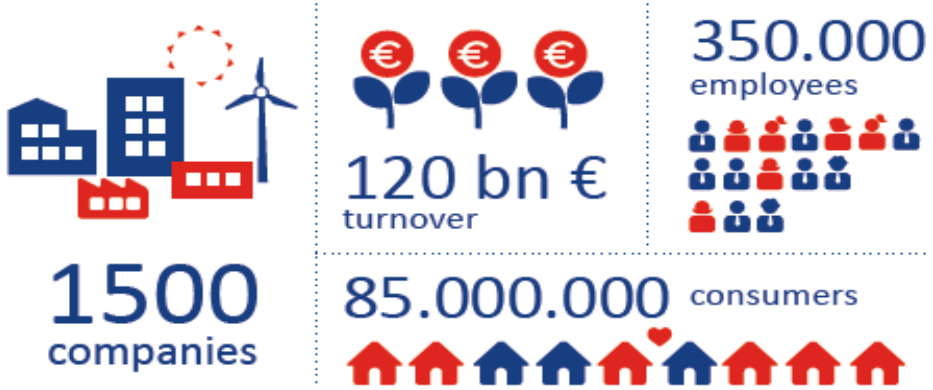
Proposal amending Directive 2010/31/EU on the Energy Performance of Buildings Directive

CEDEC - Background information

CEDEC represents the interests of 1.500 local and regional energy companies with a total turnover of €120 billion, serving 85 million electricity and gas customers and connections, with more than 350.000 employees.

These predominantly medium-sized local and regional energy companies have developed activities as electricity and heat generators, as operators of distribution grids and metering systems for electricity, gas and heating & cooling, and as energy (services) suppliers.



The wide range of services provided by local utility companies is reliable, sustainable and close to the customer. Through their investments and local jobs, they make a significant contribution to local and regional economic development.

CEDEC

RECOMMENDATIONS FOR THE CLEAN ENERGY PACKAGE

CEDEC welcomes the European Union's goal to reconcile **ambitious energy and climate targets in a coherent legislative package** that will put energy efficiency first, stimulate more sustainable energy sources, and change the energy market design where necessary to deliver the energy transition at the lowest societal cost.

That is why CEDEC, the European Federation of Local Energy companies, supports the European Commission's objective of adapting different parts of the existing legislative framework to **deliver a more sustainable energy system**, built on citizens' engagement and customers' trust.

As local energy companies, operating close to citizens and customers, we believe in the need to **boost the local dimension**, not only through political messages but also with a legal and regulatory framework that incentivises decentralised and integrated solutions, linking electricity, gas and heating & cooling.

A particular challenge for a review of the market design is to **create a true level playing field** between established and new market actors, in both the generation and the supply of energy products and services. A competitive and flexible European internal energy market can only function if all actors – big and small – can participate actively, with a **clear definition of roles and responsibilities**.

An incentivising framework and an adequate toolbox have to be available for the **Distribution System Operator (DSO) as market facilitator** in a decentralising energy system : with 90% of renewable energy sources connected to the distribution grids, the balancing of demand and supply becomes an increasingly local issue. Also, detailed information on all grid elements and on the customers connected to the grid becomes essential raw materials for smart grid management.

DSOs must be able to acquire the flexibility they need for the grid management, through **flexibility services** or different forms of **energy storage**. They can procure it on the market when competitively priced and well-targeted services are available; if not, they can contract flexibility directly with interested customers and local generators, or own and operate the necessary storage assets in the grid.

EU legislation must find the right **balance between market-based approaches**, that can contribute to lower costs and innovation, **and effective regulation**, which is at times needed to overcome market failures and to achieve objectives of general social and economic interest.

While considering a European dimension where appropriate, and supporting better interconnections where needed, Member States must be allowed to take into account the characteristics of their national energy landscape, with its current and future energy mix, with the potential of renewable and local resources, and with the existing details of market design.
Subsidiarity, along with **proportionality** of EU legislation, will be key to achieving a cost-efficient decentralising energy market that delivers for local authorities, citizens and customers.

Article	Text proposed by the Commission	CEDEC amendment
Article 2 **Definition**	"nearly zero-energy buildings" means a building that has a very high energy performance, as determined in accordance with Annex I. The nearly zero or very low amount of energy required should be covered to a very significant extent by energy from renewable sources, including from renewable sources produced on-site or nearby;	"nearly zero-energy buildings" means a building that has a very high energy performance, as determined in accordance with Annex I. The nearly zero or very low amount of energy required should be covered to a very significant extent by energy from renewable sources, including from renewable sources produced on-site or nearby ***or by highly efficient district heating as defined by Directive 2012/27/EU;***
Justification: To encourage more energy efficient neighbourhoods, all technology options should be kept open in order to allow for highly efficient district heating, as defined in the EU energy efficiency directive. This would have the advantage that infrastructure could be made available and sustained which could provide for the uptake of increasing quantities of renewable energies into the heating grids.		

