

INCEPTION IMPACT ASSESSMENT			
TITLE OF THE INITIATIVE	Review of the Energy Performance of Buildings Directive, including the 'Smart Financing for Smart Buildings' initiative		
LEAD DG – RESPONSIBLE UNIT – AP NUMBER	DG ENER, UNIT C3 – 2016/ENER/001	DATE OF ROADMAP	11/2015
LIKELY TYPE OF INITIATIVE	A legislative proposal and a communication		
ADDITIONAL INFORMATION	https://ec.europa.eu/energy/en/topics/energy-efficiency/buildings		
<p>This Inception Impact Assessment is provided for information purposes only and can be subject to change. It does not prejudice the final decision of the Commission on whether this initiative will be pursued or on its final content and structure.</p>			

A. Context, Subsidiarity Check and Objectives
<p>Context</p> <p>This initiative is a direct follow up to the Communication on an Energy Union¹, which foresees a review and possible revision of the Energy Performance of Buildings Directive 2010/31/EU (EPBD)² by the end of 2016. The review of the Directive, including a 'Smart Financing for Smart Buildings'- initiative, is one of the specific actions included in the Roadmap for the Energy Union COM(2015) 80 final³. Energy efficiency contributing to moderation of demand is one of the key dimensions to achieve a resilient Energy Union, based on a forward-looking climate policy. To this end, in 2015 and 2016, the Commission will review all relevant energy efficiency legislation and will propose revisions, where needed, to underpin the 2030 energy efficiency target. As part of this review exercise, the Commission will update its assessment of the optimal and cost-effective level of energy savings for 2030. This update will reply to the request of the European Council, asking the Commission to review the 2030 target of at least 27% energy savings “having in mind an EU level of 30%”⁴ (for further information, see the roadmap for the review of the Energy Efficiency Directive).</p> <p>In this context, the Commission will pay particular attention to sectors with an important efficiency potential, in particular buildings. The buildings stock⁵ is the largest single energy consumer, with the use of buildings representing 40% of energy consumption in the EU. The Communication on the contribution of energy efficiency to the 2030 framework for climate and energy policy⁶ indicated that, with a 2030 perspective, additional measures to tackle the energy efficiency of buildings should be considered. The EPBD is the main legislative instrument at EU level to achieve high energy performance in buildings. In its Article 19, the EPBD foresees an evaluation by 1 January 2017. This initiative will equally deliver on this legal obligation.</p> <p>The EU has a comprehensive legal framework with an EU 20% energy efficiency target for 2020 and a 27% target for 2030. Alongside measures targeting sectors such as products or transport, the EPBD addresses the building sector. Enhancing energy efficiency and use of renewable energy in buildings is crucial for Member States in order to meet their greenhouse gas reduction targets under the Efforts Sharing Decision⁷ and to reach their longer term decarbonisation goals.</p> <p>European Structural and Investment Funds will invest significantly in this field over 2014-2020. With the construction sector representing about 10% of the EU GDP, activities related to buildings are a considerable part</p>

¹ http://ec.europa.eu/priorities/energy-union/index_en.htm

² Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (recast)

³ http://ec.europa.eu/priorities/energy-union/docs/energyunion-annex_en.pdf, 25 February 2015

⁴ The European Council on 24 October 2014 requested the Commission to review the energy efficiency target by 2020 “having in mind an EU level of 30%”.

⁵ Building stock refers to all buildings from residential and services sectors (i.e. residential, commercial and public buildings)

⁶ COM(2014) 520 final

⁷ 406/2009/EC

of the EU economy. The Commission promotes more favourable conditions for sustainable growth in the construction through an EU Strategy⁸.

There is an [ongoing evaluation of the EPBD](#), to be completed by February 2016. The evaluation roadmap was published in July 2015.

The Energy Union Communication has set up a framework strategy with a coherent policy vision for energy and climate change policy.

