



EPBD: CRUNCH TIME FOR FUTURE-PROOF BUILDINGS LEGISLATION

AN ASSESSMENT OF CO-LEGISLATORS' POSITIONS
AND RECOMMENDATIONS FOR TRILOGUES



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INTRODUCTION

The Energy Performance of Buildings Directive (EPBD) is entering the last phase of the EU legislative process with the start of trilogue negotiations, aiming at reaching a compromise between the positions of the two co-legislators (Council¹ and Parliament²). This briefing provides an overview of where institutions stand at the start of the negotiations (and compared to the Commission proposal) on key provisions.³ It highlights important provisions that need to be preserved, but also describes points of attention which need to be improved.⁴ Ultimately, the EPBD negotiations should future-proof buildings legislation at EU level, leading to an increased rate of deep renovation and decarbonisation of heating and cooling in the building stock, in line with 2030 climate targets and the objective of climate neutrality by 2050. This document focuses on the expected impacts of selected provisions: standard for new buildings, minimum energy performance standards for existing buildings, and the information and enabling framework.

¹ Council General Approach and final amendments, October 2022

² European Parliament Plenary position, March 2023

³ Commission proposal, December 2021. For a critical review, see BPIE (2022). EPBD Recast: New provisions need sharpening to hit climate targets.

⁴ Some suggestions for improvement are in line with earlier recommendations for the EPBD: BPIE (Buildings Performance Institute Europe) (2021). The make-or-break decade: Making the EPBD fit for 2030.

STANDARD FOR NEW BUILDINGS

ZERO EMISSION BUILDINGS



Articles 2§2, 7, 9a, 9b (Council), and Annex III

A VERY HIGH ENERGY PERFORMANCE

Both Council and Parliament agree the standard for new buildings needs to be updated from NZEB (nearly zero-energy building) to ZEB (zero-emission building). **When it comes to defining a ZEB, Council and Parliament agree that it should reach a very high energy performance but diverge on the method to set thresholds.** Both institutions dismiss the values proposed by the Commission in Annex III of its proposal.



COUNCIL

ENERGY PERFORMANCE THRESHOLDS FOR ZEB (NEW BUILT)

Set at national level in the national building renovation plan, achieving at least cost-optimal levels (based on a new methodology to be adopted by the Commission by 30 June 2025)



PARLIAMENT

Set through a delegated act to be published by the Commission by 1 January 2025

Assessing and comparing the impact of co-legislators' positions on the level of energy performance thresholds is currently impossible, as the setting of thresholds is postponed to the transposition stage. However, the Parliament's approach would leave the door open to strengthening energy performance thresholds for new buildings, while the Council's entails more flexibility and a higher risk to reduce ambition by simply referring to cost-optimal levels.

For BPIE, energy performance standards for new construction should be more stringent than those proposed by the Commission in Annex III of its proposal. The last EPBD revision (2018) modified the methodology to calculate the energy performance of buildings by allowing renewable energy produced on-site to be discounted from the primary energy demand.⁵ Under this approach, **adding renewable energy on the building artificially lowers the energy needs without making any improvement to the building envelope.**⁶ To ensure a high performance, thresholds should be set at very low levels (lower than if on-site energy supply was not discounted). Now that on-site renewables are promoted (see below on "solar mandate"), this is even more important.

⁵ See EPBD Annex I.

⁶ Improving the building envelope/fabric brings many benefits such as reducing the energy needs for heating/cooling (avoiding the waste of energy, even from renewables), and improving thermal comfort. For more information, see BPIE's 2019 *Guide to implement the Energy Performance of Buildings Directive 2018/844*.

(NOT) FULLY SUPPLIED BY RENEWABLE ENERGY

Regarding **which kind of energy supply is eligible or not**, the Parliament states explicitly, contrary to the Council, that a ZEB should in principle be fully supplied by renewables. Parliament then outlines four options (with no order of priority) and possible exemptions. On this point, the Council position is less stringent than the Parliament's and misses full decarbonisation of new buildings.



COUNCIL

- Reference is made (in similar wording) to the same four energy sources as in the Parliament position.
- The requirement to be renewables based by default does not apply to the DHC system.
- Also adds "energy from carbon free sources" to the eligibility list

TYPE OF ENERGY ELIGIBLE TO SUPPLY A ZEB



PARLIAMENT

Lists the following renewable options:

- (1) generated or stored on-site
- (2) generated nearby off-site and delivered through the grid
- (3) from a renewable energy community
- (4) renewable energy from an efficient district heating and cooling system (DHC), and waste heat.

EXEMPTIONS

- Exemptions are possible if all default options are technically or economically not feasible.
- No explicit reference as to which other type of energy would be eligible to supply a ZEB in the case of an exemption.

