

## Energy Efficiency First and a supportive Renewable Energy framework to slash CO<sub>2</sub> emissions in Europe

### Position Paper on the recasts of the Energy Efficiency Directive and the Renewable Energy Directive

Glass for Europe welcomes the European Commission proposal to achieve higher energy savings and to integrate more renewables in our society for the EU to achieve its new 2030 GHG emission reduction objective and its transition towards climate-neutrality by 2050.

Slashing buildings' energy consumption is the main instrument to ensure cost-effective and long-lasting CO<sub>2</sub> emissions reductions. High-tech glazing solutions are essential to that end. For instance, high-performance glazing could save around 29% of energy consumed in buildings in 2030 thus leading to annual savings of over 94 Mt CO<sub>2</sub><sup>1</sup>.

Next to this essential contribution to energy-efficiency, glass technologies also contribute to renewable energy technologies through solar energy glass used in conventional photovoltaics modules and in Building Integrated Photovoltaic (BIPV), i.e. glazing with solar energy glass directly incorporated into building shells.

To Glass for Europe, both the Energy Efficiency Directive (EED) and the Renewables Energy Directive (RED) need some adjustments and improvements to be fully effective and complement each other in the best possible manner to deliver on the European Union's 2030 goals.

*Glass for Europe is the trade association for Europe's flat glass sector. Flat glass is the material that goes into a variety of end products, primarily in windows and facades for buildings, windscreens and windows for automotive and transport as well as solar energy equipment, furniture and appliances. Glass for Europe brings together multinational firms and thousands of SMEs across Europe, to represent the entire building glass value-chain. It is composed of flat glass manufacturers, AGC Glass Europe, Guardian, NSG-Group and Saint-Gobain Glass Industry, and works in association with national partners gathering thousands of building glass processors and transformers all over Europe.*

<sup>1</sup> TNO Built Environment and Geosciences, 2019, *Potential impact of high-performance glazing on energy and CO<sub>2</sub> savings in Europe*, April 2018.



## The Energy Efficiency Directive - Recast

### Operationalise the Energy Efficiency First principle

To operationalise and untap its potential, the Energy Efficiency First (EE1) principle should be at the basis of all Member States' investment decisions related to the building sector. The EE1 principle should be considered in both staged-deep and deep energy renovation of public buildings and must be at the core of the national renovation strategies<sup>2</sup>.

- ▶ **Article 3** - The EED should ensure that the energy efficiency first principle is applied while planning all policy and investments impacting the building sector. Priority should be given to initiatives aiming at lowering the energy demand from buildings.

### Committing the EU and Member States to the energy efficiency target

Upgrading the ambition of the energy efficiency target and making it binding at EU level is essential for the EU to reach the 55% GHG emissions cut by 2030. Glass for Europe welcomes the binding nature of the newly proposed target but believes that its level should be increased from the 9% proposed by the European Commission to at least 17% (EU Reference Scenario 2020). Subsequently, to ensure Member States' accountability and to help drive investments, the Directive should establish national energy efficiency targets, which are made unequivocally binding.

- ▶ **Article 4** – The EU energy-efficiency target should be increased to reach at least 17% compared to the 2020 EU reference scenario.
- ▶ The Energy Efficiency Directive shall require Member States to set binding National Energy Efficiency targets.
- ▶ The European Commission should also look into an update of the Governance regulation to align future National Energy and Climate Plans (NECPs) to the increased climate ambition and guarantee the achievement of the Union's energy efficiency target. Moreover, the revision of the EPBD should ensure that the renovation targets set in the Long-Term Renovation Strategies are legally binding.

### Ensuring public bodies play the expected exemplary role

As substantiated in the Renovation Wave Strategy, public bodies should play an exemplary role in supporting renovation of public buildings, social housing, schools and hospitals. Glass for Europe welcomes the increased focus on building renovation in the EED recast.