Among the various initiatives contained therein, several partially relate to buildings or to energy efficiency in a complementary manner:

- The Energy Efficiency Directive (EED) supplemented the EPBD with obligations on building renovation targets and roadmaps⁹, which were not foreseen under the EPBD;
- Whilst the EPBD addresses fundamentally the use phase of buildings, impacting on the design phase. Energy consumption at other life cycle stages e.g. manufacturing of construction products and demolition are a focus of the Communication on Resource Efficiency Opportunities in the Building Sector¹⁰;
- The Renewable Energy Directive (RED)¹¹ set the obligation to promote the use of renewable energy in building codes. The EPBD supplemented the RED with specific obligations for nearly zero-energy buildings (NZEB) to become the standard¹² for new buildings after 2020, recommending that the very low amount of energy that NZEB consume comes primarily from renewable sources.
- There is a link between energy efficiency in buildings and in related products (e.g. a boiler or an air conditioning system), which is addressed by Directive 2009/125/EC on ecodesign requirements and Directive 2010/30/EU on labelling of energy-related products. The Construction Products Regulation (EU) No 305/2011 lays down harmonized rules for the marketing of construction products, allowing the comparison of performance of products from different manufacturers.

Policy coherence across different instruments will be ensured during the review process as well as in the context of streamlining the planning and reporting obligations within the Energy Union governance initiative.

Issue

Buildings are the largest single energy consumer in Europe. With the introduction of efficiency requirements in building codes, new buildings today consume only half as much as in the 1980s. However, preparations across the EU towards the NZEB standard for new buildings are only slowly progressing. Buildings have huge potential for energy efficiency gains: about 75% of our housing stock nowadays is energy inefficient and has high cost-effective energy efficiency potential.

The EPBD is being evaluated in its entirety since its adoption in 2010, which will provide evidence on whether the legislation is fit for purpose and achieving its objectives. The results of this evaluation, and of the accompanying [public consultation](#) open until 31 October 2015, will provide the basis for the Impact Assessment of policy options in the framework of the EPBD review and its possible revision.

The EPBD is part of the legal framework to deliver on the 2020 targets. The review will consider additional measures on energy efficiency of buildings, with a 2030 perspective.

Financing the required upfront investments remains a challenge. Current levels of investment are insufficient to deliver on the Union's climate and energy objectives for 2030. Estimates suggest that around €100 billion need

⁸ COM (2012) 433 final

⁹ In line with Articles 4 and 5 of the EED. The EPBD review will ensure policy coherence with their provisions.

¹⁰ COM(2014) 445 final. This Communication aims at developing an EU framework for the assessment of the environmental performance of buildings throughout their life-cycle.

¹¹ Directive 2009/28/EC on the promotion of the use of energy from renewable sources

¹² Meaning the required energy performance level.

to be invested annually in the EU to achieve Europe's 2020 energy efficiency targets – nearly all of this in buildings¹³. At present, annual investments are below half of these requirements.

The characteristics of buildings and of the building sector and the absence of tailor-made financing products for energy efficient building renovation being widely offered are the main drivers of the problem.

Buildings are long-term assets useful for 50 years or more. More than two thirds of buildings standing today are expected to remain in use in 2050. Building energy efficiency has been improving at 1.5% per year since 2008¹⁴. Efficiency in buildings could be boosted if renovation rates would be increased from the current estimated 0.5-1.2% to above 2%. The building sector is still largely crafts-based. The length of new building construction from planning to 'ready to use' building may be significant and, to some extent, uncertain. This slows down adaptation to new building standards and renders their implementation more difficult.

Compliance with energy efficiency requirements in buildings should be improved. In addition, data on the performance of existing buildings is lacking and this is even more acute in the non-residential sector. These are needed to assess the effects of policies and to tailor refurbishment programmes. The ongoing evaluation will provide more evidence in this regard.

