

To: The European Commission

23rd of March 2022

Danish Chamber of Commerce's response to the revision of the Energy Performance of Buildings Directive

General remarks

The Danish Chamber of Commerce welcomes the revision of the Energy Performance of Building Directive (EPBD) as energy efficiency can result in reduced greenhouse gas (GHG) emissions. The Danish Chamber of Commerce strongly supports the Paris Agreement targets and the EU climate goal of 55 % GHG reduction by 2030, as referred to in the proposal for a directive – COM (2021)802 (hereafter “EPBD”), recital 2 in the preamble. Moreover, energy efficiency can help reduce energy dependence on Russia and other third countries. Consequently, the Danish Chamber of Commerce acknowledges the importance of energy efficiency measures in general and EPBD especially.

A market-driven green transition leads to cost optimization, whereas bureaucratic measures and detailed regulation – in general – leads to increased costs for businesses, taxpayers and society in general. Therefore, energy efficiency should primarily be market-driven, e.g., via the expanded Emission Trading System to buildings, as proposed by the Commission. Consequently, the EPBD must be closely aligned with the proposed ETS to buildings, the EED, the ESR, and other legislative measures.

Therefore, the Danish Chamber of Commerce:

- Does not support the introduction of mandatory minimum energy performance standards (MEPS) for existing non-residential buildings and building units, other than those owned by public bodies, and residential buildings and building units as this will impose heavy financial burdens on building owners.
- Suggests that electric vehicle (EV) infrastructure measures should, regulatorily, be dealt with outside the EPBD, e.g., in the proposed regulation for the deployment of alternative fuels infrastructure (AFIR), and that roll-out of EV infrastructure follows market demand and is market driven. Therefore, the Danish Chamber of Commerce does not support mandatory installation of pre-cabling or of charging points for all non-residential and residential buildings undergoing major renovation, when it is not the parking space that is undergoing renovation as this will impose heavy financial burdens on building owners.
- Suggests the energy performance certificates can be renewed digitally to reduce the administrative burdens on building owners. Moreover, the validity should remain 10 years.
- Proposes that a zero-emission building is defined as a building with a very high GHG performance, referring to a very low level of GHG emissions, instead of high energy performance, as this will allow for consideration to be taken to the amount of renewable energy in the energy system from which the building is supplied.

- Recommends that the requirements for new buildings and renovations should be based on cost-optimal GHG reduction calculations.

Specific remarks

Minimum energy performance standards (article 9)

For existing privately owned buildings, the Danish Chamber of Commerce does not support the introduction of MEPS as proposed by the Commission (article 9) as the proposal, first, has the character of expropriation and violation of the right of ownership of privately owned existing buildings, and imposes unnecessary costs and burdens on owners of private buildings. Second, MEPS can lead to a net increase in total GHG emissions when GHG emissions from the production of building materials are considered (from a life-cycle analysis (LCA) perspective).

If mandatory MEPS for existing buildings were to be introduced, the Danish Chamber of Commerce proposes that MEPS:

- Apply only in cases of already planned major renovations.
- Apply only to the parts of the building undergoing renovation.
- Do not lead to investments with a payback time of more than 5-10 years.
- Do not lead to higher GHG emissions taking embedded carbon into account.
- Support the use of the best available technology in the renovation in question, seen from a total emission performance perspective.

The Danish Chamber of Commerce proposes that the following exception is introduced in article 9(5):

“f) buildings where renovation is not technically, functionally, and economically feasible, and/or buildings where renovations do not reduce greenhouse gas emissions reductions, as calculated by GWP in accordance with Article 7(2).”

Finally, the Danish Chamber of Commerce proposes that member states should have flexibility in the implementation of the directive to allow for consideration to be taken to energy systems with a very high level of renewable energy, including district heating from non-fossil energy sources and private heat pumps, powered by electricity from renewable energy.

Infrastructure for sustainable mobility (article 12)

The Danish Chamber of Commerce strongly suggests an ambitious and extensive roll-out of electric vehicle infrastructure. However, the EPBD is not the right piece of legislation to deal EV infrastructure.

