

Joint Statement on the Energy Performance of Buildings Directive (EPBD)

Now more than ever it is imperative for the EU to reduce its dependency of Russian gas by ensuring diversification of supply and technologies to accelerate EU's autonomy while keeping the decarbonisation objectives at the highest level, including in the building sector. The Energy Performance of Buildings Directive (EPDB) can deliver the proper framework for this task, provided that the proposed solutions are indeed **proportionate** and aligned with the stated objective to **decarbonise** and ensure the EU energy **independence**.

Recently, the Council agreed on its general approach, stating that "All new buildings should be zeroemission buildings, and all existing buildings should be transformed into zero-emission buildings by 2050."

The signatories endorse that overall objective, but are greatly concerned that some of the proposals will hinder the possibility for European citizens to have access to the **necessary incentives and technologies** to upgrade obsolete and/or inefficient heating systems with the progressive integration of **more efficient and hybrid solutions** fuelled by the new generation of renewable and low-carbon liquid products. We had relayed our concerns in March 2021¹ and are pleased that some of them were taken into account. However, we would reiterate certain points.

In particular, we believe the proposed introduction of an explicit recommendation to Member States to ban **fossil fuels based technical building systems** to be too broad, as it could lead to the **disproportionate and discriminatory** ban of low-carbon and renewable fuel technologies, predominately used in low-income households and/or off-grid communities, that are already currently fulfilling the decarbonisation objectives and should therefore continue to be allowed, alongside the technology used for them.

To reach the Commission objective, a **more proportionate and effective solution** could for instance be the introduction of a **narrowly defined**, **limited ban** as recently adopted in France², only prohibiting the installation of new boilers with emission equivalent or a superior predetermined threshold. This approach would allow a proper level playing field for all clean solutions to contribute to meeting the EU decarbonisation targets, without disproportionately banning fuels and/or technologies which would be able to help meet these objectives, including already available low-carbon and renewable solutions. Another option to consider is the German approach, which debates on how to best to incorporate 65% of renewables with a combination of technology (eg. hybrid systems) and low carbon and renewable liquid fuels.

The proposed definition of "on-site" is too narrow and de facto excludes several sources of energy such as low-carbon and renewable liquid fuels, creating an unfair distortion and **discriminating against consumers which cannot benefit from onsite sources**. Furthermore, the definition takes into account only direct emissions when assessing the benefit of on-site renewable energy for additional uses (e.g. mobility), and prevents the recognition of the real environmental footprint of the energy sources considered and their real decarbonisation potential, in direct contrast with the stated requirement "to calculate the life-cycle global warming potential of new buildings" set out in the Directive.

¹ <u>https://www.eurofuel.eu/publications/position-papers/download/954/422/30?method=view</u>

² <u>https://www.eurofuel.eu/about-eurofuel/news-events/item/479-france-agrees-to-transition-towards-liquid-biofuels-for-heating</u>



As stated³ by several MEPs, "Majority of buildings in rural areas are not connected to the electricity or to the gas grid, and it is technically not feasible or cost-efficient for consumers to rely only on renewable energy produced on-site, such as solar power. To achieve a fully decarbonized building stock by 2050, such buildings should be able to utilize other readily available renewable energy sources produced off-site, to be granted the status of a zero emissions building."

Low carbon and renewable liquid fuels are drop-in fuels: they can be progressively added to the fuel mix without changes to the infrastructure which guarantees a fair and just transition. Their deployment would be an easy win. To allow this, the signatories suggest the following amendments to the reports:

Amendment 8	
Proposal for a directive Article 2 – paragraph 1 – point 3	
Text proposed by the Commission	EUROFUEL PROPOSAL
3. 'nearly zero-energy building' means a building with a very high energy performance, as determined in accordance with Annex I, which cannot be lower than the 2023 cost-optimal level reported by Member States in accordance with Article 6(2) and where the nearly zero or very low amount of energy required is covered to a very significant extent by energy from renewable sources, including energy from renewable sources produced on-site	3. 'nearly zero-energy building' means a building with a very high energy performance, as determined in accordance with Annex I, which cannot be lower than the 2023 cost-optimal level reported by Member States in accordance with Article 6(2) and where the nearly zero or very low amount of energy required is covered to a very significant extent by energy from low carbon and renewable sources, including energy from renewable sources produced on-site nearby as well as highly efficient hybrid systems combining renewable and low carbon liquid fuels with renewable electricity, solar heat or biomass.

Justification

The inclusion would ensure a more effective **level playing field** among the various technological solutions available for heating vulnerable households and off-grid communities, in line with the European Commission's commitment to a **technology neutral approach** and a **just transition for all**.

