



MAY 2024

# THE EPBD DECRYPTED

## A TREASURE CHEST OF OPPORTUNITIES TO ACCELERATE BUILDING DECARBONISATION



---

## Authors

Hélène Sibileau  
Volodymyr Vladyka

## BPIE review and editing team

Mariangiola Fabbri  
Evan Jeffries  
Caroline Milne  
Oliver Rapf  
Zsolt Toth

## Funding

This paper has been made possible with financial support from the European Climate Foundation (ECF).

## Graphic design

Ine Baillieul

Copyright 2024, BPIE (Buildings Performance Institute Europe).



This document is licensed under the [Creative Commons Attribution 4.0 International \(CC BY 4.0\) licence](https://creativecommons.org/licenses/by/4.0/). This means that reuse is allowed provided appropriate credit is given and any changes are indicated.

**How to cite this briefing:** BPIE (Buildings Performance Institute Europe) (2024). The EPBD decrypted: a treasure chest of opportunities to accelerate building decarbonisation. Available at: <https://www.bpie.eu/publication/the-epbd-decrypted-a-treasure-chest-of-opportunities-to-accelerate-building-decarbonisation/>

BPIE (Buildings Performance Institute Europe) is a leading independent think tank on energy performance of buildings. Our vision is a climate-neutral built environment, aligned with the ambition of the Paris Agreement, and in support of a fair and sustainable society. We provide data-driven and actionable policy analysis, advice, and implementation support to decision-makers in Europe and globally. [www.bpie.eu](http://www.bpie.eu)

# CONTENTS

EXECUTIVE SUMMARY **04**

**06** INTRODUCTION

UPDATED STANDARD  
FOR NEW BUILDINGS  
(ZERO EMISSION BUILDING) **07**

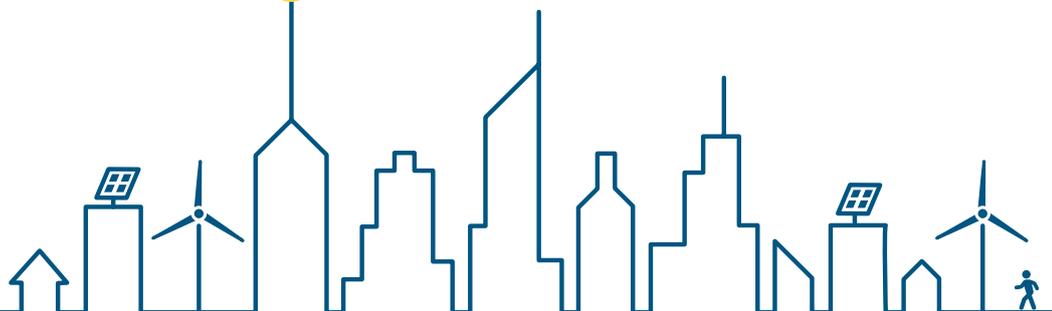
**12** RENOVATION POLICIES  
FOR EXISTING BUILDINGS

PLANNING FOR  
THE 2050 VISION AND  
DECARBONISING  
HEATING AND COOLING **20**

**24** A STRONGER ENABLING  
FRAMEWORK:  
INFORMATION, ADVISORY,  
AND FINANCIAL SUPPORT

SOCIAL FAIRNESS  
CONSIDERATIONS  
IN THE EPBD **31**

**32** CONCLUSION



# EXECUTIVE SUMMARY

The recast Energy Performance of Buildings Directive (EPBD) was formally adopted in April 2024 and published in the Official Journal of the EU on 8 May 2024. This paper summarises what will be in the updated Directive.

The recast introduced and modified many provisions, which is why it is crucial to identify interlinkages, synergies and overlaps, but also to understand the gaps. This paper highlights the most important provisions:

- **An updated standard for new buildings, including provisions relating to whole-life carbon emissions**
- **Minimum Energy Performance Standards to renovate the worst-performing non-residential buildings**
- **A mandatory trajectory for the progressive renovation of the residential segment**
- **A 2050 vision for the building stock, underpinned by strong national building renovation plans and provisions to decarbonise heating and cooling**
- **Improved Energy Performance Certificates**
- **An EU framework for the uptake of renovation passports**
- **A stronger role for one-stop-shops**
- **A more strategic and impactful financial framework**
- **A focus on the social fairness of all provisions, both for mandatory requirements and incentives**

While several of its provisions might have lost strength and clarity during the negotiating process, the EPBD remains the most important legislative driver for change in the buildings sector. And change is needed: as BPIE's EU Buildings Climate Tracker shows, the building stock is still not on track to achieve climate neutrality by 2050.<sup>1</sup> The recast, though, is a treasure chest of opportunities which can contribute to closing the building decarbonisation gap and realign the EU with its 2030 and 2050 targets. However, EU legislation is impactful only in so far as it is effectively implemented. The transposition period of the EPBD starts end of May 2024 and will last two years. This period will be crucial to get policies right at the national level..