Financing for energy efficiency investments is hampered by the small-scale of many building projects (as opposed to larger infrastructure investments), which makes them difficult to aggregate. There is a lack of standardised procedures for financing building renovation (e.g. agreed protocols and benchmarking rules for private capital investment, 'ready to use' financial products, widely available). After examining barriers in this sector, the Energy Efficiency Financial Institutions Group (EEFIG)¹⁵ highlighted the need for a strong regulatory framework accompanied by financing-related measures such as improvement of public procurement rules, standardisation of investment procedures or better monitoring of energy performance.

There is a need to stimulate investment by buildings owners which is nowadays well below the pre-economic crisis levels¹⁶ and, precisely on buildings renovation, to offer long-term predictability of investment, attractive financial conditions, overcome barriers and reduce the administrative burden. Investment decision criteria vary among various categories of buildings owners (residential, public and commercial buildings) and are driven by several non-technological barriers such as: financial, organisational, information and skills, transaction costs (financial and non-financial), lifetime and risk considerations, split incentives, low awareness about benefits etc.

National, regional and local authorities from Member States are affected, on the one hand due to their critical role in properly implementing the building regulations and, on the other, as beneficiaries of the resulting reduction in energy dependence and in CO₂ emissions. Citizens would benefit from reduced energy bills, improved living conditions and better comfort. Home owners and tenants would have better information on the energy efficiency of their buildings and more accessible and affordable financial instruments for their renovation. Local SMEs and the construction sector and energy services industries would benefit from job creation and retention as a result of stronger sectoral activity due to increased investments in buildings. Local and regional authorities could have access to tailored financing products for energy efficiency in buildings, on better terms. Investors should have more security and better returns and financial institutions would have a standardised set of protocols and benchmarks to lower the perceived risk of investments in this sector or create alternative financial products.

In 2010, Council and Parliament agreed that EU action was relevant and necessary to lay down more concrete actions with a view to achieving the great unrealised potential for energy savings in buildings. National action alone was not considered sufficient to reduce the large differences between Member States' results in this sector. Therefore, the EPBD established the legal framework to upgrade national building codes, an EU standard for new buildings after 2020 and, through Energy Performance Certificates (EPC), providing information to consumers on the efficiency of their flat or building and on how to improve it.

This framework has been enhancing the level of ambition of national and regional building codes. The EPBD nevertheless leaves flexibility for Member States to lay down their national requirements in line with their building traditions, climate and local conditions (including energy, investment and labour costs), without harmonised EU-

¹³ Energy Efficiency Financial Institutions Group Report: "Energy Efficiency – the first fuel for the EU Economy. How to drive new finance for energy efficiency investments", February 2015, www.eefig.eu

¹⁴ <http://www.odyssee-mure.eu/publications/br/energy-efficiency-trends-policies-buildings.pdf>

¹⁵ EEFIG report, www.eefig.eu

¹⁶ Eurostat press release 125/2015 13 July 2015 (second graph on households' investment rate-historical trend): <http://ec.europa.eu/eurostat/documents/2995521/6908381/2-13072015-AP-EN.pdf/9546a037-cfe2-405e-9f8f-2da2ec2200c5>

wide levels. There is increasing evidence showing that EPCs give economic value to energy efficiency in buildings and create a link between energy efficiency rating classes, investments in buildings and renovation. The introduction of NZEB standards for new buildings is slowly transforming the whole sector. However, there is a significant potential for improvement and for tackling investment barriers, particularly in existing buildings, as results continue being uneven across the EU.

In case no policy action is taken, implementation of the current EPBD would continue delivering energy savings. However, no action would be taken as a result of experience gained during the application of the EPBD, based on its ongoing evaluation. No additional action targeting energy efficiency in buildings with a 2030 perspective would be proposed. A 'Smart Financing for Smart Buildings'-initiative to make existing buildings more energy-efficient, facilitating access to funding for investments, would not be developed, missing some of the benefits of retrofitting existing buildings.

