EAE position on Call for Evidence „HEAT PUMPS – ACTION PLAN TO ACCELERATE ROLL-OUT ACROSS THE EU"

European Association for External Thermal Insulation Composite Systems

EAE calls for a holistic approach

With interest we noticed the European Commission's Call for Evidence on a heat pumps action plan to accelerate the roll-out across the EU. EAE is fully committed to the objectives of the Green Deal and the decarbonization of EU's economy by 2050. Europe's existing building stock represents 36% of all CO_2 emissions and 40% of the EU energy demand. As the majority of today's buildings will still be in place in 2050, decarbonization efforts need to have strong focus on building renovation. New buildings of today will need to meet the zero emission standard anyhow as they will most likely not undergo major renovation before 2050.

Both, the intended revision of the Energy Efficiency Directive (EED) and the Energy Performance of Buildings Directive (EPBD) consider this from a holistic perspective. **Key enablers** must be:

- the **reduction of the energy demand** (EED and EPBD explicitly mention the priority of the efficiency first principle) on the demand side **and**
- the **shift from fossil fuels to renewable energies** on the supply side.

The smaller the residual energy demand of sufficiently insulated building envelops, the easier the shift to renewables – with existing technologies (including heat pumps) and grids.

From our perspective this is sufficiently supported by the EPBD revision which sets a reliable and binding trajectory for improving the energy performance of buildings through minimum energy performance standards. This will be supported by one-stop-shops offering both technical and financial assistance to building owners. Building individual renovation roadmaps will provide guidance to building owners how to achieve the zero emission standards by 2050 with the final objective of deep renovation efforts. This **holistic approach considers the status quo of individual buildings**, helping to identify individual trigger points for single renovation measures and the cost-optimal **mix of measures** to achieve decarbonization.

Instead of highlighting one single technology by a new action plan, the European Union should take care of immediate implementation of already existing or expected legislation, aligning it with **long-term reliable financial support schemes with equal support of all measures and technologies**. Finally, we will need all technologies to achieve the ambitious targets and to more than double renovation rates to **unleash the full potential of the Renovation Wave**. Heat pumps will and must be important pieces of the puzzle. But the same applies to building insulation, windows, photovoltaics, etc.

As rightly said in Part A "Political context", the REPowerEU plan calls for prioritizing investments on renewables and energy efficiency to reduce fossil-fuel imports. The proposed doubling of current roll-out rates of heat pumps applies equally to all other technologies as mentioned before. To avoid misallocations and to ensure a **level playing field** for all European manufacturers, we urgently call on holistic approaches.

According to our experience, one of the **key barriers to deploy the urgently needed potential of building renovation are unstable framework conditions, both on regulatory side and financial support side**. We observe in many member states volatile funding situations and constant discussions on future building requirements. These uncertainties hinder both building owners and construction product manufcturers from making long-term investment decisions. This applies even more in case of stage-deep renovation plans if building owners cannot afford deep renovation in one step. The framework conditions are already very fragmented and should not be further increased by action plans fostering single technologies. **More efforts and budget should be spent on information campaigns, easily understandably building requirements and**

funding schemes, and on the implementation of measures foreseen in the future EED and EPBD. The Italian Superbonus 110% demonstrated how clear messages help boosting building renovation and public awareness. And it helped creating significant gross economic benefits.

We have concerns that if heat pumps will be installed in **buildings that are technically not prepared for lower-temperature heating**, this may lead to contradictory effects:

- Without sufficient thermal insulation of the building envelope, the risk is that especially in cold months heat pumps require electricity from the grid. Often the grid capacities today are not designed to serve such demand (which will be accelerated by the increasing penetration of home-based wall-boxes to charge electric vehicles). And the on-site electricity production of PV panels is limited exactly in that period of potential demand peaks.
- This increased energy demand today is still often satisfied with electricity from the grid produced by fossil fuels, therefore contradicting decarbonization efforts until the entire energy system has been adjusted. Demand reduction by improved energy efficiency of buildings will act as a leverage to support this energy transition.
- Energy-costs for electricity have significantly increased in recent years. If heat pumps require electricity from the grid this will impact primarily vulnerable households. Instead of compensating this effect, budgets should be spent on long-term measures reducing the energy demand and designing the heating and cooling systems (with heat pumps among other technologies playing an important role) according to the lower needs.
- Instead of radically phasing-out heating devices, focus should be on trigger points. If the existing heating device anyhow comes to the end of the lifecycle, then it should obviously be replaced by a renewable heating system. If the existing heating system is relatively young, the first step should be the elimination of heat leakages through external walls, windows and roofs – using trigger points. To give an example, in case the façade anyhow requires refurbishment (like new paint) the additional costs for thermal insulation are much lower as e. g. scaffolding, cleaning, etc. anyhow need to be done.
- To conclude, EAE is not opposing against the use of heat pumps or any other technologies to decarbonize Europe's building stock. But we promote the holistic perspective to really boost building renovation with the optimal mix of measures as one single technology will not solve the problem alone.

EAE remains at your disposal for further discussion.

References:

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3. *Centro Studi CNI: la spesa per Super eco bonus 110% a giugno fa segnare il record di 4,5 miliardi di euro, press release, Rome, 13 July 2022.*

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About EAE

- EAE is the voice of the ETICS industry in Europe.
- EAE members represent more than 80 per cent of Europe‘s revenue from ETICS.
- EAE has been constantly working towards a “culture of sustainability” in the construction sector since its foundation 2008.

EAE members

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