The recast pays special attention to the social fairness of all provisions. Recognition is given to the social aspects of building decarbonisation policies, with the introduction of legal definitions for specific concepts such as 'energy poverty' and 'vulnerable households'. Policies and requirements put a strong emphasis on the renovation of the worst-performing buildings, which are often occupied by people in energy poverty. The EPBD not only introduces renovation requirements, but also ensures Member States provide specific support to these segments of the population, whether in financing or advisory terms. Finally, Member States must introduce specific safeguards to protect citizens, in particular tenants, and monitor the social impacts of building renovation and decarbonisation policies.

While it is now up to Member States to make the most of the opportunity, BPIE remains committed to supporting the EPBD transposition work.



---

**The transposition period of the EPBD starts  
end of May 2024 and will last two years.  
This period will be crucial to get policies right  
at the national level.**



---

<sup>1</sup> BPIE (Buildings Performance Institute Europe) (2023). EU Buildings Climate Tracker: A call for faster and bolder action. Available at: <https://www.bpie.eu/publication/eu-buildings-climate-tracker-a-call-for-faster-and-bolder-action/>

# INTRODUCTION

The recast EPBD was formally adopted in April 2024<sup>2</sup> and published in the Official Journal of the EU on 8 May 2024. This paper provides a preliminary explanation of what will be in the updated Directive, building on previous BPIE work.<sup>3,4</sup> The recast introduced and modified many provisions, which is why it is crucial to identify interlinkages, synergies and overlaps, but also to understand the gaps. However, this paper is not an exhaustive description of all the provisions in the EPBD. Instead, it highlights those which deserve the most attention in the transposition process, whether due to their complexity or because of their anticipated decarbonisation impact. They are grouped in four sections:

- **THE UPDATED STANDARD FOR NEW BUILDINGS**
- **RENOVATION POLICIES FOR EXISTING BUILDINGS**
- **PLANNING FOR THE 2050 VISION AND DECARBONISING HEATING AND COOLING**
- **A STRONGER ENABLING FRAMEWORK: INFORMATION, ADVISORY, AND FINANCIAL SUPPORT**

This paper also includes two thematic deep dives: one on the requirements applicable to public buildings, and one on the social fairness aspects of the EPBD.

While several of its provisions might have lost strength and clarity during the negotiating process, the EPBD remains the most important legislative driver for change in the buildings sector. The recast is a treasure chest of opportunities, especially compared to the current version of the EPBD, which dates back to 2018. It is therefore crucial that a thorough transposition process is swiftly begun at national level, to accelerate building renovation and decarbonisation activities in the coming years and achieve the objectives of the Renovation Wave.

<sup>2</sup> The Council of the EU adopted its General Approach in October 2022 and the European Parliament its position in March 2023. The final version of the commonly agreed text is available here: [https://www.europarl.europa.eu/doceo/document/TA-9-2024-0129\\_EN.pdf](https://www.europarl.europa.eu/doceo/document/TA-9-2024-0129_EN.pdf)

<sup>3</sup> BPIE assessment of the Commission proposal (2022): <https://www.bpie.eu/wp-content/uploads/2022/01/EPBD-recast-new-provisions-need-sharpening-to-hit-climate-targets.pdf> and BPIE assessment of co-legislators' positions (2023): [https://www.bpie.eu/wp-content/uploads/2023/05/EPBD\\_Crunch-time-for-future-proof-buildings-legislation\\_final.pdf](https://www.bpie.eu/wp-content/uploads/2023/05/EPBD_Crunch-time-for-future-proof-buildings-legislation_final.pdf)

<sup>4</sup> BPIE (2021): [https://www.bpie.eu/wp-content/uploads/2021/08/BPIE\\_Making-EPBD-fit-for-2030\\_Final.pdf](https://www.bpie.eu/wp-content/uploads/2021/08/BPIE_Making-EPBD-fit-for-2030_Final.pdf)