Subsidiarity check

The main, predominant objectives of the initiative are to contribute to ensuring security of energy supply in the Union and to promote energy efficiency, delivering cost-effective greenhouse gas emission reductions. Therefore, Article 194 TFUE (the legal basis of the EPBD) remains appropriate.

Action by Member States alone could not solve the problem given the need for a common EU policy to keep reducing the large differences that remain between Member States' results in this sector. EU action is needed to set benchmarks that facilitate similar ambition levels across Member States and to define concrete measures to tackle the energy efficiency of buildings, including with a longer term perspective. Mobilising investments into energy efficiency in buildings requires a strong, stable and effectively enforced EU regulatory framework and the smart use of EU funds to leverage private funds and provide technical assistance at national and regional level.

EU action is needed to gain better data on building stocks at EU level and for developing common standards for energy performance and for Financial Institutions and Investors. Only EU action could enhance the transparency of energy performance of the Union's buildings market and create uniform conditions for energy efficiency investments across the EU. Market participants, in particular in the non-residential sector, are often multinational property owners and development companies demanding comparability across Member States to invest in the most energy efficient buildings. EU action is needed to allow for a fair comparison of different buildings' energy use across borders.

Main policy objectives

The objective of the EPBD is to promote the improvement of the energy performance¹⁷ of buildings within the Union, taking into account outdoor climatic and local conditions, as well as indoor climate requirements and cost-effectiveness.

The general objective of the review of the EPBD, including the 'Smart Financing for Smart Buildings' initiative is to promote greater take-up of energy efficiency in the buildings sector and deliver cost-effective greenhouse gas emission reductions as well as to contribute to ensuring security of energy supply in the Union.

Specific objectives of the initiative are (i) to address the shortcomings identified by the evaluation of the EPBD so as to ensure it remains fit for purpose (REFIT component); and (ii) to consider the need for additional measures relating to energy efficiency and the use of renewable energy in buildings, with a 2030 perspective. The third specific objective of the initiative is to deliver improved access to funding and stimulate investments ('Smart Financing for Smart Buildings').

B. Option Mapping

The results of the ongoing evaluation of the EPBD will provide the basis for the Impact Assessment of policy options in the framework of its review. The policy options will be more clearly defined once the ex-post evaluation has been finalized and input from stakeholders is available.

It is conceivable that the existing architecture of the EPBD remains fit for purpose, including with a 2030 perspective. This assumption will be assessed through the evaluation and review process as well as looking at how to ensure coherence with overarching climate and energy objectives and member States obligations under a future effort sharing agreement with respect to greenhouse gas emissions in the non-ETS sector. The review will examine how to use this architecture, not only for increasing energy efficiency of buildings, but also for smart buildings and deeper integration of renewables.

¹⁷ Energy performance of buildings is defined as the amount of primary energy, in particular fossil energy, needed to meet the energy demand associated with the typical use of the building.