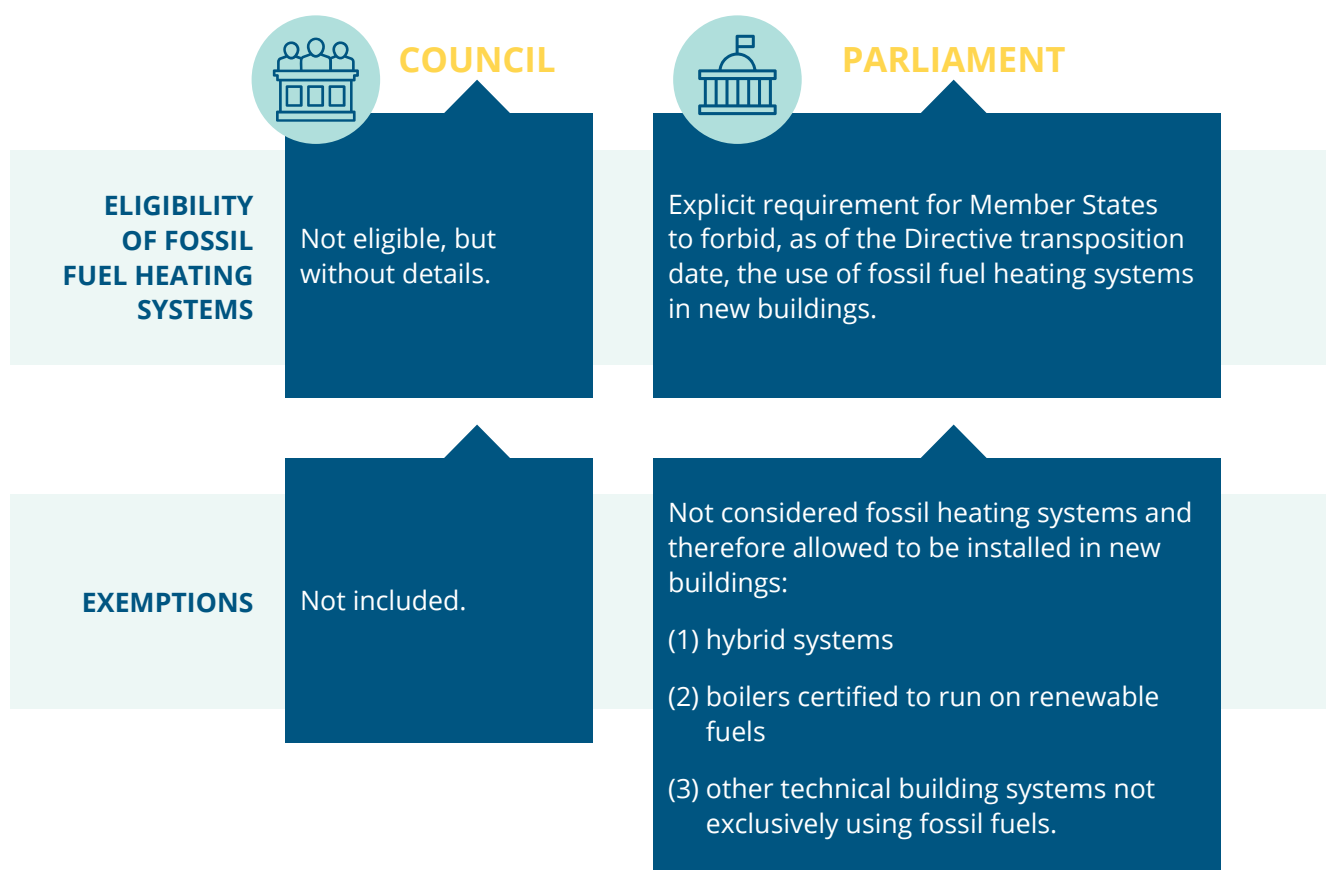
If it is technically and economically not feasible to fully rely on one of the default options to supply a ZEB, it allows:

- (1) renewable energy from the grid, documented with power purchase agreements, or
- (2) energy from an efficient DHC system, as defined by the Energy Efficiency Directive (EED).

This latter possibility is detrimental to full decarbonisation, as the EED allows a DHC system to be labelled as "efficient" even if it uses up to 50% fossil fuels until 2040.⁷

⁷ Upcoming Energy Efficiency Directive (2023), Article 24

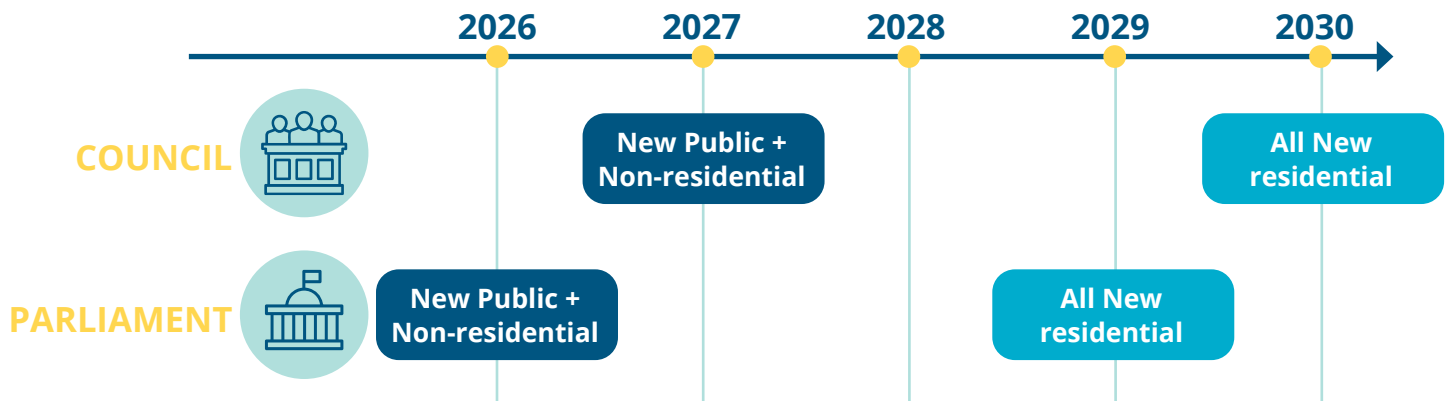
Both Council and Parliament agree that **a ZEB should produce zero on-site carbon emissions from fossil fuels.**



