



EUROPEAN COMMISSION

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Dear President,

The Commission would like to thank the Camera dei Deputati for its Opinion on the Commission Communication on an EU Strategy on Heating and Cooling {COM(2016) 51 final}.

This Communication forms part of the Security of Supply package, which contributes to the implementation of the Energy Union, that aims to provide EU consumers – households and businesses – with secure, sustainable, competitive and affordable energy supplies. The EU Strategy on Heating and Cooling contributes to the five dimensions of the Energy Union, in particular demand moderation through energy efficiency, the decarbonisation of the economy and the Union's technology leadership, which are at the same time instrumental to ensuring security of supply and furthering market integration, while also providing lasting solutions to reduce energy poverty and boost the EU's competitiveness.

The Commission welcomes the Camera dei Deputati's positive evaluation of the Strategy as one of the major steps towards the realisation of the Energy Union's objectives.

The Commission would like to thank the Camera dei Deputati for its support for the key elements of the Strategy and for pointing out that a more efficient management of heating and cooling systems could result in important environmental, economic and social benefits for the European Union in terms of increased emissions abatement, better air quality, lower costs for enterprises and households, the modernisation of the EU building stock, opportunities for EU businesses in technological progress and innovation, and a renewed utility sector that integrates smart, renewable and energy efficient solutions for the benefit of consumers.

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President of the Camera dei Deputati
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The Commission has taken note of the Camera dei Deputati's observations and would like to express its agreement with these observations, which highlight areas where the Strategy intends to promote actions and achieve results.

In response to the more technical comments in the Opinion the Commission would like to refer the Camera dei Deputati to the attached annex.

The Commission hopes that the clarifications in this reply address the observations made by the Camera dei Deputati and looks forward to continuing the political dialogue in the future.

Yours faithfully,

*Frans Timmermans
First Vice-President*

*Miguel Arias Cañete
Member of the Commission*

ANNEX

The Commission has carefully considered each of the issues raised by the Camera dei Deputati in its Opinion and is pleased to offer the following clarifications.

As regards the Camera dei Deputati's call on the Commission to follow up in practice the intention expressed in the EU Heating and Cooling Strategy to focus on measures that can help renovate existing buildings, the Commission would like to underline that the Strategy proposes a comprehensive set of tools and solutions in this area. In order to remove barriers to the energy renovation of buildings, in particular in multi-apartment buildings, the Commission intends to work closely with Member States to address the split incentives preventing landlords and tenants from sharing gains from energy improvements in private rented properties and to ensure the sharing of benefits and costs among residents of multi-apartment buildings. To facilitate investment and financing, the Commission – through the 'Smart Finance for Smart Buildings' initiative planned for adoption in October 2016 within the Energy Union Energy Efficiency Package – intends to improve the bankability of energy efficiency investments with solutions to facilitate the aggregation of small projects into investible packages and with a framework for underwriting procedures for financial institutions to incorporate impacts of energy efficiency in everyday market practice. The 'Smart Finance for Smart Buildings' initiative will also help Member States establish "one-stop shops" for low-carbon investments and encourage retail banks to offer products adapted for the renovation of privately rented buildings. To complement these efforts, the Commission intends to disseminate best practices, also in relation to the tax treatment of renovation.

The Commission fully agrees with the Camera dei Deputati on the importance of smart energy systems, and with the need to focus on them to improve energy management save energy and ensure access to real-time consumption information for consumers. Smart energy systems can not only bring timely consumption and price information for consumers, but can also enable demand-response and energy storage at a greater scale than used today. In this context, the Commission notes that the Camera dei Deputati rightly stresses the importance of supporting self-consumption of energy and energy storage from renewable energy sources, as this can increase flexibility and help reduce energy system costs and losses by, for example, adding demand from cooling. That is why the EU Heating and Cooling Strategy foresees that, when preparing the new Electricity Market Design and the reviews of the Directives on the Energy Performance of Buildings, on Energy Efficiency and Renewable Energy in 2016, the Commission will look into strengthened consumer feedback through advanced metering and billing, consumers participation in demand-response and thermal storage (in buildings and district heating) and possibilities for citizens to participate in energy markets through decentralised production and consumption. To further reinforce these actions, the Commission will also consider how to incentivise the take-up of fully interoperable smart buildings solutions, systems and appliances for service sector buildings, such as banks, offices and shops.

