

16th May 2022

Energy efficiency in housing: European standards and incentives

The European contribution to the right to housing: standards, litigation and advocacy. Housing Rights Watch and Foundation Abbé Pierre, Monday 16th May 2022

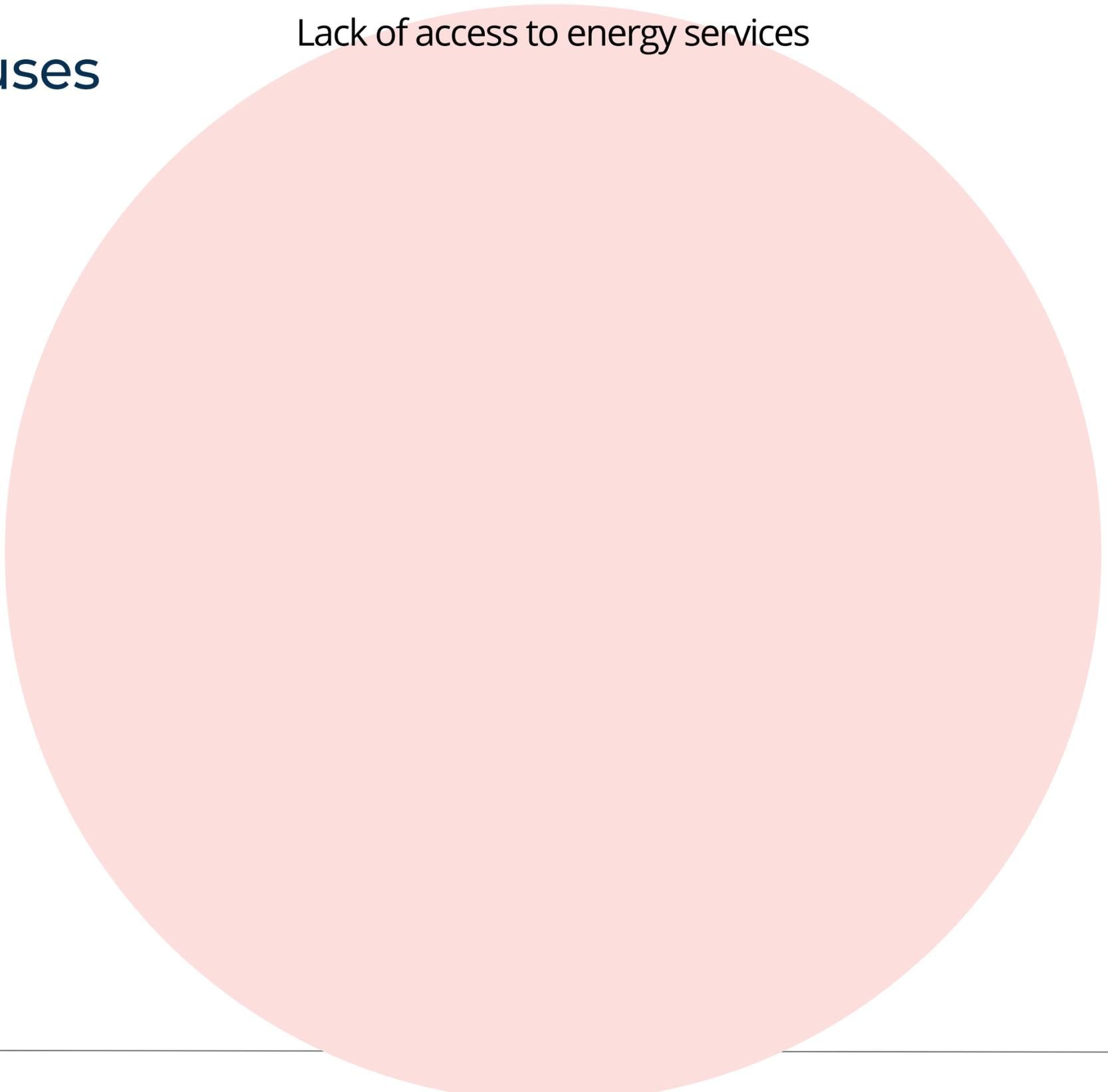
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Fuel poverty causes