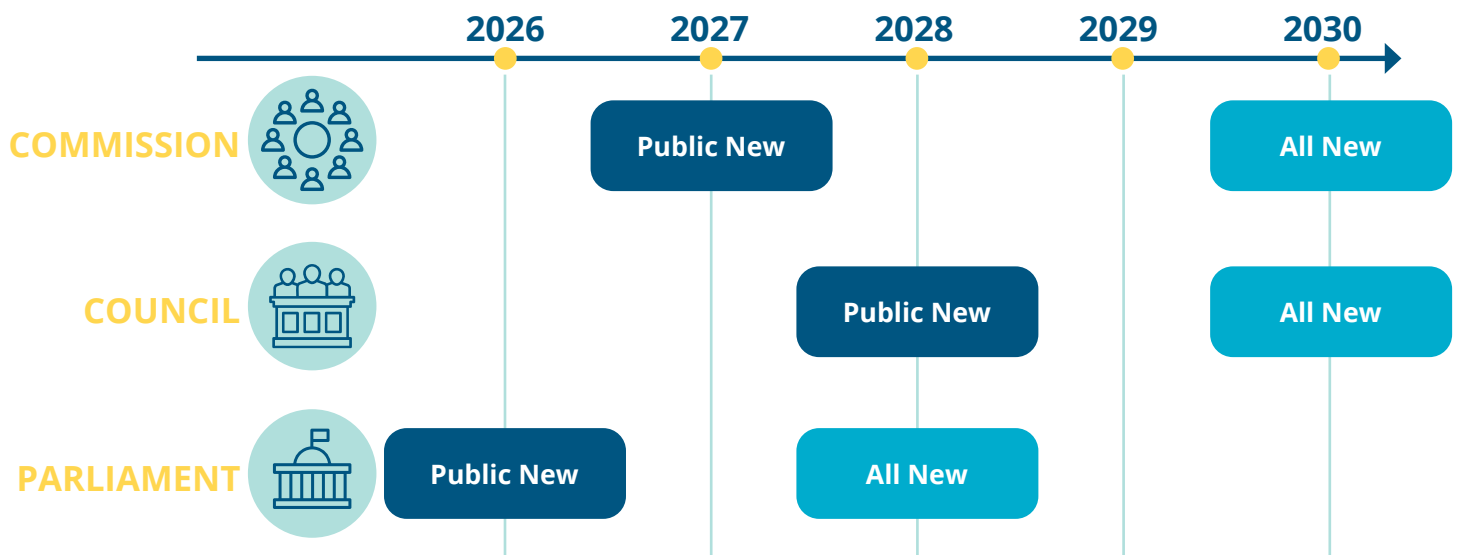
While the Parliament states more clearly that fossil fuel boilers cannot be installed in new buildings, it also allows for exemptions that undermine this objective. **These exemptions should be removed or at least capped in time and restricted to certain specific conditions (e.g., Member States must demonstrate that it is technically not feasible to supply the building with any renewable option).** As both institutions calculate the energy balance on a net annual basis, a ZEB could be supplied by fossil fuels at some point over the year (this would also be the case with the Parliament position, even if it adds the possibility to calculate the energy balance on a seasonal basis).

TIMELINE FOR SOLAR MANDATE AND ZEB

While there is a push to phase out fossil fuels from new buildings, **other specific renewable energy sources are promoted, for example with the “solar mandate”,** added through REPowerEU.⁸ Member States must ensure the deployment of suitable solar energy installations on new buildings as follows:⁹



For consistency reasons, these deadlines should be fully aligned with those of the ZEB standard (see figure below). As building decarbonisation needs to be accelerated, notably to end the EU’s reliance on (Russian) fossil fuels, **new buildings should be constructed as ZEBs as soon as possible.**



⁸ Commission proposal, COM(2022)222, for a Directive amending the RED (2018), EPBD (2010) and EED (2012), 18 May 2022

⁹ The first deadline in the Parliament position is assumed to be in 2026, but the official text states “2 years after the entry into force of the Directive”. Also, both institutions require all existing public and non-residential buildings to be equipped with suitable solar energy installations (by 2027 for the Parliament, and by 2028 for the Council).

All in all, it is currently difficult to fully assess the impact of both positions on the standard to be applied for new buildings. **The focus in trilogue negotiations on ZEBs should be to provide more clarity**, especially because the implementation deadlines take place before the end of this decade. The ZEB definition should rely on well-defined low thresholds for energy needs that are communicated well in advance. It should have clear(er) wording on the eligible energy supply to ensure that a ZEB would in fact be supplied only with renewables (with a priority for or minimum share from on-site renewables), through its entire lifetime,¹⁰ with limited exemptions. This is key to future-proof and fully decarbonise new builds. In this regard, the Parliament's position, at least in spirit, is closer to BPIE recommendations on new buildings, based on an earlier assessment of how the current standard (NZEB) is implemented in Member States.¹¹

INTEGRATION OF LIFECYCLE THINKING IN SETTING THE PERFORMANCE REQUIREMENTS

Addressing building lifecycle global warming potential, often referred to as whole-life carbon, is an opportunity to align energy performance and climate action at the building and industry level. In addition to operational emissions, considering the embodied carbon associated with the manufacture, transport, maintenance and disposal of building materials and components and the potential to increase the amount of sequestered or stored carbon in buildings is pivotal to align the EU building stock with the 2050 carbon-neutrality objectives.