# UPDATED STANDARD FOR NEW BUILDINGS (ZERO EMISSION BUILDING)

*Article 2§2, Article 6, Article 7, Article 10, Article 11, Annex I, Annex III*

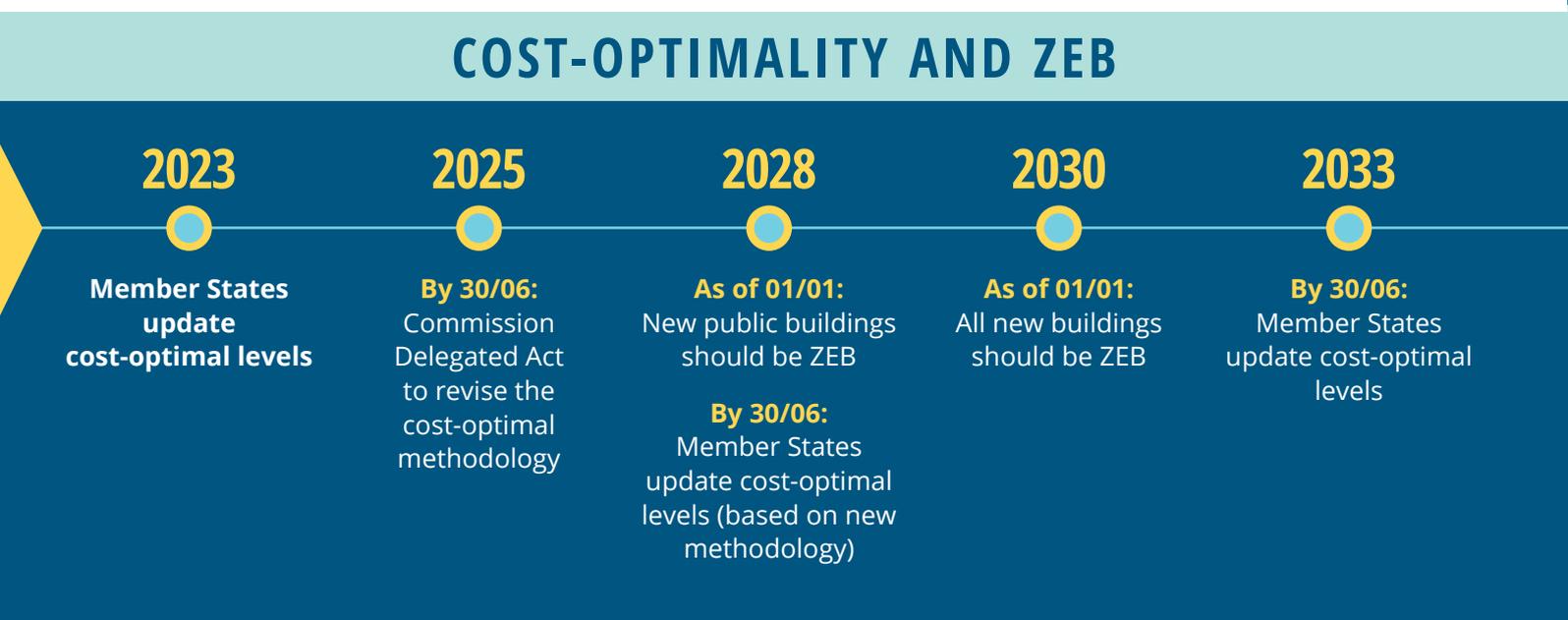
The recast introduces the concept of zero emission building (ZEB) to act as the updated standard for the construction of new buildings. It will apply from 2030, replacing the nearly zero energy building (NZEB) standard.

## A VERY HIGH ENERGY PERFORMANCE LINKED TO COST-OPTIMALITY AND NZEB

As is the case for NZEBs, a ZEB is defined in terms of energy demand, as **“a building with a very high energy performance, in accordance with Annex I, requiring zero or a very low amount of energy”**. It is a national responsibility to set thresholds for the maximum ZEB energy demand, which could lead to varying levels of ambition, but the Directive includes two safeguards.

First, the ZEB thresholds should be set with a view to achieving at least the most recent cost-optimal levels. This means, for the moment, that ZEB thresholds must be at least equivalent to the 2023 cost-optimal levels. However, considering the planned revision of the methodology, the **ZEB thresholds will have to be at least equivalent to the 2028 cost-optimal levels**. Cost-optimal levels should be updated every five years, which will lead to a progressive improvement of the ZEB threshold.