Lack of access to energy services



Main solutions

- **Income support:** social security payments, social benefits, income support
- **Price support:** social tariffs, energy bill cashback, energy price cap, disconnection prevention
- **Energy saving measures:** subsidised energy efficiency measures and efficient appliances, free energy advice and home energy audits

Solutions are not all equal

UK fuel poverty budget breakdown (2018)

- Customer protection, price support and income support measures are more prevalent
- Energy efficiency programmes dedicated to low-income households not as widespread

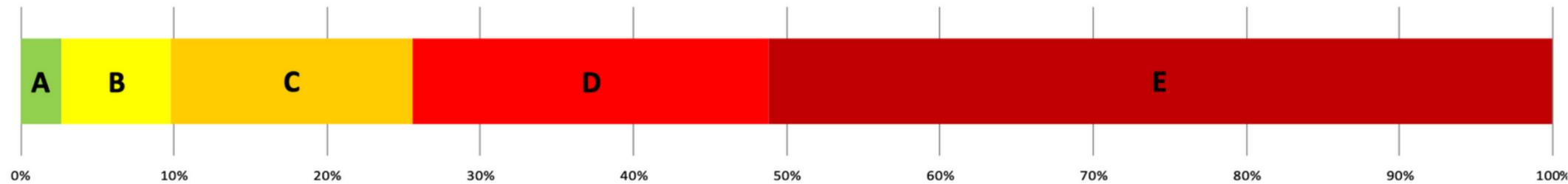
Energy efficiency
Energy Company
Obligation: £640 million

Price support
Warm Home Discount: £340 million

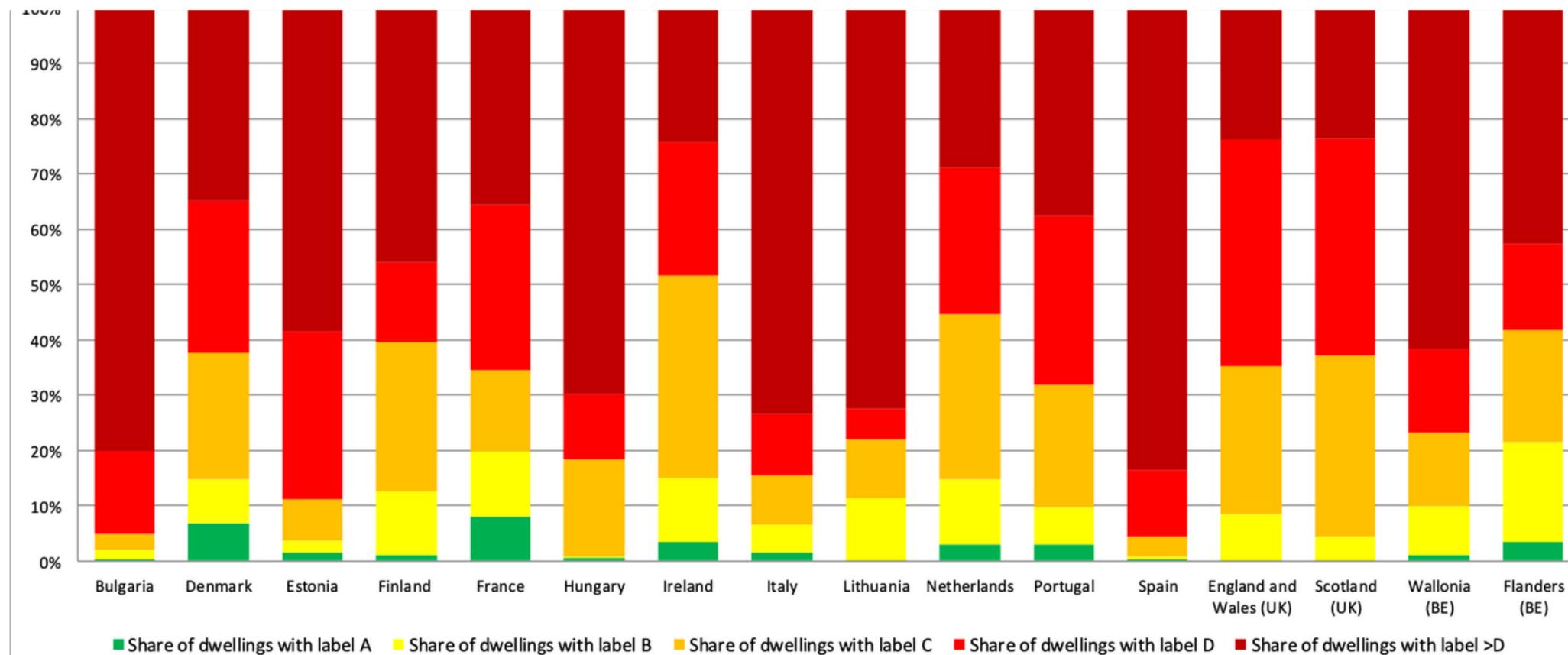
Income support
Winter Fuel Payments: £1.9 billion
Cold Weather Payments: £114 million