The Commission and Council rightly **acknowledge the importance of taking a lifecycle approach to reducing the greenhouse gas emissions of buildings** by introducing the requirement for new construction to disclose whole-life carbon as of 1 January 2030 (2027 for buildings over 2000 m²). However, this is only a first step in addressing whole-life carbon. **The Parliament articulates the necessary steps to go beyond** and, importantly, it sets out the timeline beginning with measurement and disclosure and continuing with limit values set by Member States with the support of the Commission.

BPIE believes it is important to agree on the principles and sequence to guide the requirements to measure and assess lifecycle carbon emissions, but also to agree on the architecture of target values for the later identification and introduction of limit values. Having a timeline and implementation plan in place, including incentives for data collection and generation, will provide a clear perspective for all actors along key value chains about the needed capacity, skills, data and tools to roll out low-carbon measures. Waiting for the next revision to set such a regulatory roadmap would simply mean losing time and missing a decisive opportunity for EU industry and the climate.

¹⁰ Special attention should be paid to this point when using renewables from the grid, whether electricity networks (notably at the point of changing contract with suppliers) or district heating. Currently in both positions, a building can be labelled as a ZEB if it is connected to district heating, although by definition (EED Article 24) district heating is allowed to partly run on fossil fuels.

¹¹ BPIE (2022). *Ready for carbon neutral by 2050? Assessing ambition levels in new building standards across the EU*.

MINIMUM ENERGY PERFORMANCE STANDARDS FOR EXISTING BUILDINGS



Article 9



Both Parliament and Council recognise the value of introducing minimum energy performance standards (MEPS) at EU level to boost renovation activity



They agree these should apply to all building segments but propose different approaches. Assessing the precise scope (number of obligated buildings) and impacts of MEPS schemes (energy savings, greenhouse gas emissions reduction) is a difficult exercise. Whether the assessment relies on current or rescaled energy performance certificate (EPC) classes would lead to potentially very different results (for more information on the EPC reform, see page 18). This analysis does not include calculated impacts, but rather seeks to describe and assess MEPS approaches, based on their design, stated objectives, exemptions and compliance deadlines.¹² Parliament and Council agree that MEPS should not apply to several specific categories of residential and non-residential buildings.¹³

¹² For more suggestions on how to effectively design fair MEPS schemes, based on different building segments, sizes and ownership structures, please consult Minimum standards, maximum impact: How to design fair and effective minimum energy performance standards in Europe. Available at <https://www.bpie.eu/publication/minimum-standards-maximum-impact-how-to-design-fair-and-effective-minimum-energy-performance-standards/>.

¹³ These “general exemptions” apply to protected buildings of architectural or historical merit, heritage buildings, places of worship, temporary buildings, holiday homes (used for less than four months per year), small buildings (less than 50 m²), and buildings owned by armed forces or serving national defence purposes.

NON-RESIDENTIAL AND PUBLIC BUILDINGS



COUNCIL



PARLIAMENT

APPROACH

Addresses worst-performing buildings at predefined dates based on thresholds expressed in primary energy use (kWh/m²/year).

Addresses worst-performing buildings at certain dates based on EPC classes, mirroring the Commission architecture but with increased ambition levels.

AMBITION LEVELS

The 15% worst-performing non-residential buildings must be renovated by 2030 (so that they are not in this category anymore), and an additional tranche of 10% must be tackled by 2034 (in the same spirit). These tranches can be translated into national EPC classes to communicate this to consumers.

Non-residential buildings must be at least EPC class E as of 2027 and at least EPC class D as of 2030.

EXEMPTION

Besides the general exemptions (see footnote 13), the Council allows Member States to exempt certain individual non-residential buildings based on an *"unfavourable cost-benefit assessment"*.

Besides the general exemptions (see footnote 13), the Parliament does not allow for any additional exemption for non-residential buildings.

The Council approach to non-residential MEPS looks different from the Parliament's and Commission's but is in fact similar. However, translating it into EPC classes, its targeted objective clearly appears weaker. If the 15% worst-performing buildings are equivalent to EPC class G (as in the Commission and Parliament positions), this means the Council requires non-residential buildings to reach at least EPC class F by 2030, i.e., two EPC classes lower than the Parliament's stated goal values. Also, the exemption allowed by the Council is too vaguely defined and opens the risk of massively reducing the scope of obligated buildings. A cap (in the form of a percentage and with a time limit) to this exemption should be introduced.

The system proposed by the Parliament for non-residential buildings, like the Commission proposal, also applies to **buildings owned by public bodies**, which must achieve at least EPC class E as of 2027 and at least EPC class D as of 2030. Compared to the Commission, the Parliament also widens the scope to buildings rented by public bodies. On the other side, the Council does not explicitly refer to public buildings in its position, but it can be understood that these are included in the scheme for non-residential buildings.

The final compromise on a MEPS scheme for public buildings should be understood and defined in relation to the requirements set out in the article 6 of the EED. While the EPBD focuses on "phasing out" the worst-performing public buildings, the EED ensures a certain portion of the public buildings are renovated each year to the highest performance levels. These two requirements are therefore complementary. By deeply renovating public buildings, Member States would simultaneously fulfil the MEPS provision and be eligible to count those savings under article 6 of the EED.



If the 15% worst-performing buildings are equivalent to EPC class G (as in the Commission and Parliament positions), this means the Council requires non-residential buildings to reach at least EPC class F by 2030, i.e., two EPC classes lower than the Parliament's stated goal values.



RESIDENTIAL BUILDINGS

The two approaches on residential MEPS differ widely, with a clearer and stronger design on the Parliament's side.