Article	Text proposed by the Commission	CEDEC amendment
Article 6 **New buildings**	In paragraph 1, the second subparagraph is deleted Paragraph 2 and 3 are deleted	*1. (…)* ***For new buildings, Member States shall ensure that, before construction starts, the technical, environmental and economic feasibility of high-efficiency alternative systems such as those listed below, if available, is considered and taken into account:*** ***(a) decentralised energy supply systems based on energy from renewable sources;*** ***(b) cogeneration;*** ***(c) efficient district heating and cooling, particularly where it is based entirely or partially on energy from renewable sources or the use of waste heat, as defined in Directive 2012/27/EU ;*** ***(d) heat pumps.*** ***2. Member States shall ensure that the analysis of alternative systems referred to in paragraph 1 is documented and available for verification purposes.*** ***3. That analysis of alternative systems may be carried out for individual buildings or for groups of similar buildings or for common typologies of buildings in the same area. As far as collective heating and cooling systems are concerned, the analysis may be carried out for all buildings connected to the system in the same area.***

Justification: District heating and cooling and high efficiency cogeneration are among the most promising instruments contributing to the ambitious targets on energy efficiency and renewable energy sources development. The elements included in paragraph 1 of the article oblige Member States explicitly (not only implicitly) to consider equally high-efficiency alternative systems like district heating or cooling and high efficiency cogeneration. Therefore, paragraph 1 subparagraph 2, along with paragraphs 2 and 3, should be undeleted; and point 1(c) should be completed.

Article	Text proposed by the Commission	CEDEC amendment
Article 7 **Existing buildings**	The fifth subparagraph is deleted	***Member States shall encourage, in relation to buildings undergoing major renovation, the consideration and taking into account of high-efficiency alternative systems, in so far this is technically, functionally and economically feasible.***
Justification: District heating and cooling and high efficiency cogeneration are among the most promising instruments contributing to the ambitious targets on energy efficiency and renewable energy sources development. The elements included in subparagraph 5 of the article oblige Member States explicitly (not only implicitly) to consider equally community-based high-efficiency alternative systems like district heating or cooling and high efficiency cogeneration. Therefore, subparagraph 5 should be undeleted.		

Article	Text proposed by the Commission	CEDEC amendment
Article 8.2 **Technical building systems**	paragraph 2 is replaced by the following: '2. Member States shall ensure that in all new non-residential buildings and in all existing non-residential buildings undergoing major renovation with more than ten parking spaces, at least one of every ten is equipped with a recharging point within the meaning of Directive 2014/94/EU on the deployment of alternative fuels infrastructure, which is capable of starting and stopping charging in reaction to price signals. This requirement shall apply to all non-residential buildings, with more than ten parking spaces, as of 1 January 2025. Member States may decide not to set or apply the requirements referred to in the previous subparagraph to buildings owned and occupied by small and medium-sized enterprises ***as defined in Title I of the Annex to Commission Recommendation 2003/361/EC of 6 May 2003.***	paragraph 2 is replaced by the following: '2. Member States shall ensure that in all new non-residential buildings and in all existing non-residential buildings undergoing major renovation with more than ten parking spaces, at least one of every ten is equipped with a recharging point within the meaning of Directive 2014/94/EU on the deployment of alternative fuels infrastructure, which is capable of starting and stopping charging in reaction to price signals. This requirement shall apply to all non-residential buildings, with more than ten parking spaces, as of 1 January 2025. Member States may decide not to set or apply the requirements referred to in the previous subparagraph to buildings owned and occupied by small and medium-sized enterprises.
Justification: CEDEC believes that the exemption for small and medium-sized enterprises is sensible. However the reference to the Recommendation 2003/361/EC limits the exemption to privately owned SMEs. This leads to an unfair situation for publicly owned SMEs such as local utilities.		

Article	Text proposed by the Commission	CEDEC amendment
Annex I **Calculation of the energy performance of buildings**	***Primary energy factors*** shall ***discount the share of renewable energy in energy carriers so that calculations*** equally treat: (a) the energy from renewable ***source*** that is generated on-site (behind the individual meter, i.e. not accounted as supplied), and (b) the energy from renewable energy sources supplied through the energy carrier.;	The ***calculations*** shall equally treat: (a) the energy from renewable ***sources*** that is generated ***and used*** on-site (behind the individual meter, i.e. not accounted as supplied), and (b) the energy from renewable energy sources supplied through the energy carrier.;
Justification: CEDEC follows the argument of the Rapporteur i.e. to maintain the reference to equal treatment of on-site and off-site renewables, to ensure cost-effective rollout of renewables, but to delete the reference to obligatory discounting, as this entails a risk of undermining the correct picture of buildings' actual energy consumption and performance. Thereby, incentives to make energy efficiency improvements could be undermined. All other PEF-issues remain regulated by Energy Efficiency Directive and Renewable Energy Directive.		