2027 for large new buildings.

However, this is not ambitious enough and we must start collecting this data now - not in 2030 - so that we can start to develop the benchmarks to inform targets that will keep us on track for EU climate goals.

Specifically, we recommend that:

- Article 6 and 7 of the EPBD are updated to require reporting (based on the Level(s) framework and/or equivalent national methodologies) on both operational and embodied metrics. The basis for these metrics is outlined below:
    - Operational carbon metrics should be based both on high quality asset ratings and in-use verified energy consumption data, if available, or on realistic estimates of operational energy consumption of the building.

- Embodied carbon metrics can be based on estimates of quantities of material, products and processes in the building as well as their respective environmental coefficient (preferably using harmonised and third-party verified data) for each lifecycle stage of the building.

- Article 7 (new buildings) of the EPBD is updated to require new constructions starting from new public and large non-residential buildings to assess and disclose information on Whole Life Carbon metrics, comprising reporting on operational and embodied carbon metrics based on the Level(s) framework (EN 15978 and EN15804+A2).
- Article 8 (existing buildings) of the EPBD is updated to require major renovations (as defined by the EPBD) to assess and disclose information on Whole Life Carbon metrics via pilot projects, comprising reporting on operational and embodied carbon metrics based on the Level(s) framework (EN 15978 and EN15804+A2).

We also recommend that the Commission sets out a timeline for the introduction of circularity requirements in building regulations and the Renovation Wave into the EPBD.