COUNCIL



PARLIAMENT

APPROACH

Departs from the Commission proposed architecture: requires Member States to establish a trajectory, reducing the average primary energy in kWh/m²/year between 2025 and a ZEB stock by 2050.

Keeps the architecture proposed by the Commission (phasing out worst-performing buildings at certain dates based on EPC classes) and increases ambition levels.

AMBITION LEVELS

Two intermediate milestones are introduced on the trajectory line. The residential stock average must reach an equivalent EPC class D by 2033 and another "nationally determined value" by 2040 (in line with the objective of a ZEB residential stock by 2050).

Residential buildings must achieve at least EPC class E as of 2030, and at least EPC class D as of 2033.

EXEMPTIONS/ ALTERNATIVE APPROACH

Allows Member States to apply an alternative approach for single-family homes, which as of 2028 should achieve at least EPC class D, at the latest five years after a trigger point takes place (such as sale, rent to a new tenant, donation).

To compensate for more stringent requirements than in the Commission proposal, one additional exemption and adjustments are introduced. Member States may exempt publicly owned social housing from MEPS and may adjust the level of MEPS for certain residential buildings if there is a lack of skilled workforce or for technical and economic feasibility reasons.

However, the exemption for publicly owned social housing and the adjustment for certain buildings can only apply under strict limitations (taken together, to a maximum of 22% of the obligated residential buildings,¹⁴ upon approval by the Commission, and only until 2036).

¹⁴ The 22% scope does not apply to the total residential stock, but only to residential buildings that fall under the MEPS requirements (i.e., EPC classes G, F, and E which are not already included in the 'general exemptions').

The Council approach for residential MEPS has many weak points. First, although it sets an objective of reaching EPC class D by 2033 (as in the Parliament position), this applies at stock/segment instead of individual building level. This is not easily understandable for citizens and does not clearly communicate expectations. With an average stock approach, it is difficult to clearly identify which individual buildings will be renovated, by when or to which level, so the impact is hard to quantify.

This approach also entails the risk of unbalanced impacts between Member States. If EPC bands are not rescaled (see page 16), some countries will have already achieved or surpassed an average D class for the residential segment, while for others it represents a big challenge. Moreover, the distribution of the residential stock between multi-apartment buildings and single-family homes (and their respective current energy performance levels) is different between Member States, so the Council's approach could lead to important differences during the implementation stage.

The unbalanced impact can also happen within Member States. There is a high risk of losing the focus on worst-performing buildings, missing a big and easy-to-grasp energy savings opportunity. There is also a danger of neglecting certain areas and the most vulnerable occupants, leading to geographical disparities and the continuation of energy poverty.

The Council alternative approach for single-family homes differentiates MEPS according to building types within the residential stock to match each sub-segment's specificities. Relying on trigger points for single-family homes might ease the practical enforcement of the obligation, but relying solely on them will not spur enough renovations and will leave a high number of those buildings untouched for a long time. Trigger points should rather be used as boosters for early implementation of obligations, in coordination with backstop compliance dates. The Council scheme for single-family homes entails other weaknesses: for example, the EPC class to reach is too low, and it does not outline a roadmap to progressively align with the objective of a zero-emission building stock by 2050 (risk of lock-in).



The Council approach to residential MEPS has many weak points. There is a high risk of losing the focus on worst-performing buildings, missing a big and easy-to-grasp energy savings opportunity. There is also a danger of neglecting certain areas and the most vulnerable occupants, leading to geographical disparities and the continuation of energy poverty.



MEPS SCHEME: ASSESSMENT SUMMARY

Overall, **the MEPS schemes in the Parliament position give a stronger boost to renovations.** They encompass a higher number of buildings, indicate a clear target to reach for each building, increase the energy performance to a higher level, spur action in the early 2030s or even before, and embed MEPS obligations more strongly into an enabling framework of financial support, advisory services, and social safeguards. On the other side, **the Council** decreases the impact of MEPS by reducing the scope and lowering the energy performance level to achieve, and by remaining ambiguous regarding which residential buildings must be renovated. However, it **introduces a more fine-tuned approach** between different building types within both the non-residential and the residential stock, indirectly considering the ownership structure – an interesting approach to consider. With the trajectory approach, it places responsibility and accountability on national authorities, and not only on building owners. However, by definition, this cannot be considered a MEPS approach.¹⁵ In addition, there is a risk that the construction supply chain and financing institutions will **focus their support and actions on the non-residential part of the stock**, as this scheme provides more clarity than the residential approach. This would be **detrimental to the social fairness of the Renovation Wave.**

Finally, both **the Parliament and the Council positions share the similar weakness of not outlining clearly enough a longer-term vision** and requirements for the second half of the 2030s and the decade from 2040 to 2050. Both institutions give the responsibility to Member States to establish 2040 MEPS milestones in their national building renovation plans. Also, none of the co-legislators incentivise renovations to go beyond the minimum threshold. Even in the Parliament approach, which effectively triggers the renovation of the worst-performing buildings, the push is not strong enough to lift those buildings completely up to the highest-performing classes (entailing a high risk of lock-in among the “second-worst-performing” tranches).

¹⁵ As per the Commission EPBD proposal, MEPS are defined (Article 254) as “rules that require existing buildings to meet an energy performance requirement as part of a wide renovation plan for a building stock or at a trigger point on the market (sale or rent), in a period of time or by a specific date, thereby triggering renovation of existing buildings.”

INFORMATION AND ENABLING FRAMEWORK

ENERGY PERFORMANCE CERTIFICATES



Article 16-19, Annex V

A major aspect of the EPC reform in the EPBD is the rescaling. The Parliament retains most of the changes proposed by the Commission, while the Council resists most of them. The flexibility brought by the Council on defining the EPC bands leads to a potential unequal impact of MEPS requirements.