<p>Baseline scenario – no EU policy change</p> <p>Implementation of the EPBD and national transposition measures would continue delivering energy savings. The evaluation of the EPBD in the light of experience gained and progress made during its application would not result in any policy change, including on possible simplification or on better enforcement. The EPBD would be considered fit for purpose, including with a 2030 perspective. No additional action targeting energy efficiency in buildings with a 2030 perspective would be proposed.</p> <p>A ‘Smart Financing for Smart Buildings’-initiative to make existing buildings more energy-efficient, facilitating access to funding for investments, would not be developed, missing some of the benefits of retrofitting existing buildings: reducing the EU's energy import bills, reinforcing energy security and cutting energy costs for households and businesses.</p>
<p>Options of improving implementation and enforcement of existing legislation or doing less/simplifying existing legislation</p> <p>Keeping the existing policies and legislation and work on their effective enforcement through adequate compliance mechanisms to make sure that what is set in the national provisions is adequately implemented in practice, e.g. strengthening local and regional verification of national building codes, quality and effectiveness of the different national Energy Performance Certificate schemes and state of national preparations to meet the NZEB targets for new buildings would continue.</p> <p>Targeted amendments to simplify some of the existing provisions would be considered on the basis of the ongoing evaluation of the EPBD.</p>
<p>Alternative policy approaches</p> <p>In order to address barriers to improving the energy efficiency of buildings, targeted or more ample amendments to the EPBD would be considered. Particular attention would be given to increasing the rate and depth of building renovation and the need for data on existing buildings and for mobilising existing financing. Experience with the first building renovation strategies in the context of the EED will be taken into consideration. Likely areas for alternative approaches could relate to (i) providing clear, relevant and comparable building information, going beyond existing Energy Performance Certificates in order to incentivise investments in energy efficiency in public, commercial and residential buildings for both tenants and home owners (e.g. building on the existing national EPC databases, to consider the need for an EU wide EPC database); and (ii) ensuring that the building sector can take full advantage of the opportunities that NZEBs present towards saving energy and drawing renewables in buildings. Policy options to consider would include how to support preparations across the EU towards the NZEB standard for new buildings and how to best stimulate the gradual transformation of existing buildings towards NZEB levels, for instance through appropriate financing and other support measures.</p> <p>The consideration of alternative policy approaches is dependent on the results of the ongoing evaluation of experience with the application of the EPBD and cannot be fully specified yet.</p>
<p>Alternative policy instruments</p> <p>The introduction of non-regulatory alternatives alone or in combination with regulatory alternatives will be considered. In particular, as regards access to finance, a voluntary agreement with Financial Institutions and Investors adhering to agreed standards will be explored under the ‘Smart Financing for Smart Buildings’-initiative. Such agreed standards between the European Commission and Financial Institutions and Investors would provide a common framework for underwriting procedures necessary for up-scaling of private capital financing.</p> <p>In addition, regulatory options to incentivize investments into energy efficiency and on-site/nearby renewable energy will be considered. Such regulatory options would take into account experience with the introduction of so-called ‘ex-ante conditionalities’ to ensure that the necessary prerequisites for the effective and efficient use of Union financial support are in place at national level. In the context of European Structural and Investment Funds for the period 2014-2020¹⁸, the national implementation of a number of key provisions of the EPBD (on minimum energy performance requirements and on national EPC schemes) is a prerequisite to ensure effective and efficient use of EU funds in the area of building renovation.</p> <p>Measures addressing the competences and the training of experts, contractors and professionals and increasing consumers’ knowledge of possible options for building renovation will be assessed. The analysis of policy</p>

¹⁸ Regulation (EU) No 1303/2013

options will identify solutions to existing market failures and barriers such as split incentives where the obliged actor is not the beneficiary, limiting the uptake of related measure. Policy options will pay particular attention to vulnerable consumers.

Alternative/differentiated scope

The review will analyse policy options in relation to policy at urban and sub-urban level (including in relation to higher use of electric vehicles in urban areas and recharging electric points in buildings); and to creating stronger links to renewable energy use in buildings and districts, in particular in the context of nearly or net zero-emission districts and cities.

Options for examination include energy aspects that are not covered within the scope of the EPBD. One such example would be the possible extension of legal scope to include embedded energy used for making a building and its individual components. Whilst energy consumption during the manufacturing phase of construction products is out of the scope of the EPBD, its importance increases both in relative and absolute terms when the proportion of a building's overall energy that is used during its operational lifetime falls towards nearly zero levels (e.g. with the NZEB requirements for all new buildings as of 2020).

The review will also explore aspects such as general indoor climate conditions to avoid possible negative effects (e.g. inadequate ventilation) of highly-efficient buildings. The importance of considering these aspects is recognised in the EPBD, but without detailed requirements.