- ▶ **Article 5** - Increasing the level of ambition for energy savings obligations for public bodies can be leveraged to increase rates of building renovation. To deliver the best results on the Renovation Wave objectives, public bodies should adopt the highest performance standards. Massive investments of the public sector are needed to renovate public buildings: school, social housing, and hospital should be prioritized.
- ▶ **Article 6** – Glass for Europe welcomes the proposal to extend the 3% renovation requirements to all buildings owned by public bodies with the objective of transforming them into nearly zero-

<sup>2</sup> Energy Performance of Buildings Directive 2010/31/EU (EPBD): proposal expected in December 2021



energy buildings. To ensure long-term energy savings and serve their exemplary role, Member States shall not be allowed to apply alternative measures.

- ▶ Encouraging Member States to consider life cycle emissions of their public bodies' investment can positively support the decarbonisation of the EU building stock. Nevertheless, any consideration should be supported and preceded by the introduction of a harmonized EU methodology to assess the whole life-cycle carbon emissions of new buildings. The revision of the EPBD will be instrumental on this aspect.

## Financing energy efficiency to make it real

Multiple streams of financing are necessary to unleash the energy savings potential of sectors such as the building sector. The increase in funding potentially available for building renovation through several instruments, including funds coming from the EU Emission Trading Scheme and the New Social Climate Fund should be channelled to ensure the highest long-term energy savings. In addition, complementary instruments are needed to activate the large yet scattered market segment, of small property owners in the residential sector.

- ▶ **Article 8** – Energy savings obligations are a key instrument to finance energy efficiency improvements. Glass for Europe believes that the energy savings obligations should be increased to at least 2% to be in line with an increase in the EU target.
- ▶ Glass for Europe welcomes that the energy savings obligation schemes prioritize energy poverty, vulnerable customers and people living in social housing. These support schemes could be linked to clauses on rent moderation to avoid risks of 'renoviction' or other adverse effects.
- ▶ **Article 9** - Glass for Europe believes that Member States shall require obligated parties to support energy renovation among people affected by energy poverty. On the same topic albeit a different legislation, Glass for Europe is concerned that the extension of ETS to buildings may run counterproductive to the fight against energy poverty and may impact the most vulnerable in society.
- ▶ **Article 26** - The EED shall support skills and employment of installers of building elements. A better skilled workforce will be able to respond to the increase in demand in construction sector and will facilitate the deployment of most advanced glazing solutions, including solar glass, switchable glazing, digital glass, etc.
- ▶ **Article 28** The EED should envisage new and innovative financial mechanism including the creation of specific national building Renovation Fund for Buildings to finance public and private renovation projects. Indeed, incentives to building renovation must reach out small property owners to allow them to invest in the replacement of inefficient building components with a large impact on energy performance. For instance, incentives to window retrofitting should be generalised in all Member States with plans to phase-out single glazed and early uncoated double-glazed windows.



## Renewable Energy Directive - REDIII

### Renewable energy target

Glass for Europe welcomes the proposal to increase to 40% the target of the Renewable Energy Directive and welcome the binding nature of national renewable energy targets. Glass for Europe wishes to stress that as new renewable technologies emerge, are deployed and costs lowered, the 40% target should be seen as a bare minimum and could be revaluated upwards to continue supporting the availability and affordability of renewable energy sources, which is so important in particular to support the electrification of transport and decarbonisation of energy-intensive industries.

The policy architecture conceived for renewables has proven effective so far to support the higher penetration of renewables and should be reproduced for energy efficiency (see previous page on the EED).

### Renewables in buildings

Increasing the penetration of renewables should go hand in hand with renovation measures aiming at delivering zero-emissions buildings, such as window replacement. A reduction in the energy demand with priority given to the consumption of renewables is going to automatically increase the share of renewables.

- ▶ **Article 15a** - The use of renewable energy shall be accelerated together with energy efficiency measures. Encouraging the use of renewables without addressing the poor performance of the building envelope would not be sufficient to meet the EU climate-neutrality objective. These provisions related to renewable energy therefore need to be supported with equal efforts on energy-efficiency (see EED recommendations on previous page) and on building renovation (upcoming revision of the Energy Performance of Buildings Directive).
- ▶ When it comes to the building sector, priority should be given to on-site renewable electricity generation so as to support the installation of photovoltaic modules and Building Integrated Photovoltaic technologies.