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STANDING COMMITTEE ON
ECONOMIC ACTIVITIES, TRADE AND TOURISM

**FINAL DOCUMENT, PUBLISHED PURSUANT TO RULE OF PROCEDURE NO. 127
AND RELATING TO A:**

Proposal for a Directive of the European Parliament and of the Council amending Directive
2010/31/EU on the energy performance of buildings

Approved on 28th June 2017

**Proposal for a Directive of the European Parliament and of the Council amending Directive
2010/31/EU on the energy performance of buildings
(COM(2016) 765)**

The Committee on Economic Activities, Trade and Tourism of Italy's Chamber of Deputies,

Having examined, pursuant to Rule of Procedure No. 127 of the Chamber of Deputies, the proposal for a Directive of the European Parliament and of the Council amending Directive 2010/31/EU on the energy performance of buildings (COM(2016) 765);

Taking cognisance of the information and analyses acquired through hearings that were held by the Committee as part of its examination of the document in question;

Whereas:

- The construction industry accounts for 9% of European GDP. The 3 million construction firms in the EU, 99% of which are SMEs, provide around 18 million direct jobs and generate an annual turnover of more than 1,211 billion euros;
- The construction industry accounts for 40% of final energy consumption and for 36% of greenhouse gas emissions and it can therefore play a prominent role in the European transition to clean energy and in the achievement of a 30% improvement in energy efficiency by 2030;
- For this reason, it makes sense to set targets beyond the reference period, with particular regard to an overall reduction of the energy consumption of the sector and an increase in the use of renewable energy sources by 2050;
- Most buildings in the EU were built long ago. In most Member States, half the stock of buildings, both residential and public, were built before 1970: i.e. before the entry into force of the first regulations requiring stricter standards and more efficient building techniques and materials;
- The upgrading of the existing stock of buildings is proceeding at a relatively slow pace owing to economic, financial, technical and bureaucratic-administrative obstacles. According to the European Commission, it will take about a century to decarbonise Europe's building stock at the current rate;
- The progress made hitherto in improving the efficiency of the construction sector is not satisfactory. According to the European Commission, average energy consumption per square meter in Europe decreased by 2.3% between 2005 and 2014, thanks in the main to the physical replacement of equipment and the mandatory efficiency targets imposed on manufacturers and retailers;
- The European Fund for Strategic Investments (EFSI) can contribute a great deal to improving the energy efficiency of the construction industry by channelling a significant share of the resources earmarked for the energy sector into building-related projects for energy efficiency and renewable energy;
- The European Commission has also announced that it will launch a "Smart Finance for Smart Buildings" initiative to boost the investment of public sector entities, energy service providers, SMEs and households in energy efficiency and smart buildings. With the close

cooperation of the EIB and Member States, the initiative should release a further 10 billion euros of public and private funds up to 2020 to be spent on energy efficiency and investment in renewable sources;

- Going forward, technological innovation should lead to significant energy savings, especially where it involves the digitisation of the sector and the integration of new computerised systems that can optimise consumption by adapting it automatically and in real time to levels of supply and demand;
- The Proposal amends the existing Directive 2012/31/EU, which lays down the minimum requirements and a common methodology for measuring the energy used for heating, hot water, air conditioning, ventilation and lighting, and seeks to achieve energy efficiency by accelerating the cost-effective upgrading of buildings;
- In the Commission's view, the new measures will significantly reduce the annual final energy consumption. They will also give rise to a building renovation market worth between 80 and 120 billion euros for SMEs, and create around 220,000 new jobs by 2030. The measures will generate additional energy-related building activity worth around 47 billion euros by 2030, enable European businesses and households to reduce their global annual energy bills by between 24 and 26 billion euros, and lift many households out of energy poverty;
- The proposal encourages the roll-out of the infrastructure needed for electromobility (with a focus on large commercial buildings, but excluding public buildings and SMEs), incentivises building automation and e-control systems, and, with a view to efficient self-management, introduces a smartness indicator to assess the technological readiness of the building to interact with their occupants and with the grid;
- In particular, the Proposal suggests that in all newly-built non-residential buildings that have more than ten parking spaces and are undergoing major renovations, at least one of every ten spaces must be equipped with a recharging point. As of 2025, this requirement will apply to any non-residential building with more than ten parking spaces. Further, newly-built residential buildings and those with more than ten parking spaces that are undergoing major renovations will have to include pre-cabling for the recharging points;
- The Proposal for a Directive establishes that the incentives that States are allowed to offer must be calculated with reference to the energy savings made as a result of the renovation;
- The Proposal does not amend the part of Directive 2012/27/EU on energy efficiency that specifies that 3% of the total floor area of heated and/or cooled buildings owned and occupied by central government must be renovated each year to meet at least the minimum energy performance requirements. This provision, moreover, implies a considerable financial commitment;
- Under the Proposal, in cases in which Member States have set up a database for registering energy performance certificates, the database must be designed to track the actual energy consumption of the buildings in question, irrespective of their size and category. The database must also be regularly updated if it refers to the actual energy consumption of buildings that are frequented by the public and have a useful floor area of over 250 m²;