³ https://www.europarl.europa.eu/doceo/document/ITRE-AM-734393_EN.pdf



Amendment 9

Proposal for a directive Article 2 – paragraph 1 – point 13

Text proposed by the Commission	EUROFUEL PROPOSAL
13. 'energy from renewable sources' means energy from renewable non-fossil sources, namely wind, solar (solar thermal and solar photovoltaic), and geothermal energy, ambient energy, tide, wave and other ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas, and biogas	13. 'energy from renewable sources' means energy from renewable non-fossil sources, including renewable liquid fuels for the purpose of heating buildings.

Justification

The inclusion would ensure a more effective **level playing field** among the various technological solutions available for heating vulnerable households and off-grid communities, in line with the European Commission's commitment to a **technology neutral approach** and a **just transition for all**.

Amendment 13	
Proposal for a directive Article 15 – paragraph 10	
Text proposed by the Commission	EUROFUEL PROPOSAL
From 1 January 2027 at the latest,	From 1 January 2027 at the latest,
Member States shall not provide any	Member States shall not provide any
financial incentives for the installation of	financial incentives for the installation of
boilers powered by fossil fuels, with the	inefficient and carbon intensive
exception of those selected for	boilers powered by fossil fuels, with the
investment,	exception of those selected for
before 2027, in accordance with Article	investment,
7(1)(h)(i) third hyphen of Regulation	before 2027, in accordance with Article
(EU) 2021/1058 of the European	7(1)(h)(i) third hyphen of Regulation
Parliament and the Council45 on the	(EU) 2021/1058 of the European
European Regional Development Fund	Parliament and the Council45 on the
and on the Cohesion Fund and with	European Regional Development Fund
Article 73 of Regulation (EU) 2021/2115	and on the Cohesion Fund and with
	Article 73 of Regulation (EU) 2021/2115



Justification

Restrictions imposed on inefficient technologies based on GHG emissions are already sufficient to achieve the purpose set by the directive to accelerate the adoption of higher-performance and comfortable buildings, reducing energy bills for citizens, as well as facilitating the acceptance of the energy transition. Allowing Member states to establish requirements on specific fuels risks to wrongly conflates the technology used, i.e. boilers, with the source of the energy used to operate it, i.e. fossil fuels. The Directive should provide instead the opportunity to promote low-carbon and renewable liquid fuels by encouraging investments and incentives to accelerate the replacement of old and inefficient heaters across Europe with modern and highly efficient appliances, including more efficient condensing boilers and hybrid systems

Amendment 14

Proposal for a directive Article 26 – paragraph 2 – subparagraph 1

Text proposed by the Commission	EUROFUEL PROPOSAL
Member States shall in particular provide information to the owners or tenants of buildings on energy performance certificates, including their purpose and objectives, on cost-effective measures and, where appropriate, financial instruments, to improve the energy performance of the building, and on replacing fossil fuel boilers with more sustainable alternatives. Member States shall provide the information through accessible and transparent advisory tools such as renovation advice and one-stop- shops.	Member States shall in particular provide information to the owners or tenants of buildings on energy performance certificates, including their purpose and objectives, on cost-effective measures and, where appropriate, financial instruments, to improve the energy performance of the building, and on replacing inefficient and carbon intensive boilers with more sustainable alternatives, including highly efficient condensing boilers and hybrid systems combining low carbon and renewable liquid fuels with renewable electricity, solar heat or biomass . Member States shall provide the information through accessible and transparent advisory tools such as renovation advice and one-stop-shops.

Justification

There is no fossil fuel system as such, as its nature depends on the type of energy (e.g. fossil or renewable) used to power it. The proposed text wrongly conflates the technology used, i.e. boilers, with the source of the energy used to operate it, i.e. fossil fuels. The reference to "fossil fuels" heating systems should therefore be removed to recognise heating boilers are a neutral technology that can



also be operated with carbon-neutral liquid fuels. Instead of enacting a de-facto ban on specific technologies, the Directive should provide the opportunity to promote low-carbon and renewable liquid fuels by encouraging investments and incentives to accelerate the replacement of old and inefficient heaters across Europe with modern and highly efficient appliances, including more efficient condensing boilers and hybrid systems.

CONTACT

Any questions about heating with oil and other liquid fuels? Contact our representatives in Brussels:

ECFD

European Confederation of Fuel Distributors www.fuel-distributors.eu European Heating Oil Association <u>www.eurofuel.eu</u>

Eurofuel

Matthias Ploetzke Secretary General <u>ploetzke@uniti.de</u> Tel: +49 30 755 414 350 Sandrine Devos, Secretary General <u>sandrine.devos@eurofuel.eu</u> Tel: +32 (0)2 893 97 82 European Petroleum Refiners Association www.fuelseurope.eu

FuelsEurope

Alain Mathuren, Communication Director <u>alain.mathuren@fuelseurope.</u> <u>eu</u> Tel: +32 (0)2 566 91 19 The Voice of Europe's Independent Fuel Suppliers www.upei.org

UPEI

Pierre Lucas, Secretary General <u>info@upei.org</u> Tel: +32 (0)2 740 20 20