Figure 1: timeline of requirements linked to cost-optimality and ZEB



This timeline leaves sufficient time to Member States to set ZEB thresholds for all new buildings based on the 2028 cost-optimal levels, but it might be too late for the standard for new public buildings.

- ▶ Ideally, Member States should conclude the update of cost-optimal levels before the end of 2027, so that there is enough time to feed into the maximum thresholds for all types of ZEB.

The recast introduces another safeguard to ensure there is a certain level of ambition for the ZEB threshold: it must be **at least 10% lower than the national NZEB threshold for total primary energy use in place in 2024**. Additionally, this NZEB threshold should itself be *“no worse than the 2023 national cost-optimal level”* (Article 2§3).

Finally, a ZEB should also strive to offer flexibility regarding its energy grid integration, as it shall, *“where economically and technically feasible, offer the capacity to react to external signals and adapt its energy use, generation, or storage”* (Article 11§1).

## FULLY DECARBONISED, BUT NOT NECESSARILY ENTIRELY RENEWABLES-BASED, BUILDINGS

The recast EPBD moves the focus in terms of the type of energy that supplies new buildings from explicitly referring to renewable energy (NZEB definition) to a broader concept of “zero emissions”. The Directive states that a ZEB:

- shall not cause any on-site carbon emissions from fossil fuels; and
- should produce zero or a very low amount of operational GHG emissions, with Member States required to establish a maximum threshold in their national building renovation plan (NBRP).

In terms of the **sources of energy that are eligible to supply a ZEB**, Member States shall draw from an explicit list:

- On-site or nearby renewable energy sources (defined in Article 2§55)
- Renewable energy from a renewable energy community (defined in REDII Article 22)<sup>5</sup>
- Energy from an efficient district heating and cooling (DHC) system (as defined in EED Article 26§1)<sup>6</sup>
- Energy from “carbon free sources”

Where it is not technically or economically feasible to use the above options, *“the total annual primary energy use [of a ZEB] may also be covered by other energy from the grid complying with criteria established at national level”*.

- ▶ While the first two options clearly point towards renewable energy exclusively, the other two options, as well as the alternative, do not ensure that a ZEB will source its energy from renewables only. Indeed, a DHC system can be labelled as “efficient” while it is still based on at least 50% fossil fuel until 2040. To ensure full decarbonisation of a ZEB, the first two options should get priority – or at least, should represent a minimum share of the ZEB’s very low amount of energy.

<sup>5</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018L2001>

<sup>6</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32023L1791&qid=1698930645285>

## A TIMELINE TO BE COORDINATED WITH THE 'SOLAR MANDATE'

The recast specifically pushes the deployment of solar energy. Member States shall ensure that new buildings are “*designed to optimise their solar energy generation potential*”. The ‘solar mandate’ even requires Member States to “*ensure the deployment of suitable solar energy installations, if technically suitable, and economically and functionally feasible*”, on certain types of buildings by certain dates (see table below).

**Table 1:** Overview of requirements and deadlines linked to the solar mandate and ZEB

Targeted buildings (right) Timeline (below)	 Public	 Non-residential	 Residential
2026	From the transposition date (29/05/2026), public bodies shall aim for buildings they occupy to be ZEB		
	By 31/12/2026, solar mandate applies to all new public and non-residential buildings with a useful floor area >250m <sup>2</sup>		
2027			
2028	From 01/01/2028, new buildings owned by public bodies shall be ZEB		
2029			By 31/12/2029, solar mandate applies to all new residential buildings
2030		From 01/01/2030, all new buildings shall be ZEB	

## A PROGRESSIVE INTEGRATION OF LIFECYCLE THINKING

This revision marks, for the first time, the integration of lifecycle thinking into the EPBD by setting out a performance-based policy framework for measuring and reducing whole-life carbon emissions, based on common standards and methodology.

**By 31/12/2025**

The Commission must adopt a Delegated Act to amend Annex III to set out a Union framework for the national calculation of lifecycle global warming potential.

**2027**

- Based on the Delegated Act, by 01/01/2027 Member States must publish a roadmap detailing the introduction of limit values on total cumulative lifecycle global warming potential for all new buildings, and set targets and limit values for new buildings from 2030, aiming at a progressive downward trend.
- There will also be Commission guidance to support this exercise.

**2028**

- From 01/01/2028, Member States must ensure that the lifecycle global warming potential is calculated in accordance with Annex III and disclosed through the energy performance certificate for all new large buildings (useful floor area >1,000m<sup>2</sup>).
- In calculating and setting cost-optimal levels, to be submitted by 30/06/2028, Member States may take into account lifecycle global warming potential.