Mindful that the present final document needs to be forwarded without delay to the European Commission as part of the political dialogue, as well as to the European Parliament and the Council;

does hereby express a favourable opinion

with the following remarks:

- a) The commendable objective of exploiting the full potential for energy saving and the overall reduction of energy consumption in the building sector will require the activation of instruments that measure progress and allow corrections to be made where needed. Even so, given that the target is so ambitious, the Proposal for a Directive would appear to offer limited instruments. It therefore seems expedient to ascertain whether the resources earmarked by the European Commission are enough to cover the financial costs of meeting the objectives, or whether it might be necessary to adopt innovative ad-hoc instruments;
- b) In addition to making adequate resources available, it is essential to create optimal conditions also for private investment by, in particular, pooling, even between different buildings, the benefits of renovation, such as self-generated energy and smartness;
- c) On the understanding that the requirement for a 3% annual renovation rate refers not only to central government but to all public administrations' buildings, it is necessary to identify tools and solutions to ensure the financial and economic sustainability of the renovation works, which will naturally require the allocation of sizable funds;
- d) Careful attention should be dedicated to the training and further education of industry professionals and operators, public-sector managers and the directors of the relevant public authorities responsible for developing local-level and national strategies and projects of urban planning;
- e) Information about already available instruments and incentives for energy efficiency needs to be made as widely known as possible, and checks need to be made on whether the incentives and instruments have been fully utilised, or whether they need to be modified so that they better serve the purpose for which they were designed;
- f) The propensity to spend on existing buildings is insufficient for the purposes of achieving energy efficiency. It would therefore be useful to look at possible innovative solutions to encourage the aggregation of demand and supply. Very small and medium scale building renovations in both the public and the private sector should be assimilated into a broader programme of upgrading, while the balance of investment spending should be adjusted so that more of it comes from European funds and less from regional and national co-financing sources;
- g) The common framework should be strengthened so that incentives can be apportioned according to the actual energy savings achieved through renovation works. This will entail making comparisons of energy performance before and after building works and, consequently, will also entail improving the reliability and accuracy of the energy performance certificates. On the whole, however, the methods used to implement the

foregoing recommendation should be voluntary, non-binding and at the discretion of each Member State;

- h)* In the absence of a harmonised European standard for assessing energy savings, different Member States might well make use of different calculation methods (even if the calculations are based on energy performance certificates), with the result that their strategies for the renovation of their building stock are likely to diverge. It therefore seems opportune to have a harmonised and Europe-wide system of energy performance certificates;
- i)* It might also be appropriate to promote the use of energy performance contracts in property leases so that the benefits of the savings accrue to lessor and lessee alike, and both parties are motivated to undertake renovation work;
- j)* As regards the measures for electromobility, it would seem best to leave it up to Member States to determine, on the basis of their own projections for the development of their infrastructure networks, the extent to which the measures need to be applied. In fact, where the national infrastructure network is underdeveloped, the requirements relating to the installation of recharging points may end up simply imposing extra costs on builders and buyers without achieving any of the desired benefits;
- k)* It is hard to see how the provision requiring the database registration of building energy performance certificates can be applied, given that the certificates are currently issued on the basis of estimated rather than actual consumption. For the provision to work as intended, the energy performance certificates would have to be redesigned, and regular readings would have to be taken of actual energy use in buildings frequented by the public, which would entail significant additional costs;
- l)* It might be useful to define a common standard of building “smartness” seeing as advanced automation systems are beneficial for energy saving;
- m)* The EU’s updating and progressive implementation of energy efficiency targets is a further stimulus for the Italian Government to revise its own national energy strategy. The Italian Government’s pledge to adopt an updated strategy by September, upon the completion of a round of broad-ranging consultations, is therefore to be welcomed;
- n)* To assure the coherence and clarity of the rules on renovating buildings to enhance energy efficiency, it might be appropriate to set up a national energy, environment and transport coordination committee to oversee and align policies to this end.