## **EUROPEAN COMMISSION**



Brussels, 23.5.2022 C(2022) 3513 final

Ms Christine Schwarz-Fuchs President of the Bundesrat Dr Karl Renner-Ring 3 A – 1017 WIEN

## Dear President,

The Commission would like to thank the Bundesrat for its Opinion on the proposal for a Directive of the European Parliament and of the Council on the energy performance of buildings (recast) {COM(2021) 802 final}.

The Commission welcomes the Bundesrat's support for the proposal for the recast of the Energy Performance of Buildings Directive and takes note of its concerns. For the EU to cut by at least 55% its greenhouse gas emissions by 2030, to reach climate neutrality by 2050 whilst ensuring energy independence, we need to work forcefully together at all levels, and the support by the Austrian authorities is crucial in this regard.

Buildings are one of the largest sources of energy consumption in the European Union. Boosting their energy efficiency would reduce dependence on fossil fuel imports, lessen exposure to energy price volatility, cut greenhouse gas emissions, tackle energy poverty and support the economic recovery and job creation. The proposal for the recast of the Energy Performance of Buildings Directive (EPBD), together with the other EU energy and climate legislation of the 'Fit for 55' Package is key for ensuring a clean and inclusive transition that leaves no one behind in line with the European Green Deal objectives. Today, in the light of the current events, buildings renovation and energy efficiency are more than ever a precondition to any successful decarbonisation policy and for the future energy independence of Europe.

As concerns the definition of zero-emission building (ZEB), the Commission's proposal makes a step forward from current Nearly zero-emission buildings  $(NZEB)^l$  to zero-emission buildings, aligning the energy performance requirement for new buildings to the longer-term

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<sup>&</sup>lt;sup>1</sup> Nearly zero-emission building (NZEB) means a building that has a very high energy performance, while the nearly zero or very low amount of energy required should be covered to a very significant extent by energy from renewable sources, including energy from renewable sources produced on-site or nearby.

climate neutrality goal and the 'energy efficiency first principle'. To encourage the swift deployment of heating systems with zero direct emissions, the proposal includes the requirement that zero-emission buildings do not generate carbon emissions on-site. The proposal establishes that new buildings will have to prioritise renewable energy produced on-site, from a renewable energy community or from district heating than what they take from the grid on a "net annual basis". Nevertheless, the Commission would like to point out that local circumstances are taken into account and could be further specified by national authorities. Annex III of the Energy Performance of Buildings Directive proposal indicates that where there are local limitations, the use of grid electricity is also allowed as an exception, proven that it complies with criteria that have to be established at national level.

The proposed measures in the proposal provide a renewed framework for Energy Performance Certificates (EPCs) to make them much clearer, and more reliable and visible, with easy-to-understand information on energy performance and other key characteristics, to benefit building owners, financial investors and public authorities. The proposal includes a template for Energy Performance Certificates with a minimum number of common indicators on energy and greenhouse gas emissions, complemented with a number of voluntary ones, such as on charging points. One of the significant advances of the proposed measures is the specification of the energy performance class of the building on a closed scale using only letters from A to G. The A rating should correspond to zero-emission buildings while the G rating corresponds to the 15% worst performing buildings in each country, with the remaining buildings in the country distributed proportionately among the classes in between. This would establish a clearer and simpler system of classification of buildings, while being flexible and adaptable to the national characteristics of the building stock and aiming at comparable efforts across Member States.

As underlined by the Bundesrat, the Energy Performance of Buildings Directive proposal is based on Article 194(2) of the Treaty on Functioning of the European Union. The proposed measures aim first of all at 'promoting energy efficiency and energy saving and the development of new and renewable forms of energy' (Article 194(1)(c) of the Treaty on Functioning of the European Union). Action to set up a vision for buildings at 2050 and to upgrade the energy performance of the existing building stock would also generate other common EU positive outcomes. As an example, the reduced energy demand from buildings and higher reliance on renewable energy, which is overwhelmingly generated within the EU, will contribute to the security of energy supply for all EU Member States and has thus become central in addressing the current geopolitical threats to our energy system. There is no doubt that, as stated in the REPowerEU Communication<sup>2</sup> of 8 March 2022, the need for greater security of supply has added a new impetus to the objectives of the European Green Deal. Along the same lines, EU action through the revised Energy Performance of Buildings Directive to achieve the EU's decarbonisation targets would bring other benefits, such as healthy indoor climate, adaptation to climate change, fire protection, risks related to intensive seismic activities, removal of hazardous substance. With the same intervention,

<sup>&</sup>lt;sup>2</sup> Communication from the Commission to the European Parliament, the European Council, the European Economic and Social Committee and the Committee of the Regions - REPowerEU: Joint European Action for more affordable, secure and sustainable energy {COM(2022) 108 final}.

buildings can be made healthier, greener, interconnected within a neighbourhood district, more accessible, and resilient to extreme natural events.

The Commission believes that the political dialogue with national Parliaments is essential for bringing together the institutions and the citizens of the European Union to implement the European Green Deal in the most effective way. The Commission hopes that the comments in this reply address the issues raised by the Bundesrat and looks forward to continuing the political dialogue in the future.

Yours faithfully,

Maroš Šefčovič Vice-President

Kadri Simson Member of the Commission