**From 01/01/2030**

All new buildings should comply with the ZEB standard, have their lifecycle global warming potential calculated and disclosed through the EPC, and comply with the limit values on total cumulative lifecycle global warming potential set at national level.

# RENOVATION POLICIES FOR EXISTING BUILDINGS

Besides introducing an updated standard for construction, the recast includes new policies for the renovation of existing buildings. Minimum Energy Performance Standards (MEPS), a new measure at EU level, are introduced for non-residential buildings, aiming at renovating the worst-performing ones as a priority. The Directive also sets, for the first time, a quantitative target for the renovation of the residential building stock at national level.

## WHAT ABOUT PUBLIC BUILDINGS?

Public buildings can be either residential or non-residential, provided the ownership structure does not preclude either use of the building. However, the recast EPBD seems to differentiate between three categories of buildings: residential, non-residential, and public (Annex III, Section a).

It does not provide a definition of 'public buildings', but it refers to the definition of 'public bodies' as in EED Article 2§12: "national, regional or local authorities and entities directly financed and administered by those authorities but not having an industrial or commercial character."

The EPBD does not include specific requirements for the renovation of existing public buildings, as this is dealt with in EED Article 6. Under this provision, Member States shall, inter alia, ensure that at least 3% of the total floor area of buildings owned by public bodies is renovated each year to at least NZEB or ZEB levels.

# MINIMUM ENERGY PERFORMANCE STANDARDS FOR NON-RESIDENTIAL BUILDINGS

## Article 9§1

### PLANNING

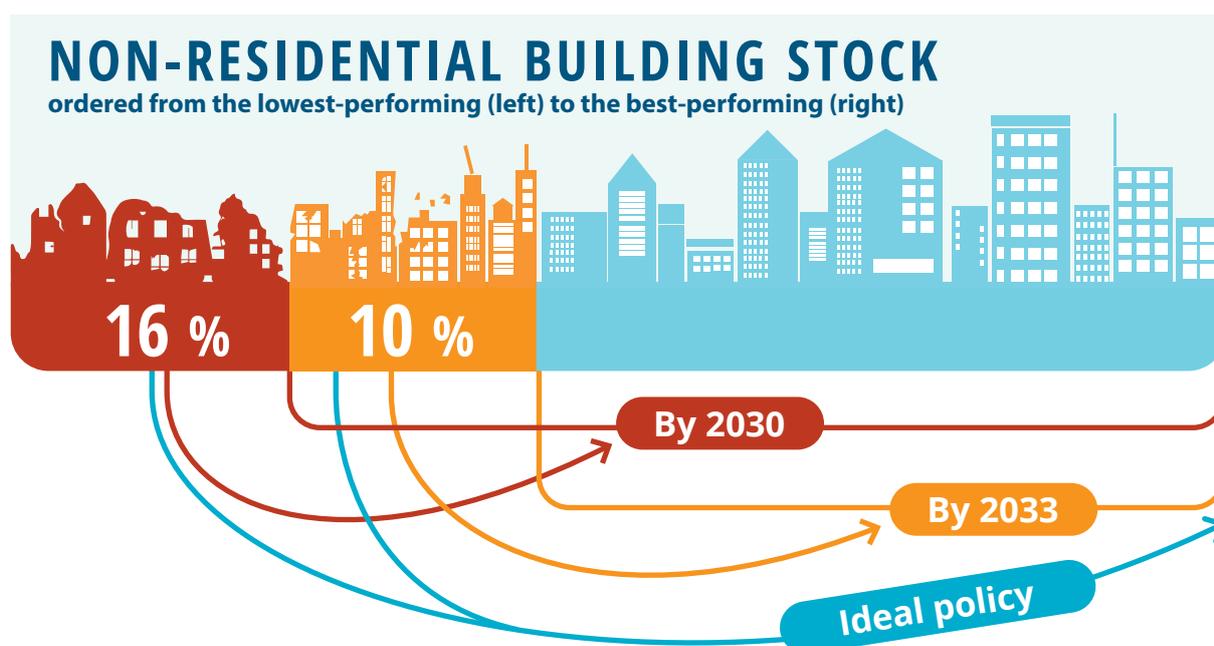
The EPBD outlines mandatory objectives to improve the worst-performing parts of the non-residential building stock by 2030 and 2033, through MEPS. These are defined in Article 2§4 as “rules that require existing buildings to meet an energy performance requirement as part of a wide renovation plan for a building stock or at a trigger point on the market such as sale, rent, donation or change of purpose within the cadastre or land registry, in a period of time or by a specific date, thereby triggering the renovation of existing buildings.”