The Danish Chamber of Commerce proposes that article 12 is moved from the EPBD to the Regulation on the deployment of alternative fuels infrastructure (COM(2021)559) (AFIR).

In case regulatory measures concerning EV infrastructure is kept in EPBD, the Danish Chamber of Commerce believes that article 12 in its current form is problematic as mandatory installation of pre-cabing for existing parking spaces will impose disproportionately high costs on building owners.

If mandatory installation of pre-cabing were to be introduced, the requirements should apply only to new non-residential and residential buildings and not to non-residential and residential buildings undergoing major renovations, as formulated in article 12(1)b and article 12(4)a, except in cases when the parking space itself is undergoing renovation.

Moreover, to keep the installation of charging points for electric vehicles as efficient as possible, the installations of charging points referred to in article 12(1), article 12(2) and article 12(6) should follow market demand.

The Danish Chamber of Commerce proposes that article 12(1) is amended as follows:

“With regard to new non-residential buildings and non-residential buildings undergoing major renovation ~~>of the parking space<~~, with more than five parking spaces, Member States shall ensure:

~~(a) the installation of at least one recharging point~~

~~(b>a<)~~ the installation of pre-cabing for every parking space to enable the installation at a later stage of recharging points for electric vehicles; and

~~(e>b<)~~ at least one bicycle parking space for every car parking space;”

(...)

~~“By way of derogation from the first subparagraph, point (a), for new office buildings and office buildings undergoing major renovation, with more than five parking spaces, Member States shall ensure the installation of at least one recharging point for every two parking spaces.”~~

The Danish Chamber of Commerce proposes that article 12(2) is amended as follows:

“With regard to all non-residential buildings with more than twenty parking spaces, Member States shall ensure the installation of ~~at least one recharging point for every ten parking spaces, and~~ at least one bicycle parking space for every car parking space, by 1 January 2027. In case of buildings owned or occupied by public authorities, Member States shall ensure pre-cabing for at least one in two parking spaces by 1 January 2033.”

The Danish Chamber of Commerce proposes that article 12(4) is amended as follows:

“With regard to new residential buildings and residential buildings undergoing major renovation >of the parking space<, with more than three parking spaces, Member States shall ensure:”

The Danish Chamber of Commerce proposes that article 12(6) is amended as follows:

“Member States shall ensure that ~~the~~ >new <recharging points referred to in paragraphs 1, 2 and 4 are capable of smart charging and, where appropriate, bidirectional charging, and that they are operated based on non-proprietary and non-discriminatory communication protocols and standards, in an interoperable manner, and in compliance with any legal standards and protocols in the delegated acts adopted pursuant to Article 19(6) and Article 19(7) of Regulation (EU) .../... [AFIR]”

Energy performance certificates (article 16)

The Commission states that an objective for the revision of EPBD is to reduce administrative burdens (page 10 in the proposal). However, as described in Annex L of the Impact Assessment Report, part 4/4, page 385, the revision of EPBD will - for some building owners in the private sector - result in additional administrative costs related to the need to certify that a building complies with the MEPS.

E.g., according to article 16(3), all buildings must have an energy performance certificate, issued by independent experts following an on-site visit. These visits can be costly for buildings owners. The costs will increase with the revised EPBD, as the Commission proposes to reduce the validity of the energy performance certificate from ten to five years (article 16(10)).

To reduce the administrative burdens on building owners, the Danish Chamber of Commerce proposes that building owners have the option to obtain a digital energy performance certificate and renew existing energy performance certificates digitally, and that the validity remains 10 years. Moreover, non-residential buildings should be exempted from certification with an energy performance certificate if they have an energy management system in place.

The Danish Chamber of Commerce proposes that article 16(3) is amended as follows:

“Member States shall ensure the quality, reliability and affordability of energy performance certificates. They shall ensure that energy performance certificates are issued by independent experts following an on-site visit> or digitally<.”

