

3 December 2020

Re: Taxonomy risks undermining Renovation Wave

Dear Executive Vice-President Timmermans, dear Commissioner Simson,

We are writing to highlight a potentially serious clash between the objectives of the Renovation Wave Strategy and the ongoing work on the EU Taxonomy screening criteria.

The draft criteria currently specify that **renovations only need to deliver a 30% reduction of primary energy demand**. Yet you have made it very clear – and all the analysis backs you up – that **deep renovations leading to at least 60% energy savings are essential** to improve the building stock in line with the EU's climate objectives.

At the same time, the draft requirements for the acquisition and ownership of existing buildings are fully aligned with the Commission's renovation objectives. They require pre 31/12/2020 buildings to be at least Energy Class A, which would be an extremely effective enabling tool for the Minimum Energy Performance Standards the Commission will propose next year in the revised Buildings Directive.

The result is that the draft EU Taxonomy screening criteria contains two contradictory approaches on renovation. The Energy Class A requirement would speed up the transition to highly energy efficient buildings, but **the 30% requirement risks leading to stranded assets**, since it would encourage a big inflow of funds for energy renovations which would be **out of sync with the all-important fit-for-55% GHG policies**.

To ensure a clear signal to investors and make sure the Green Deal delivers its full social, economic, and environmental potential, **we urge the Commission to increase the current 30% energy savings requirement to at least 60%**.

We understand investors are concerned this could restrict their operations. Whilst strongly supporting the development of the green investment sector, we firmly believe that **the only sustainable path is to assist investors to meet high standards, rather than lower the ambition of the standards** in order to boost 'green' investment opportunities. The bottom line is that **any attempt to weaken the investment criteria for energy renovation would be a serious challenge to your and President von der Leyen's commitments on building renovation** and to the achievement of long-term climate neutrality goals.

We will of course be responding to the public consultation on the technical screening criteria but wished to bring our concerns directly to your attention. We hope you can take immediate action to align the taxonomy policies with the objectives of the Renovation Wave Strategy, and we stand ready to assist you in any way we can.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Adrian Joyce'.

Adrian Joyce
CAMPAIGN DIRECTOR

A handwritten signature in black ink, appearing to read 'Brook Riley'.

Brook Riley
CAMPAIGN VICE-CHAIR

About the Renovate Europe Campaign:

Renovate Europe is a political communications campaign with the ambition to reduce the energy demand of the EU building stock by 80% by 2050 through legislation and ambitious renovation programmes. Accelerating the rate of renovation is a key tool in the fight against climate change, and will deliver major benefits for people, their quality of life, and the economy. www.renovate-europe.eu

#PrioritisePeople

#AccelerateRenovation

#Renovate2Recover

REC Partners (December 2020)

There are currently 45 partner companies and associations actively engaged in the work of the REC, of which 17 National Partners active in the Member States.