Under Article 9§1, the first step for Member States is to establish an overview, in primary or final energy use, of the state of the non-residential stock on 01/01/2020. This overview shall exclude the non-residential buildings that Member States plan to exempt from complying with the MEPS, in accordance with Article 9§6.<sup>7</sup> Member States shall then identify, based on statistical sampling or “available information”, the 16% and 26% lowest-performing non-residential buildings from this established overview, either as a whole or by sub-segment (e.g. the 16% worst-performing offices, the 16% worst-performing hospitals etc.).

### AMBITION LEVEL: RENOVATING THE LOWEST-PERFORMANCE NON-RESIDENTIAL BUILDINGS BY 2033

Member States shall establish MEPS ensuring that 26% of the lowest-performing non-residential buildings will be improved, in two steps: the first tranche (16%) by 2030, and the second tranche (10%) by 2033.

**Figure 2:** requirements on non-residential buildings and optimal way of fulfilling them



<sup>7</sup> Member States are allowed to exempt certain categories of buildings from complying with MEPS, both in the non-residential and residential segments, mostly based on a specific usage, such as religious activities, industrial sites, agricultural buildings with low energy demand, temporary buildings with a time of use overall of two years or less, and national defence purposes. Additionally, small standalone buildings (total useful floor area <50m<sup>2</sup>) and buildings officially protected or other heritage buildings (under some conditions), may also be exempted from the MEPS.

- ▶ Member States should consider the requirements well in advance and aim to deeply renovate the targeted buildings to a higher level of energy performance immediately, rather than simply bringing them just above the required threshold. This would also help with meeting the additional milestones for non-residential buildings in 2040 and 2050  
→ Member States must set these in line with the objective of transforming the national stock into ZEBs.

## A CAREFULLY CRAFTED FRAMEWORK WITH LIMITED EXEMPTIONS AND ADJUSTMENTS

Besides the more general exemptions (Article 9§6),<sup>8</sup> Member States may exempt certain individual non-residential buildings for one of three reasons:

- (1) in light of the expected future use of the building,
- (2) in light of “*serious hardship*”, and
- (3) in case of an unfavourable cost-benefit assessment for the overall renovation of the building.<sup>9</sup>

These three cases are quite broad and are open to interpretation at national level, as the more specific criteria will be defined by Member States in their NBRPs.

However, additional safeguards ensure that the individual exemptions will not undermine the impact of the requirements, as Member States must:

- Avoid the exemption of a “*disproportionate number*” of non-residential buildings.
- “*Ensure equal treatment between non-residential buildings*”, which should mean that no specific sub-segment of the non-residential building stock can on principle be exempted.<sup>10</sup>
- Achieve equivalent energy performance improvements in other parts of the non-residential stock to compensate for the individual buildings exempted.

Finally, the recast EPBD allows Member States to use an adjustment mechanism if (parts of) the non-residential stock is “*seriously damaged by a natural disaster*”. Member States can temporarily adapt their energy performance thresholds, and swap targeted buildings from the two tranches with damaged non-residential buildings.

Compliance with the requirements must be checked at individual building level, either based on EPCs (remembering that Member States may express the tranches through an EPC class) or “*where appropriate, other available means*”.

<sup>8</sup> Member States are allowed to exempt certain categories of buildings from complying with MEPS, both in the non-residential and residential segments, mostly based on a specific usage, such as religious activities, industrial sites, agricultural buildings with low energy demand, temporary buildings with a time of use overall of two years or less, and national defence purposes. Additionally, small standalone buildings (total useful floor area < 50m<sup>2</sup>) and buildings officially protected or other heritage buildings (under some conditions), may also be exempted from the MEPS.

<sup>9</sup> Although individual renovation measures with a favourable cost-benefit assessment shall be implemented.

<sup>10</sup> For example, all offices should not be exempted only on the basis that they are offices. Exemption should be granted on an individual basis to some non-residential buildings based on their individual characteristics, not because of their building type.