Another area highlighted by the Camera dei Deputati is the importance of helping to develop district heating and cooling networks, in particular in big urban centres, as this could improve air quality, boost energy efficiency and renewable energy, notably through the replacement of highly polluting and obsolete individual heating appliances in multi-apartment buildings. The Commission agrees that district heating and cooling could be an effective tool for increasing energy efficiency and deploying renewable energy on a larger scale, thus moving towards realising the Strategy's vision of decarbonised buildings in the long term. The Camera dei Deputati also highlights the uneven expertise in district heating and cooling across Member States and the potential for the least experienced Member States to learn from best practices. The EU Heating and Cooling Strategy foresees a comprehensive approach to promote renewable energy and energy efficiency in heating and cooling via, inter alia, the deployment of efficient district heating and cooling systems, as these can help the faster and cheaper replacement of obsolete fossil fuel heating systems with clean and efficient solutions. To this end, the Commission will look into supporting Member States via the exchange of best practices and seek to strengthen their capacities to prepare heating and cooling strategies, heat maps, projects and plans, linked as appropriate with adapted financing tools. These actions will be pursued in the framework of the energy efficiency and renewable energy legislative reviews and through the implementation of the Energy Efficiency Directive, which requires Member States to undertake national comprehensive assessments of the potential for high-efficiency cogeneration and district heating and cooling.

As regards the importance of supporting advanced technologies and innovation, and helping companies, especially small and medium-sized enterprises (SMEs), to understand and better integrate energy efficiency measures, the Commission agrees on the importance of facilitating investment in energy efficiency and renewable energy by companies, especially SMEs. The EU Heating and Cooling Strategy proposes several actions to that effect. In order to strengthen companies' knowledge and expertise, the Commission intends to intensify efforts to implement the Energy Efficiency Directive's provisions on energy audits and energy management systems. As envisaged by the Strategy, the Commission will assist Member States in stimulating the take-up of the recommendations of company energy audits and will assess good practices in this area. The Commission will also provide guidance for companies to identify cost saving opportunities from energy audits and energy management systems. These activities will be fed into the Industrial Sectoral Round tables, a new initiative whereby the Commission with the help of the industry, identifies and promotes best practices in energy efficiency and renewable energy among companies. In addition, the EU Heating and Cooling Strategy envisages increased Research, Development and Innovation support for enterprises to develop, test and adopt new technologies and solutions under the Horizon 2020 programme, in particular the Strategic Energy Technology Plan.

The Camera dei Deputati highlights the importance of increased consumer awareness of the energy efficiency improvement opportunities in buildings through a variety of measures, such as more reliable building energy performance certificates and training for energy sector operators and technicians. The Commission agrees there is a need to concentrate more efforts in this area. The EU Heating and Cooling Strategy has put forward a set of actions for this

purpose. To ensure that consumers have information on the available technologies and solutions for energy renovation, the Commission will develop a toolbox of measures to facilitate renovation in multi-apartment buildings. The Strategy also foresees the setting up of a website with price comparison tools to allow consumers to better understand and easily compare the costs and benefits of the various heating and cooling appliances and systems. In this context, the Commission will also intensify cooperation with European consumer associations to help disseminate information, build trust in new solutions and protect consumers.

As regards the energy performance certificates of buildings, the review of the Energy Performance of Buildings Directive will look into how to strengthen their reliability and ensure that they become more effective drivers for energy renovation. For non-residential buildings, the Commission will examine actions to facilitate the market uptake of voluntary certification schemes.

Another important point to which the Camera dei Deputati rightly draws attention is the training of energy sector operators, including technicians. The EU Heating and Cooling Strategy recognises the need to step up efforts on training for professional bodies, such as architects, installers and builders as they are key to bring energy efficiency and renewable energy solutions to consumers. In accordance with the Strategy, the Commission will pursue such efforts under the New Skills Agenda initiative and will extend the work of the BUILD UP skills campaign to improve training for building professionals, in particular through a new module for energy experts and architects.