The challenge of existing buildings in Europe

Distribution of the building stock in the EU per Energy Performance Certificate (EPC) class



Over 75% of the stock needs some form of renovation





Low-income households disproportionately live in the worst homes

Proposal for minimum energy performance standards for all EU States

European Energy Performance of Buildings Directive recast proposal, December 2021.
Currently under negotiation.

Article 9

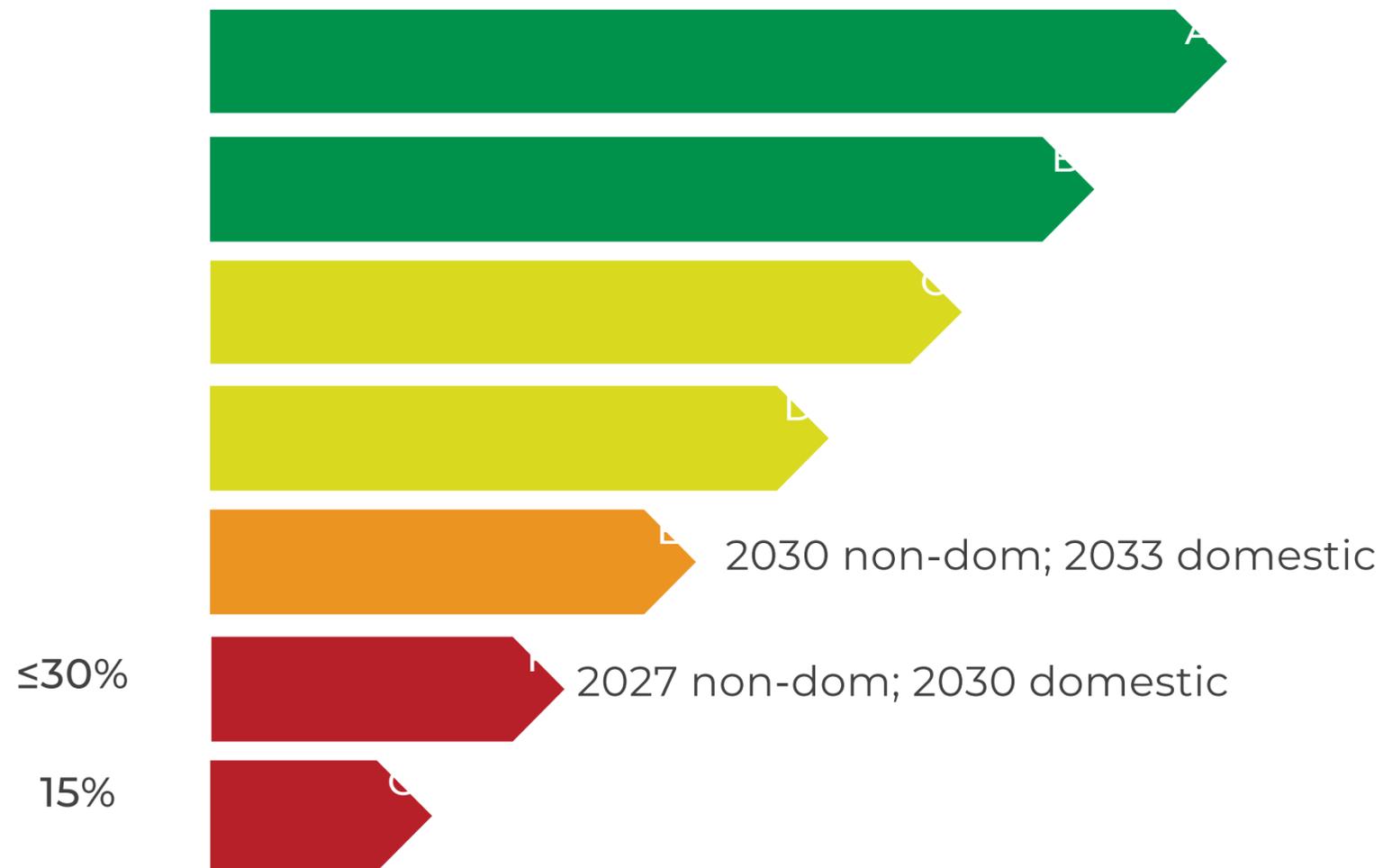
Minimum energy performance standards

1. Member States shall ensure that
 - (a) buildings and building units owned by public bodies achieve at the latest
 - (i) after 1 January 2027, at least energy performance class F; and
 - (ii) after 1 January 2030, at least energy performance class E;
 - (b) non-residential buildings and building units, other than those owned by public bodies, achieve at the latest
 - (i) after 1 January 2027, at least energy performance class F; and
 - (ii) after 1 January 2030, at least energy performance class E;
 - (c) residential buildings and building units achieve at the latest
 - (i) after 1 January 2030, at least energy performance class F; and
 - (ii) after 1 January 2033, at least energy performance class E;

Proposal for standards across all EU states

Proposed Energy Performance of Buildings Directive, Article 9:

- Public and non-residential buildings must be:
 - EPC F by 2027
 - EPC E by 2030
- Residential buildings must be:
 - EPC F by 2030
 - EPC E by 2033
- Based on a harmonised EPC scale



Examples of private housing standards in European countries

Jurisdiction	Target stock	Metric and standard	Fully enforced
France	Private homes	EPC E	2028
France	Rented homes	>450 kWh/m ² /year PE	2023
