Commission welcomes political agreement on new rules to boost energy performance of buildings across the EU

Brussels, 7 December 2023

The Commission welcomes the provisional agreement reached today between the European Parliament and the Council to reduce the emissions and energy use of buildings across the EU. The strengthened Energy Performance of Buildings Directive (EPBD) will support the EU’s efforts to decarbonise buildings across the whole Union. This is an area in which the concrete impact of the European Green Deal will improve the quality of life for people, in their homes and workplaces, and lower their energy bills. This deal will also boost Europe's energy independence in line with the REPowerEU Plan and make a strong business case for a cleaner buildings sector in the EU.

Better performing buildings to lower energy bills and cut emissions

The revised Directive will set out a range of measures that will help EU governments boost structurally the energy performance of buildings, with a specific focus on the worst-performing buildings.

- Each Member State will adopt its own national trajectory to reduce the average primary energy use of residential buildings by 16% by 2030 and 20-22% by 2035, allowing for sufficient flexibility to take into account national circumstances. Member States are free to choose which buildings to target and which measures to take.
- The national measures will have to ensure that at least 55% of the decrease of the average primary energy use is achieved through the renovation of the worst-performing buildings.
- For the non-residential building stock, the revised rules require to gradually improve it via minimum energy performance standards. This will lead to renovating the 16% worst-performing buildings by 2030 and the 26% worst-performing buildings by 2033.
- Member States will have the possibility to exempt certain categories of residential and non-residential buildings from these obligations, including historical buildings or holiday homes.
- Improved Energy Performance Certificates (EPCs) will be based on a common EU template with common criteria, to better inform citizens and make financing decisions across the EU easier.
- To fight energy poverty and bring down energy bills, financing measures will have to incentivise and accompany renovations and be targeted in particular at vulnerable customers and worst-performing buildings, in which a higher share of energy-poor households live.
- Member States will also have to ensure that there are safeguards for tenants, to help tackle the risk of eviction of vulnerable households caused by disproportionate rent increases following a renovation.

Triggering a Renovation Wave

The revised EPBD contains measures to improve both the strategic planning of renovations and the tools to ensure such renovations will happen. Under the agreed provisions, Member States will:

- establish national Building Renovation Plans to set out the national strategy to decarbonise the building stock and how to address remaining barriers, such as financing, training and attracting more skilled workers.
- set up national building renovation passport schemes to guide building owners in their staged renovations towards zero-emission buildings.
- establish one-stop-shops for home-owners, SMEs, and all actors in the renovation value chain, to receive dedicated and independent support and guidance.

In addition, the deal will help the EU to phase-out, in a gradual manner, boilers powered by fossil fuels. Subsidies for the installation of stand-alone boilers powered by fossil fuels will not be allowed as of 1 January 2025. The revised directive introduces a clear legal basis for Member States
to set requirements for heat generators based on greenhouse gas emissions, the type of fuel used, or the minimum share of renewable energy used for heating. Member States will also have to set out specific measures on the **phase-out of fossil fuels in heating and cooling** with a view to a complete phase-out of boilers powered by fossil fuels by 2040.

**Boosting sustainable mobility**

The deal will also boost the take-up of **sustainable mobility** thanks to provisions on pre-cabling, **recharging points for electric vehicles** and **bicycle parking spaces**. Pre-cabling will become the norm for new and renovated buildings, thus facilitating access to recharging infrastructure and contributing to the EU's climate ambition. In addition, there will be strengthened requirements on the number of recharging points in both residential and non-residential buildings. **Member States will also have to remove barriers to the installation of recharging points**, to ensure that the 'right to plug' becomes a reality. Overall, recharging points will have to enable smart charging and, where appropriate, bi-directional charging. Finally, the provisions will ensure that there are **sufficient parking spaces for bicycles**, including cargo bikes.

**A zero emissions standard for new buildings**

The revised directive will make **zero-emission buildings** the new standard for new buildings. Under the agreement all new residential and non-residential buildings must have zero on-site emissions from fossil fuels, as of 1 January 2028 for publicly-owned buildings and as of 1 January 2030 for all other new buildings, with a possibility for specific exemptions.

Member States will also have to ensure that new buildings are **solar-ready**, meaning that they have to be fit to host rooftop photovoltaic or solar thermal installations. Installing **solar energy installations** will become the norm for new buildings. For existing public and non-residential buildings solar will need to be gradually installed, starting from 2027, where this is technically, economically and functionally feasible. Such provisions will come into force at different points in time depending on the building type and size.

**Next steps**

Today's provisional agreement now requires formal adoption by the European Parliament and the Council. Once this process is completed, the new legislation will be published in the Official Journal of the Union and enter into force.

**Background**

Buildings are responsible for approximately **40% of EU energy consumption**, more than half of EU gas consumption (mainly through heating, cooling and domestic hot water), and 36% of the energy-related greenhouse gas emissions. At present, about 35% of the EU's buildings are over 50 years old and almost 75% of the building stock is energy inefficient. At the same time, the average annual energy renovation rate is only about 1%.

In 2020, the Commission presented its **Renovation Wave Strategy**, as part of the **European Green Deal**, with the revision of the Energy Performance of Buildings Directive being a key initiative. As set out in the **Renovation Wave Strategy**, the Commission aims to at least **double renovation rates by 2030 and make sure renovations lead to higher energy efficiency and more renewables in buildings**. The **Commission's proposal** to revise the EPBD in December 2021 was further supplemented by additional elements on the deployment of solar energy on buildings as part of the **REPowerEU plan** in May 2022.

**Quotes:**

To succeed in the green transition, we need to make sure that the transformation changes people’s lives for the better. We want to help people to make their homes more energy efficient, more comfortable and healthy. And this is a win-win for citizens: improving the energy performance of buildings will result in both lower energy bills and lower greenhouse gas emissions. Today’s agreement strikes the right balance, with European standards, national implementation, individual autonomy, and financial support.

Maroš Šefčovič, Executive Vice-President for European Green deal, Interinstitutional Relations and Foresight - 07/12/2023

Improving the energy performance of buildings is vital for reaching our ambition of climate-neutrality and will bring concrete benefits to our citizens. Renovations are investments into a better future. They will improve quality of life, allow people to invest their savings elsewhere, and boost our economy. I trust this agreement will allow to spur a renovation wave across the whole Union, while respecting the diversity of the EU's building stock.

Kadri Simson, Commissioner for Energy - 07/12/2023
In a climate-neutral Europe, we need to be able to heat and cool our homes and buildings with minimum emissions. We have the technologies to do this, but we need to create a stronger business case to boost energy-efficient renovations. The new Energy Performance of Buildings Directive will help mobilise additional finance and boost construction value chains. Together we can help homeowners and businesses renovate to save money and prepare for a net-zero future.

Wopke Hoekstra, Commissioner for Climate Action - 07/12/2023

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Press contacts:

Tim McPHIE (+32 2 295 86 02)
Giulia BEDINI (+32 2 295 86 61)
Ana CRESPO PARRONDO (+32 2 298 13 25)

General public inquiries: Europe Direct by phone 00 800 67 89 10 11 or by email