# NATIONAL TRAJECTORY FOR THE PROGRESSIVE RENOVATION OF THE RESIDENTIAL STOCK

## Article 9§2

### PLANNING AND GOVERNANCE

The recast EPBD introduces a binding objective for the improvement of the residential building stock, with national flexibility and social considerations. Member States “shall establish a national trajectory for the progressive renovation of the residential building stock” from 2020 to 2050, with milestones every five years as of 2030. The trajectory shall be expressed as a decrease in the average primary energy use (kWh/m<sup>2</sup>/year) but other indicators may be added (operational GHG emissions, non-renewable and renewable primary energy use). The methodology to estimate the trajectory shall use data from statistical sampling and EPCs.

The trajectory shall be established at the latest by 29/05/2026, and it must be reported within the NBRP. Considering the timing of the adoption of the EPBD and deadlines relevant to NBRPs (see below), there might be a short mismatch. While the trajectory should be estimated at the latest by summer 2026, the first draft NBRP has to be submitted six months before that, by 31/12/2025.

- ▶ In view of the need for swift implementation and overall coherence with other EPBD provisions, national trajectories should already be established in the first draft NBRP (by 31/12/2025), instead of the final NBRP (by 31/12/2026). This would allow the Commission to scrutinise the trajectory within its assessment of draft NBRPs.

### A CLEAR AND MANDATORY RENOVATION ROADMAP FOR THE RESIDENTIAL STOCK IN THE COMING DECADES

Member States shall ensure that the average primary energy use of the residential stock:

- Decreases by at least 16% between 2020 and 2030.
- Decreases by at least 20 to 22% between 2020 and 2035.
- By 2040, 2045 and 2050, is equivalent to or lower than a nationally determined value derived from a progressive decrease in the trajectory between 2030 and 2050.
- Leads to a residential stock at ZEB level in 2050.

Member States may use an adjustment mechanism, adapting the levels of the 2030 and 2035 milestones. For the mechanism to be triggered, residential energy must use less than 15% fossil energy on average. However, Member States using the mechanism must still ensure that the milestone values are equivalent to or lower than the nationally determined value derived from a linear decrease in the average primary energy use from 2020 to 2050.

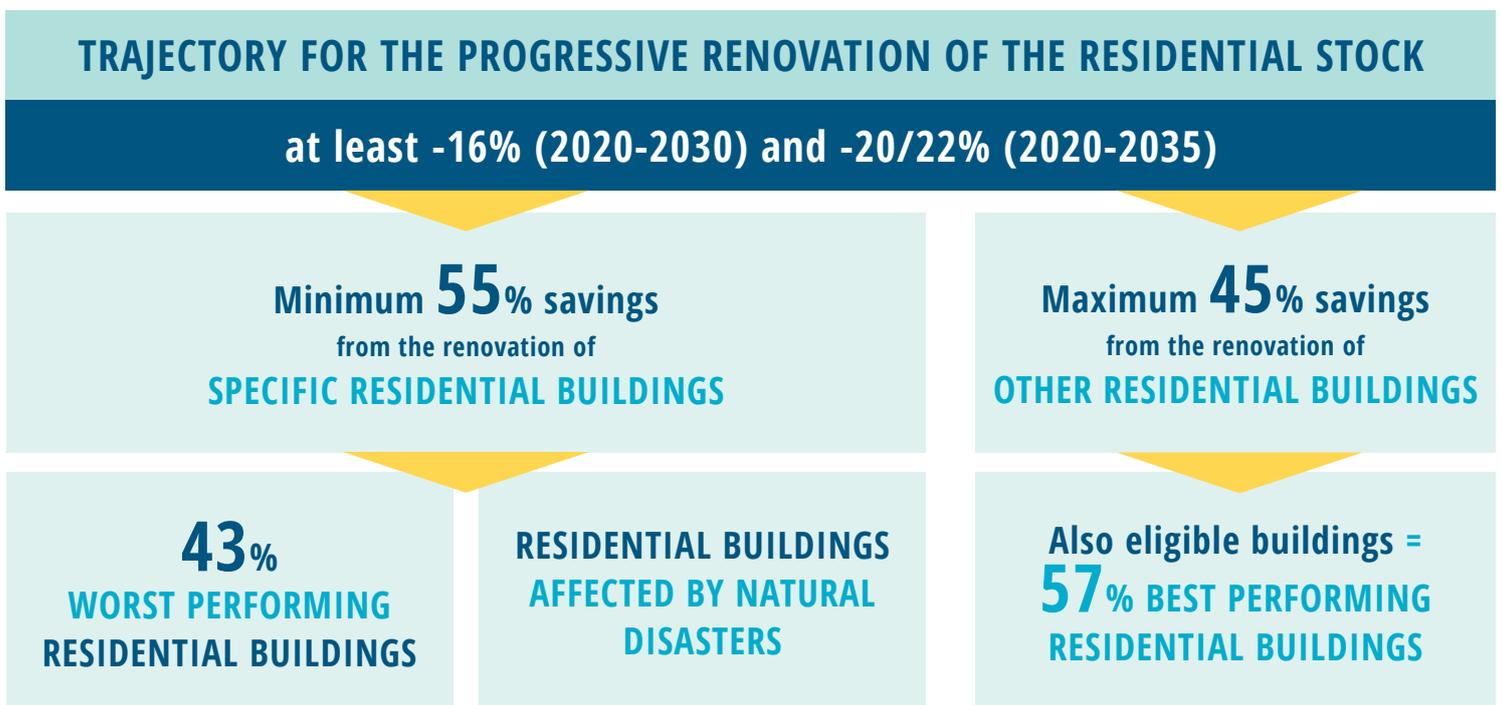
## A LARGE PART OF THE TRAJECTORY MUST BE DELIVERED BY THE RENOVATION OF THE WORST-PERFORMING BUILDINGS

