



## ZERO-EMISSION BUILDINGS: RENEWABLE ENERGY DELIVERED THROUGH GRIDS IS KEY

The undersigned organisations support an ambitious and cost-efficient decarbonisation of the European building stock. We represent EU-based industries spanning across the entire energy value chain. This covers electricity, hydrogen and gas, renewable energy producers, Distribution System Operators, energy suppliers and manufacturers of heating appliances and energy efficiency solutions.

We need to strive for smart, efficient, integrated, and increasingly renewable-based energy systems where local circumstances and consumers' needs are fully considered. For the revision of the Energy Performance of Buildings Directive, we call on decision makers to fully recognise the important role of energy infrastructure to enable a range of renewable and energy efficient solutions to decarbonise buildings. Those renewables can be produced onsite, nearby or delivered through energy grids.

To realise the decarbonisation of the building stock, it is therefore essential to extend the possibility to cover renewable energy demand of zero-emission buildings to all renewable energy sources, including renewable energy delivered through the grids from off-site production sites or seasonal storages.

We welcome the progress made by EU institutions thus far and we would like to make the following recommendations in view of the upcoming trilogue negotiations:

- The definition of zero-emission building must fully acknowledge the role that renewable energy will play in decarbonising buildings, regardless of whether it is produced on-site or nearby, and stored on site or distributed via the grids. All renewable energy options should be considered in the same order of preference. The most suitable option for a given building might vary according to national, regional, local and individual circumstances. This approach also aligns with the principles enshrined in Article 15a of the revised Renewable Energy Directive, which allows national renewable energy targets for buildings to be achieved with *'renewable energy produced on-site or nearby as well as renewable energy taken from the grid'*. It is, therefore, crucial to ensure coherence within the FF55 package and to grant Member States the necessary flexibility to meet their targets and define their own decarbonisation pathways.
- Consequently, the role of renewable energy from the grids should not be restricted exclusively to renewable energy delivered through power purchase agreements (PPAs), as this restriction, seen in the EP text in Annex III, contradicts Article 2.2 (EP text) and significantly limits the availability of renewable energy for decarbonising buildings. In practice, since most renewable capacity is already allocated, this restriction implies that only new renewable energy projects would be considered, thereby jeopardising Europe's ability to meet its ambitious deadlines for zero-emission buildings. Moreover, PPAs are complex and long-term products that are not easily accessible to private consumers.

We hence urge policy makers to revise Article 2.2 and Annex III to fully recognise a role for renewable energy (both electrons and molecules) supplied via the grids. Such recognition will ensure that our net-zero objectives for the building sector are achieved on time and cost-efficiently, while allowing a certain degree of flexibility for Member States in determining their pathway to a zero-emission building stock, taking into account national and local circumstances.