The Danish Chamber of Commerce proposes that article 16(10) is amended as follows:

“The validity of the energy performance certificate shall not exceed ~~five~~ >10< years. ~~However for buildings with an energy performance class A, B or C established pursuant to paragraph 2, the validity of the energy performance certificate shall not exceed 10 years.~~”

The Danish Chamber of Commerce proposes that article 16(11) is amended as follows:

“Member States shall make >digital and< simplified procedures for updating an energy performance certificate available where only individual elements are upgraded (single or standalone measures).

Member States shall make >digital and< simplified procedures for updating an energy performance certificate available where measures identified in a renovation passport are put in place.”

The Danish Chamber of Commerce proposes that the following exception is introduced in a new article 16(12):

“Non-residential buildings can be exempted from certification with an energy performance certificate if they have an energy management system in place.”

Definition of zero-emission buildings (article 2(2))

The Danish Chamber of Commerce strongly supports the Commission’s focus on zero-emission buildings. However, the proposed definition does not take into consideration buildings that are heated and powered by off-site renewable energy, e.g., offshore wind. Therefore, the Danish Chamber of Commerce proposes to update the definition.

The Danish Chamber of Commerce proposes that article 2(2) is amended as follows:

.”zero-emission building’ means a building with a very high energy >emission< performance >standard, referring to a low level of greenhouse gas emissions<, as determined in accordance with Annex I, where the very low amount of energy still required is fully covered by energy from renewable sources generated on-site, >nearby, off site,< from a renewable energy community within the meaning of Directive (EU) 2018/2001 [amended RED], or from a district heating and cooling system, in accordance with the requirements set out in Annex III;”

The Danish Chamber of Commerce proposes to update annex III in accordance with the proposed new definition.

Moreover, the Danish Chamber of Commerce proposes to use the term “nearly zero emissions building” instead of “nearly zero-energy building” throughout the directive.

Calculation of GHG emissions (articles 3 and 6)

As mentioned earlier, it is important to count GHG from an LCA perspective. Therefore, the Danish Chamber of Commerce suggests that the roadmap for building renovation plans described in article 3(1) and article 3(1)b should not include “operational” GHG emission reductions, but just GHG reductions. This will ensure that GHG emissions from building materials do not exceed the savings on GHG in the operational process (cf. comments to article 9 above).

The Danish Chamber of Commerce proposes that article 3(1) is amended as follows:

“The roadmap referred to in point (b) shall include national targets for 2030, 2040 and 2050 as regards the annual energy renovation rate, the primary and final energy consumption of the national building stock and its **operational** greenhouse gas emission reductions;”

Regarding the calculation of cost-optimal levels of minimum energy performance requirements, referred to in article 6, cost-optimal levels must take total GHG emissions from a LCA perspective into account. This would ensure that minimum energy performance requirements do not lead to increased GHG emissions (as seen from an LCA perspective) due to requirement for reductions in the operational phase of the building.

The Danish Chamber of Commerce proposes that article 6(2) is amended as follows:

“Member States shall calculate cost-optimal levels of minimum energy performance requirements using the comparative methodology framework established in accordance with paragraph 1 >, **taking total greenhouse gas emissions from a life-cycle global warming potential (GWP) perspective into account**, < and relevant parameters, such as climatic conditions and the practical accessibility of energy infrastructure, and compare the results of that calculation with the minimum energy performance requirements in force.”

Alignment with other legislative initiatives

The Danish Chamber of Commerce agrees with the European Commission on the importance of preserving “consistency across all building-related provisions in the [Fit for 55] package during negotiations to agree on a coherent and robust framework for buildings to meet the EU’s 2030 and 2050 targets” as formulated in the proposal (page 1-2).

It is of utmost importance that the many initiatives regarding energy efficiency in the Fit for 55 package are aligned and do not lead to double-regulation and -taxation. The most important ones being the expanded ETS to buildings and road transport, the Energy Efficiency Directive (EED), and the Effort Sharing Regulation (ESR).

Ideally, energy efficiency should – in the future – be solely market-driven through an expanded and eventually economy-wide ETS as this will lower the financial and regulatory burdens on businesses, consumers, and taxpayers, and ensure a more cost-efficient path to a carbon-neutral Europe by 2050.

Best regards

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Danish Chamber of Commerce