COUNCIL



PARLIAMENT

EPC CLASSES LIMITED FROM A-G

Agrees, but deletes the requirement to recalibrate EPC classes B to F according to an even bandwidth.

Agrees, and requires an even bandwidth distribution.

EPC CLASS G

Corresponds to the worst-performing buildings at national level, but leaving Member States the flexibility to precisely define it, with no reference to a specific percentage.



Corresponds to the 15% worst-performing buildings defined at national level.

ZEB STANDARD

Corresponds to a newly created EPC class (A₀).

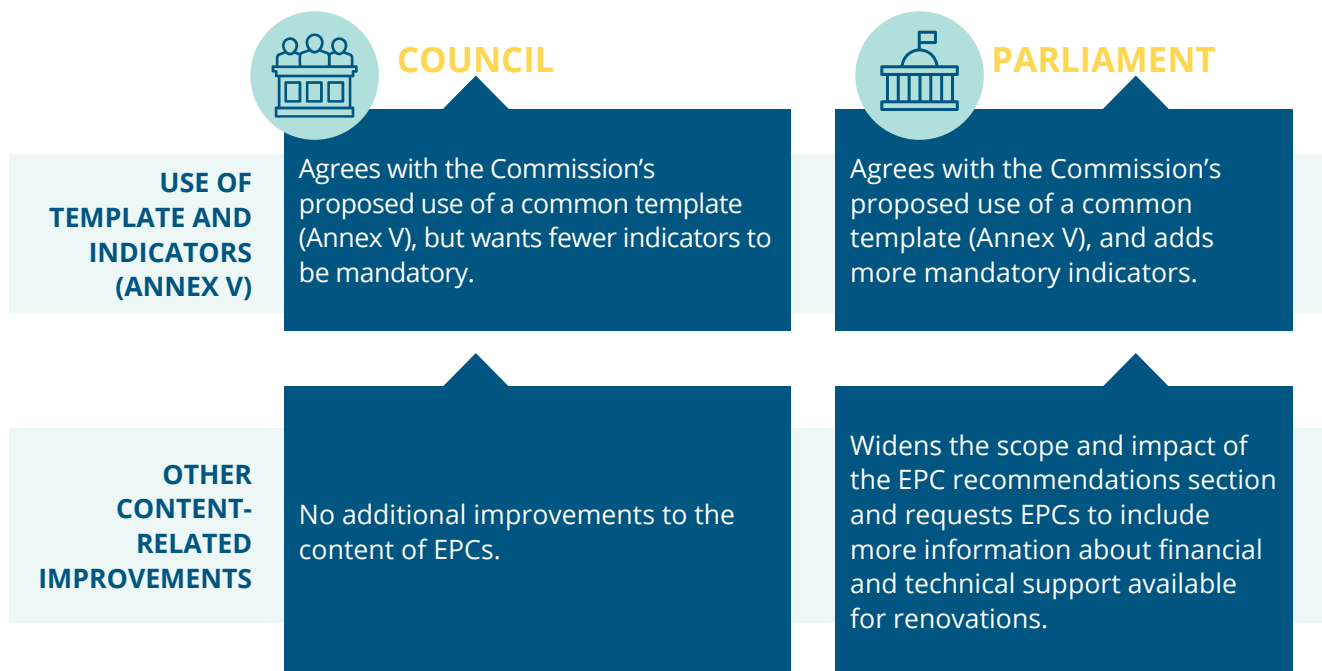
Corresponds to EPC class A.

Parliament and Council agree on introducing a **new EPC class (A+)**, which can be referred to as an “energy-positive building”, but define the concept slightly differently.¹⁶