Options that take account of new technological developments

In order to improve the net energy performance of buildings not only at the level of the building itself, but also when seen in the context of the infrastructure a building is connected to, the building's interaction with this infrastructure also needs to be addressed. The review will explore policy aspects in connection with innovative ICT-based solutions and smart buildings allowing more energy efficient use and maintenance of buildings, in a technology neutral manner.

To make the building stock fit for a high-renewables grid-supply with the associated fluctuations and security of supply concerns the review will explore how the energy performance of buildings can reflect their level of "demand-response capacity. Equally, energy storage (electrochemical or thermal) possibilities will be assessed in view of timely matching energy consumption and production in NZEB. Technological developments in relation to innovative insulation techniques, photovoltaic systems integrated in building elements or new materials will be considered. Attention will be paid to the links to product policy (e.g. effects of the integration of a product operating in a system/building).

Preliminary proportionality check

The review will identify the framework and instruments for realising the cost-effective energy saving potential in buildings. As is the case with the current Directive, the selected policy option(s) will not go beyond what is necessary to achieve the objectives of promoting greater take-up of energy efficiency in the buildings sector and improving access to finance.

C. Data Collection and Better Regulation Instruments

Data collection

The EPBD review will build on the preparatory work that was carried out for the Energy Efficiency Communication of 23 July 2014 COM(2014) 520.

An analysis of financing of energy efficiency in buildings is presented in the EEFIG Report¹⁹. A number of studies in relation to implementing key aspects of the EPBD such as Nearly Zero-Energy Buildings and Energy Performance Certificates are available: <http://ec.europa.eu/energy/en/topics/energy-efficiency/buildings> or under preparation. We refer in addition to the Commission progress report on Nearly Zero-Energy Buildings COM(2013) 483 and to the Commission report on financing support for energy efficiency in buildings COM(2013) 225. The Commission is currently finalising a technical assessment of the first national long term strategies for mobilising investment in the renovation of the national building stocks (in line with Article 4 of the EED).

The ongoing ex-post evaluation of the EPBD and the ex-ante analysis of policy options and related saving potentials to feed the Impact Assessment are supported by external contractors under contracts launched in the first quarter of 2015. One element of the data collection has to do with modelling of energy efficiency in

¹⁹ Energy Efficiency Financial Institutions Group Report: "Energy Efficiency – the first fuel for the EU Economy. How to drive new finance for energy efficiency investments", February 2015, www.eefig.eu

buildings. This work is supported by external contractors and the outcome will be used to supplement results from PRIMES, which provides less granular modelling of the buildings sector.

Better building data and figures are a prerequisite for designing effective policies, in particular for building renovation. EU funded projects such as Tabula/Episcopo, Odyssee-MURE or ENTRANZE have paved the way for progress in this field. The Buildings EU Observatory is currently under development and will give a first 'snapshot' of the energy performance of buildings in 2016, giving input to the EPBD review. The Smart Cities Information System continues the work started by CONCERTO²⁰, feeding a database with technical and economic performances of EE and RES technologies demonstrated in EC funded projects.

Consultation approach

An [open, internet-based consultation](#) on the review of the Energy Performance of Buildings Directive, including 'Smart Financing for Smart Buildings' –initiative has already been launched. The consultation is open until 31 October 2015.

The target groups of this consultation are public authorities, Member States, private organisations, industry associations, SMEs, other relevant stakeholders and citizens (inside and outside of the European Union). The consultation will feed into the ex-post evaluation and will provide a basis for the identification of policy options that will be part of the Impact Assessment in the framework of the EPBD review.

Further stakeholder inputs will be collected through the organisation of thematic workshops. These targeted workshops will consult stakeholders relevant to a specific theme. The existing Committee on Energy Performance of Buildings will play an important role in shaping the outcome of the review process. The 'Smart Financing for Smart Buildings'- initiative will build on regular working sessions of the EEFIG. In parallel, tailored consultation events on financing aspects will continue to be organised across the EU. Member States will be directly involved through the EPBD Concerted Action. A dedicated session on the review of the EPBD is planned on 25-27 November 2015.