England & Wales	Privately rented homes	EPC E	2020 (from 2018 at tenancy change)
Scotland	Privately rented homes	EPC C	2028 (from 2025 at tenancy change)
Scotland	Owner occupied homes	EPC C	2033 (from 2025 at sale)
Flanders, Belgium	All homes	Roof insulation Double glazing	2020 2023

The story of housing standards and right to decent housing in the UK

- Housing Health and Safety Rating Standard (Housing Act, 2004):
 - A risk-based system used to assess threats to human health in housing.
 - Defined properties below an EPC E rating a 'category 1 health hazard' which is defined as a serious and immediate risk to a person's health and safety.
 - Local authorities have powers to enforce improvements.
- 'Decent Homes' standard for social housing built on HHSRS (2004-2010) – social housing standard which had EE elements, supported by money.
- Private rented sector standard adopts the EPC E standard.

Lessons from the UK

- Private rented sector standard adopts the EPC 'E' standard:
 - From 2016 'tenant right to request' enables a tenant to request their landlord make improvements to homes below EPC 'E'.
 - Highlighted issues of power imbalance between landlord and tenant
 - **Rights are not empowering to those that can't exercise them.**
 - From 2018 privately rented homes must be improved to EPC 'E' at change of tenancy and 2020 all privately rented homes must be EPC 'E':
 - Highlighted issues of enforcement in unregulated sector.
 - **Decency standards are only as effective as their enforcement.**

Lessons from the UK

- Is the EPC E standard, with its root in 2004, the right way to define a 'decent home' in the EU in 2030?
 - Homes need to be more resilient in extreme weather events and outages
 - Continued reliance on fossil fuels is not future proof
 - etc

