

## **AEGPL's Response to the Public Consultation on the Evaluation of the Energy Performance of Buildings Directive**

AEGPL, the European LPG Association, welcomes the Public Consultation on the Evaluation of the Energy Performance of Buildings Directive and is keen to provide its input to the policy debate on this issue.

This consultation comes in a moment in which the European Union is planning to release an ambitious strategy aimed at increasing the energy efficiency and decarbonising the heating and cooling sector. AEGPL would like to invite the EU not to ignore rural areas, which arguably are those in which there is the highest potential for decarbonisation. In those areas, solid and liquid fuels, which have high CO<sub>2</sub>, PM and NO<sub>x</sub> emissions, make up the majority of the energy mix.

AEGPL believes that LPG can greatly help the EU to reach its climate and environmental goals. In fact, coal and heating oil's combustion produces respectively 50% and 20% more CO<sub>2</sub> than LPG. In addition, LPG emits almost no particulate matter and very low NO<sub>x</sub>. For these reasons, AEGPL believes that the EU should stimulate the uptake of LPG.

Below you can read AEGPL's response to the Public Consultation on the Evaluation of the Energy Performance of Buildings Directive

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## A. Overall Assessment

1. *How successful has the EPBD been in achieving on its goals?*
2. *Has it helped improve energy efficiency in buildings?*
3. *Has it helped to increase renovation (more than 25% of the surface of the building envelope) rates?*
7. *Has the EPBD effectively addressed the challenges of existing buildings' energy performance?*

AEGPL believes that the EPBD and the EU Cohesion policy have been successful in stimulating the improvement of the energy efficiency of the European housing stock located in urban areas. However, the improvements in rural buildings have been much slower and less evident. In fact, the rural building stock is much older and less efficient than the urban one, and the renovation rates are lower. For instance, a study on houses' conditions carried out by the Scottish government found out that while 68% of dwellings in urban areas have a 'good' NHER (National Home Energy Rating), only 29% of them have the same rating in rural areas.<sup>1</sup> For this reason, AEGPL believes that the revised EPB Directive should include provisions aimed at improving the energy efficiency of rural buildings.

### 11. *What has worked well in the EPBD? What needs to be improved?*

AEGPL thinks that the inclusion of a fuel cost element in the energy efficiency calculation tool, which was adopted by some Member States, is confusing and leads to undesirable results. For instance, a fuel cost element based on fuel costs in 2005 was included, within the tool developed by the UK Government. AEGPL believes that, not only the inclusion of this element is not useful; but that, due to the variation of fuel prices, this inclusion also seriously undermines the accuracy of the label as a tool to estimate households' heating costs.

AEGPL would also like to highlight the important role that the EPBD played in establishing in all relevant EU legislation the key rule of measuring energy efficiency in primary energy. Primary energy is also the only way to provide accurate, consistent and comparable information on the energy efficiency of a building.

## B. Facilitating enforcement and compliance

### 18. *Is the definition of NZEBs in the EPBD sufficiently clear?*

Yes, as we believe that the definition used (i.e. buildings having a "very high energy performance") offers an appropriate balance between ambition and realism. In fact, the cost-optimal level of energy efficiency of buildings varies depending on several factors, such as the geographical location. This definition grants member states enough flexibility, which is crucial for a cost-efficient implementation of the directive.

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<sup>1</sup> Scottish government, Scottish House Condition Survey, 2010, available here:  
<http://www.scotland.gov.uk/Publications/2011/11/23172215/5>

### **C. Energy Performance Certificates (EPCs) and stimulating energy efficient renovation of the building stock.**

*25. Are the available data on the national/regional building stock sufficient to give a clear picture of the energy performance of the EU's building stock, as well as the market uptake of energy efficiency technologies and the improvement of the energy performance of buildings in the EU?*

AEGPL believes that authorities need to compile more data on renovation rates and on the energy efficiency of rural households. This would lead to the development of even more targeted and efficient policies.

### **D. Smart Finance for Smart Buildings: Financing energy efficiency and renewable energy in buildings and creation of markets**

*34. What are the main reasons for the insufficient take-up of the financing available for energy efficiency in buildings?*

*35. What non-financing barriers are there that hinder investments, and how can they be overcome?*

A study developed by the World Bank<sup>2</sup> showed that the access to the JESSICA programme, a programme supporting investments in energy efficiency, has been ineffective in Lithuania between 2005 and 2010 because low-income households had difficulties in being granted loans by commercial banks. Rural households in the EU have similar problems to access EU funding aimed at improving their houses' energy efficiency, since, on average, they have a lower income than urban households. For this reason, AEGPL believes that an adequate amount of EU Structural Funds should be allocated on preferential terms for renovating buildings in rural areas, since they are the ones that more urgently need improvements in their energy performance, and that a high share of EU co-financing is envisaged in the relevant legislation.

### **E. Energy poverty and affordability of housing**

*42. What measures have been taken in the housing sector to address energy poverty?*

*43. Should have further measures tackling energy poverty been included in the EPBD?*

Energy poverty is a serious issue in Europe, especially in rural areas, where the housing stock is generally older and less energy efficient. For instance, in the UK, 14% of rural households experience fuel

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<sup>2</sup> Sirvydis, V., The Residential Energy Efficiency Program in Lithuania, World Bank, 2014, available online at [http://www.worldbank.org/content/dam/Worldbank/Event/ECA/Lithuania\\_EE\\_CaseStudy%20final%20rev.pdf](http://www.worldbank.org/content/dam/Worldbank/Event/ECA/Lithuania_EE_CaseStudy%20final%20rev.pdf)

poverty.<sup>13</sup> The lack of investments aimed at improving the energy efficiency of rural houses is generally due to the lower income of rural households and to the lack of targeted EU or state support to renovations. The result is that rural houses are more expensive to heat than urban ones and the lower income of rural households exacerbates their fuel poverty.

AEGPL believes that the EU, through its Cohesion Policy, could do more to address this problem. We acknowledge that the JESSICA line of funding was effective in improving the energy efficiency of building envelopes in urban areas but we consider that the results of the Cohesion Policy and of the EU Rural Development Fund were not as satisfactory in rural areas. For this reason, we believe that rural households could greatly benefit from a JESSICA including a specific approach for improving the energy efficiency of the rural housing stock.

AEGPL thinks that this funding should be aimed at improving energy efficiency according to a balanced and comprehensive rationale, i.e. by combining improvements of the heating system performance as well as of the overall thermal efficiency of the building envelope. Targeting only one of these two critical elements with the best possible technology may lead to sub-optimal and possibly more costly results. As an example, the Directive should reflect that in the case of a renovation of relatively inefficient building, the combination of low-hanging fruits in both fields such as the installation of double glazing windows together with fuel switching (e.g. heating oil to LPG) or the replacement of a low-temperature boiler with a condensing boiler, can bring about very significant savings.

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<sup>3</sup> DECC, Annual Fuel Poverty Statistics Report, 2014, available online at [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/319280/Fuel\\_Poverty\\_Report\\_Final.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/319280/Fuel_Poverty_Report_Final.pdf)