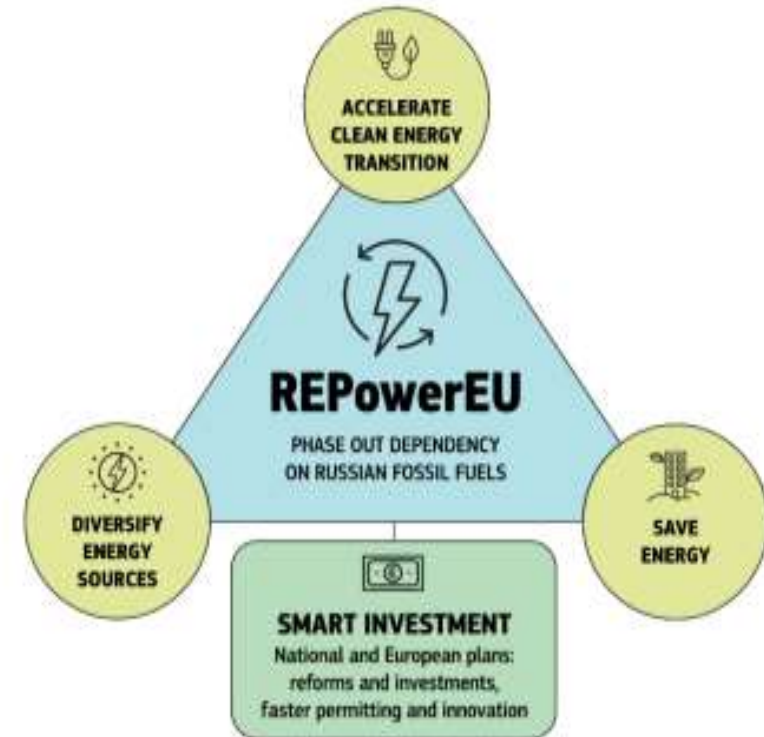


# REPowerEU Communication – 18 May 2022

- Overall objectives: **phase-out EU dependence on Russia's fossil fuels** by 2027

Three axis **building on the Fit for 55 package**:

- 1. Save Energy** – short-term energy saving measures and medium-term energy efficiency structural improvements (EU-Save Energy Communication)
  - 2. Diversify supplies** – EU Energy Platform for the voluntary common purchase of gas, LNG and hydrogen
  - 3. Accelerate the clean energy transition** – boost renewable electricity, hydrogen, bio-methane, Solar strategy, accelerate energy efficiency improvements, heat-pumps roll-out
- **Smart investment Plan:** Investment need €210bn by the end of 2027 through anticipated ETS revenues – Innovation fund, RRF Loans, increase to 12.5% Cohesion policy and CAP transfer to RRP.



# REPowerEU – Energy Savings and Clean Energy Transition

- Legislative proposals **revising upward ambitions in the EED, RED and EPBD proposal 2021:**
  - Increase **Energy Efficiency 2030 Targets** from 9 to 13% primary and final energy consumption reduction (compared to 2020 reference scenario) in EED;
  - Increase **Renewable Energy 2030 Target** from 40 to 45% share of renewables in the energy mix (compared to 2007 reference scenario) + proposal to accelerate permitting: ‘Go-to areas’ and ‘Overriding public interest’ for renewables deployment in RED;
  - Introduce **provisions to ensure deployment of solar energy in buildings** (in public and commercial buildings with useful area larger than 250 sqm by 2027, and in new residential by 2029) in EPBD.
- Energy efficiency and local/on-site renewables in REPowerEU:
  - **Energy efficiency and behavioral energy savings measures** at the junction between energy security and clean energy transition;
  - **Accelerate roll-out of heat-pumps and energy efficiency expected to deliver 37 bcm of natural gas savings** for an investment need of 57 billion euro;
  - **Solar rooftop initiative** – 58 TWh of additional electricity generated at an estimated investment cost of 26 billion euro, estimates indicate that potentially 25% of the EU’s electricity consumption;
  - **Industry Alliances** for solar PVs and heat pumps and **large-scale Skills Partnerships**.

# Building Renovation for Climate Neutrality and Recovery



The building sector is one of the **largest energy consumers** in Europe, responsible for more than one third of the EU's energy-related emissions.



**Effective actions are crucial** to make Europe climate-neutral as:

- Only 1% of buildings undergo energy efficient renovation every year
- Roughly 75% of the building stock is energy inefficient
- Almost 85-95% of today's buildings will still be in use in 2050



**Therefore, by 2030:**

- 35 million buildings could be renovated and
- Up to 160,000 additional green jobs created in the construction sector

# The Renovation wave

## Greening our buildings faster, Creating jobs, Improving lives

On 14 October 2020, the European Commission presented its Renovation Wave Strategy. The Commission aims to at least:

- **double renovation rates** in the next ten years;
- make sure renovations lead to **higher energy and resource efficiency**

A set of **policy measures**, legislative reforms, **funding tools** and **technical assistance instruments** to break down of existing barriers throughout the renovation chain



<https://audiovisual.ec.europa.eu/en/video/I-195844>

# EPBD review: focus areas

## ***Renovation***

- Minimum Energy Performance Standards
- Energy Performance Certificates
- National Building Renovation Plans and renovation passports for individual buildings

## ***Decarbonisation***

- Introduction of zero-emission buildings as new standard for new buildings
- Consideration of whole life cycle carbon
- Phasing out incentives for fossil fuels and new legal basis for national bans

## ***Financing***

- Sustainable finance and energy poverty alleviation
- Deep renovation standard
- Renovation passports for individual buildings

## ***Modernisation & system integration***

- Infrastructure for sustainable mobility
- Smart Readiness Indicator
- Indoor air quality: ventilation and other technical building systems

# RRPs: focus on Energy Efficiency

- For the 22 RRP adopted by end 2021 > combined climate-related investment of around EUR 177 billion
  - 43% (i.e. EUR 76 billion) allocated to clean energy and building renovation measures
- Out of this:
  - **28% allocated to building renovation and other energy efficiency measures** (EUR 50 billion)
  - 15% to clean energy (with a total of EUR 26 billion)
  - 35% have been allocated to clean transport (around EUR 62 billion)

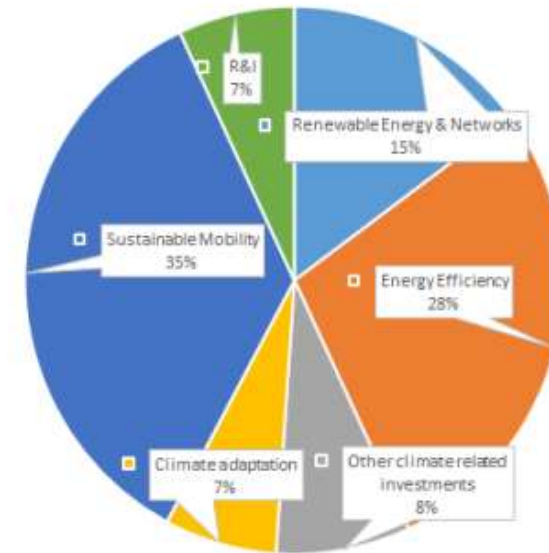


Figure 1: Distribution of climate-related investments in MS' RRP. Source: Own preliminary assessment of 22 RRP adopted by the Commission (by 5 October)