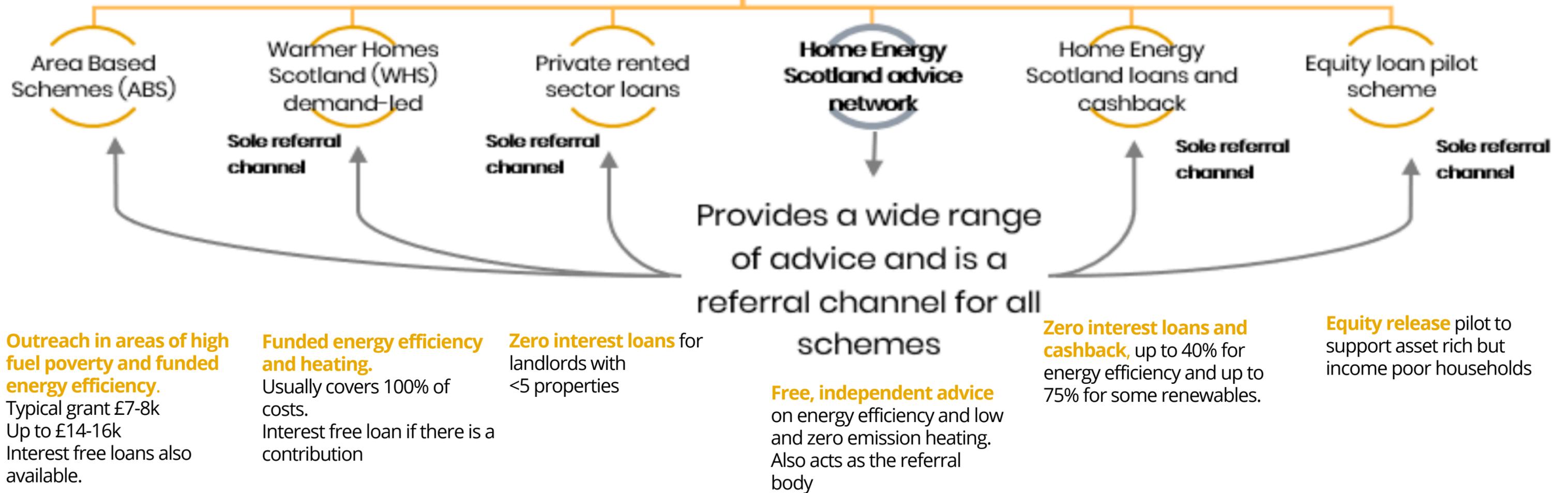
Enabling and safeguards

- Standards alone will not be enough to ensure decent housing
- Safeguards proposed in Energy Performance of Buildings Directive alongside standards

3. In accordance with Article 15, Member States shall support compliance with minimum energy performance standards by all the following measures:

- (a) providing appropriate financial measures, in particular those targeting vulnerable households, people affected by energy poverty or living in social housing, in line with Article 22 of Directive (EU) .../.... [recast EED];
- (b) providing technical assistance, including through one-stop-shops;
- (c) designing integrated financing schemes;
- (d) removing non-economic barriers, including split incentives; and
- (e) monitoring social impacts, in particular on the most vulnerable.

Home Energy Efficiency Programmes for Scotland



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Further resources

- Sunderland, L., and M. Santini. 2021. Next Steps for MEPS: Designing minimum energy performance standards for European buildings. June 2021. Regulatory Assistance Project. <https://www.raonline.org/knowledge-center/next-steps-for-meps-designing-minimum-energy-performance-standards-for-european-buildings/>
- Sunderland, L., and M. Santini. 2020. Filling the Policy Gap: Minimum Energy Performance Standards for European Buildings. Regulatory Assistance Project. June 2020. <https://www.raonline.org/knowledge-center/filling-the-policy-gap-minimum-energy-performance-standards-for-european-buildings/>
- Sunderland, L., and M. Santini. 2020. *Case Studies: Minimum Energy Performance Standards for European Buildings*. Regulatory Assistance Project. July 2020. <https://www.raonline.org/knowledge-center/case-studies-minimum-energy-performance-standards-for-european-buildings/>



About RAP

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