Will an Implementation plan be established?

Yes No

The EPBD implementation is supported by a Committee. The EPBD Concerted Action facilitates networking and exchange of good practices in implementation among Member States and the Commission develops guidance documents to support Member States' actions. Subject to the outcome of the review process, similar implementation actions may be needed.

D. Information on the Impact Assessment Process

The preparatory work to assess the application of the EPBD, financing of energy efficiency and knowledge about the building stock started in 2014 to ensure that the information would be ready for the IA in 2016. Additional studies in support of the ex-post evaluation of the EPBD, ex-ante analysis of policy options including of 'Smart Financing for Smart Buildings' and modelling were launched in the first quarter of 2015.

The Secretariat General (SG) has set up an ISG on the review of the EED, the EPBD and the 'Smart Financing for Smart Buildings'- initiative. The first meeting took place on 30 April 2015. The group will meet on a regular basis during the review process.

The following Commission services participate in the ISG and are associated to this initiative: SG, Legal Service (SJ), Agriculture and Rural Development (AGRI), Budget (BUDG), Climate Action (CLIMA), Communications Networks, Content and Technology (CNECT), Competition (COMP), Economic and Financial Affairs (ECFIN), Employment, Social Affairs and Inclusion (EMPL), Environment (ENV), Eurostat (ESTAT), Financial Stability, Financial Services and Capital Markets Union (FISMA), Health and Food Safety (SANTE), Internal Market, Industry, Entrepreneurship and SMEs (GROW), Joint Research Centre (JRC), Justice and Consumers (JUST), Mobility and Transport (MOVE), Regional and Urban Policy (REGIO), Research and Innovation (RTD), Taxation and Customs Union (TAXUD), Trade (TRADE), Executive Agency for Small and Medium-sized Enterprises (EASME).

E. Preliminary Assessment of Expected Impacts

Likely economic impacts

²⁰ European Commission initiative on the energy optimisation of districts and communities as a whole, funded under the European Research Framework Programme (FP6 and FP7).

Energy savings of a scale dependent of the policy option chosen (i.e. different in case of 'no EU action' as compared to better enforcement or possible revision). Reinforcing energy security and reducing the EU's import bills. Job creation, in particular in the construction sector, energy certifiers and auditors, as a result of improved access to finance for building renovation.
Likely social impacts
Reduced energy bills for households and businesses, improved health and living conditions, and contributing to poverty alleviation when combined with other supporting measures.
Likely environmental impacts
Reduction of CO ₂ emissions at low (or even negative) costs and related air pollution. Impacts on waste and input materials could also be expected, depending on the preferred option.
Likely impacts on simplification and/or administrative burden
The investment requirements and the administrative costs of measures will be analysed and compared to the benefits and returns. Better access to existing financing for building renovation is expected to contribute positively on simplification and reduction of administrative burden.
Likely impacts on SMEs
Job's creation or retention, especially for local SMEs given the characteristics of the construction, small-scale renewable energy and renovation sectors.
Likely impacts on competitiveness and innovation
Improved competitiveness of European construction and energy services industries, boosting innovation in building materials and technologies, including in the area of renewables in buildings, potentially increasing trade on building related materials as well as in the area of building information technologies, energy performance software and data collection and monitoring.
Likely impacts on public administrations
Improving the EPBD through a revised Directive (should that be the preferred option) would possibly have an impact on public administrations, who would have the duty to adopt national transposition measures and adapt their building codes. On the other hand, energy efficiency improvements in buildings can have important impacts on the budgetary position of national authorities, whether by reducing government expenditures on energy or by generating increased tax revenues through greater economic activity.
Likely impacts on third countries, international trade or investment
These were not considered in the original Impact Assessment which supported the adoption of the EPBD. However, experience since the EPBD was adopted shows that EU policy measures on energy efficiency in buildings have an influence on the policies of third countries, by setting an example.