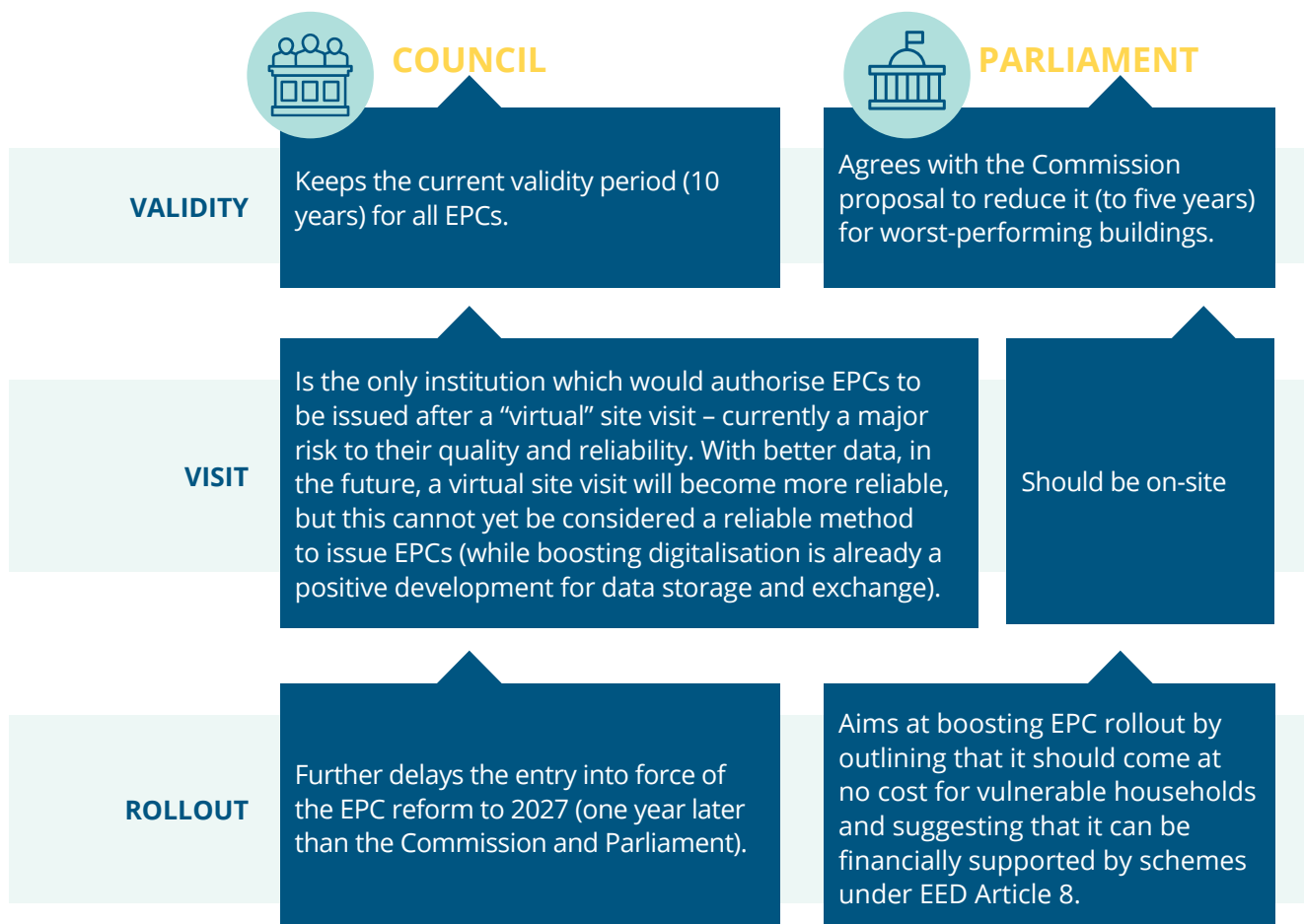
	 COUNCIL	 PARLIAMENT
ENERGY PERFORMANCE LEVELS	Zero-emission building.	High efficiency standards with energy needs for heating, cooling, ventilation and hot water no higher than 15 kWh/m ² /year.
RENEWABLES SUPPLY	Making a positive net annual contribution to the energy grid from on-site renewables, calculated in terms of total primary energy use (excluding ambient heat).	Higher production of renewable energy on-site (in kWh) than energy used, based on a monthly average.
WHOLE-LIFE CARBON ASPECTS	Not included.	Carbon positivity ¹⁶ regarding the building’s lifecycle global warming potential including buildings materials and energy installations during manufacturing, installation, use, maintenance and demolition.

¹⁶ According to BPIE, 'carbon positivity' should be understood as a negative carbon balance which is achieved by removing more atmospheric carbon and greenhouse gases than released during the manufacturing, construction, use, maintenance and demolition of a building.

Reforming EPCs is not only about rescaling. The Commission proposal included many **suggestions to improve their issuing, quality and reliability**. What the Parliament preserves or strengthens, the Council opposes or weakens.



Concerning the **rollout and validity of EPCs**, it is positive that both legislators agree with the Commission proposal to increase the number of trigger points at which an EPC is issued. However, on all other points, the Parliament position is stronger than the Council's.



Improving the EPC framework (rescaling, applying other quality principles, and boosting their rollout) during trilogue negotiations will be key. This is not only because all the currently proposed MEPS schemes are either directly based on or relate to EPC classes, but also because EPCs remain a reference information tool for citizens about the performance level of their buildings. In that sense, the Parliament position is the most comprehensive and forward-looking, and should set the tone in negotiations.

FINANCIAL SUPPORT FOR DEEP RENOVATION AND FULL DECARBONISATION



Article 2§19 and 15

Regarding the framing of the use of financial support for building renovation and decarbonisation, the Parliament has a clearer and more forward-looking position than the Council. The Council approach would lead to a suboptimal use of public funds, and consequently of private money too. On a positive note, both institutions agree that financial incentives should in priority target vulnerable households and people living in social housing.



COUNCIL

Leaves full flexibility to Member States as to how to use public money and puts on an equal footing deep renovations (focusing on the ambition level of potentially few buildings) and sizeable programmes resulting in at least 30% primary energy use reduction (covering a high number of buildings being shallowly renovated). It also mentions staged deep renovations as eligible for special support but does not require the use of a renovation passport in such cases (for more information on this tool, see page 21).



PARLIAMENT

Calls on Member States to give higher financial and technical support to deep renovation, especially of worst-performing buildings.

When it comes to conceptualising what a “deep renovation” is, Parliament is more detailed than the Council (which might lead to some confusion, but rightly focuses on worst-performing buildings). It is also more in line with climate targets when setting energy performance thresholds according to building type and climatic zone.

BPIE HAS DEFINED¹⁷ DEEP RENOVATION AS:

A process capturing, in one or, when not possible, a few steps (maximum number to be defined), the full potential of a building to reduce its energy demand, based on its typology and climatic zone. It achieves the highest possible energy savings (at least 75% primary energy savings) and leads to a very high energy performance, with the remaining minimal energy needs (between 60 and 80 kWh/m²/year maximum primary energy consumption) fully covered by renewable energy. Deep renovation also delivers an optimal level of indoor environmental quality to the building occupants.



Finally, **both Council and Parliament agree that no financial incentives for the installation of fossil fuel boilers should be granted in future.** The Parliament proposes a clearer and more rigorous framework, with a deadline as of entry into force of the Directive and 2024 at the latest, compared to the Council (which proposes as of 2025, but with some exemptions that could last until 2027 or even 2030). In the current context of an accelerated phase-out of fossil fuels, and high energy prices, subsidising the use of fossil fuels should be stopped as soon as possible, independently from the EPBD negotiation timeline.

¹⁷ More recommendations on how to define deep renovation and how it should impact measures and financing programmes, are available in BPIE (2021). Deep Renovation: Shifting from exception to standard practice in EU policy.

RENOVATION PASSPORTS AND ADVISORY SERVICES



**Article 2§18, 10, 15a
(Parliament)**

Both Parliament and Council agree that the renovation passport is a useful tool, and that its development should be taken forward at EU level.



COUNCIL



PARLIAMENT

**TIMELINE
EU LEVEL**

Both co-legislators agree with the next step: a Commission delegated act to be published by end of 2023.

**TIMELINE
NATIONAL LEVEL**

Authorises one additional year for compliance (end of 2025).

Sticks to the timeline proposed by the Commission (end of 2024).

DEFINITION

Sticks to the definition proposed by the Commission and opposes any reference to staged deep renovation – a renovation passport is a *“document that provides a tailored roadmap for the renovation of a building in several steps that will significantly improve its energy performance”*.

Further reinforces the concept: underlines that the ultimate objective is to bring the building to ZEB level by 2050 and thus to deliver a deep renovation. It also gives further details for the design of the renovation passport; for example, that it should use a one-step deep renovation as a reference scenario and outline a maximum number of renovation steps. More specifically on financing aspects, the Parliament requires the passport to give estimated costs for the renovation steps and information on available financial support.

**PLACE
WITHIN THE
RENOVATION
ECOSYSTEM**

Less detailed regarding what a renovation passport is and how it interacts with other concepts (only allows for an integration with EPCs).

Draws links with other instruments (EPCs), strategies (national building renovation plans), policies (contribution to the achievement of MEPS), and other advisory services (one-stop-shops).



COUNCIL



PARLIAMENT

ROLLOUT

Both institutions fail to make passports a mandatory tool for buildings owners, even in selected cases or linked with the provision of public financial support. The only obligation related to passports lies with Member States that must implement the EU scheme and make passports available to owners. This is notable progress but will probably not be enough to accelerate action and ensure that citizens are well supported in their renovation journey

Does not mention specific support for particular categories of buildings or populations.

Requires Member States to financially support the rollout of renovation passports, especially for vulnerable households and owner-occupiers.

FORWARD-LOOKING APPROACH

Authorises passports to be issued after a “*virtual on-site visit*”, which currently puts into question the quality and reliability of the document, as a vast majority of Member States do not yet have sufficiently developed digital practices and databases to issue a good renovation passport after a virtual assessment.¹⁸

Future-proofs the use of renovation passports by ensuring a certain level of digitalisation (allowing the document to be issued in digital format and linking it to the digital building logbook)¹⁹ – this is a prudent but sound approach. Also future-proofs renovation passports by already introducing references to broader topics, such as whole-life carbon, adaption to climate change, and indoor quality.

Overall, by being more specific on all aspects related to the renovation passport (content, interlinkages with other instruments, rollout strategy), **the Parliament is more demanding than the Council. This could palliate the concern about the tight timeline of introduction at national level**, as the design principles of a renovation passport have been laid down and the work on the Commission delegated act could be done more swiftly. This is an appropriate strategy, also because renovation passports will not only be used to deliver EPBD requirements, but also for the alternative approach to the renovation of public bodies’ buildings (Article 6§4 of the EED).

Finally, **on advisory services, the Parliament position is stronger**, as it includes a specific provision (Article 15a), which details the profile, functions and rollout strategy of **one-stop-shops**, while the Council only makes one relatively weak reference to the concept in relation to MEPS implementation.

¹⁸ As an example, the “energy audit” recently introduced in France to complement EPCs of worst-performing buildings relies on an obligatory on-site visit and provides homeowners with a sequence of renovation works to undertake to improve the performance of the building (deep renovation), associated with estimated costs for each renovation step. The reliance on an on-site visit as a condition to issue a quality renovation passport is also an outcome of research done within the iBRoad project (see here).

¹⁹ Study for the European Commission on the development of a EU framework for Digital Building Logbooks, final report, BPIE-R2M Solution-VITO, 2020.



Conclusion

The last phase of the decision-making process for the Energy Performance of Buildings Directive is about to start. The trilogues represent a crunch time for EU legislation, and all efforts should be put into finding workable compromises and agreeing clear and strong provisions to future-proof buildings. From this assessment of the two co-legislators' positions, it appears that on many items the Parliament's approach is closer to delivering a strong vision and framework for the buildings sector. It should therefore be seen as the starting point for the negotiations.

Adopting a clear, strong and future-proof EPBD is essential for the EU and Member States to close the gap in building decarbonisation²⁰ and achieve the 2030 climate targets. It will also deliver massive energy and greenhouse gas savings, protecting Europe against future energy crises and providing citizens with comfortable and clean homes.

The climate clock is ticking, and the social alarm bell is ringing. The climate crisis is tangible in our daily lives, and the rise in energy prices over recent years have worsened the living conditions of vulnerable and low-and-middle income households. The EPBD can contribute to solving these challenges, but only if the right choices are made now.

²⁰ BPIE (2022). EU Buildings Climate Tracker: Methodology and introduction of building decarbonisation indicators and their results.



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