The trajectory must identify either the number of buildings and building units or the floor area to be renovated annually, including the number or floor area of the worst-performing buildings. This is because Member States shall ensure that at least 55% of the trajectory is achieved through the renovation of the 43% worst-performing residential buildings. Additionally, Member States may count the renovation of buildings affected by “*natural disasters*” within the 55% sub-target.<sup>11</sup>

- ▶ This 55% sub-target ensures a focus on the renovation of the worst-performing residential buildings, even if the trajectory is based on the overall segment average. This is essential both in terms of the energy and emissions savings potential, but also for the social fairness of the Directive, as the worst-performing buildings are often occupied by people in energy poverty. To that end, action should be focused on the bottom part of the 43% of buildings with the lowest energy performance.

Member States can exempt certain categories of buildings (Article 9§6), but “*shall not disproportionately exempt rental residential buildings or building units*”. This should ensure that both tenants and owners can benefit from the renovation activities needed to fulfil the trajectory.

**Figure 3:** Summary of requirements relevant to the residential trajectory



<sup>11</sup> EPBD Article 9§2 only explicitly refers to “earthquakes and floods” as natural disasters.

## A TRAJECTORY TO BE ACHIEVED BY A MIX OF REGULATORY MEASURES, FINANCIAL SUPPORT AND TECHNICAL ASSISTANCE

To achieve the trajectory and the sub-target focusing on the worst-performing buildings, *“Member States shall put in place measures such as MEPS, technical assistance, and financial support measures.”* Specific policy obligations such as MEPS are thus among several options available to Member States.

- ▶ Member States should provide clarity to building owners about what the trajectory means for their buildings. This can be done by translating the trajectory into MEPS, which are specific measures at individual building level. The EPBD authorises a wide variety of MEPS designs, enabling Member States to establish MEPS while tailoring them to the ownership structure, ability to invest, and specific sub-segments of the residential stock (single-family home, multi-apartment building).<sup>12</sup> Ideally, the trajectory should be achieved by a combination of regulatory measures (MEPS), technical assistance and financial support, rather than by one of these without the others.



**The recast EPBD introduces a binding objective for the improvement of the residential building stock, with national flexibility and social considerations... National trajectories should already be established in the first National Building Renovation Plan (NBRP) by 2025, instead of the final NBRP by 2026.**



<sup>12</sup> For more ideas on how to design MEPS, see BPIE (Buildings Performance Institute Europe) (2023). Minimum standards, maximum impact: How to design fair and effective minimum energy performance standards. Available at: [https://www.bpie.eu/wp-content/uploads/2023/05/Minimum-standards-maximum-impact\\_Final.pdf](https://www.bpie.eu/wp-content/uploads/2023/05/Minimum-standards-maximum-impact_Final.pdf)

# THE EPBD FACILITATES MEPS IMPLEMENTATION

## NO MEPS WITHOUT AN ENABLING FRAMEWORK

Article 9§4 requires Member States to support compliance with MEPS by all the following measures, with some of them targeted at specific parts of the population: 1) vulnerable households, 2) people affected by energy poverty, and 3) people living in social housing. These mandatory compliance support measures should be applied to both the *non-residential* MEPS established at EU level, and to residential MEPS, when put in place by Member States to fulfil the trajectory. When Member States decide to set up MEPS for residential buildings, they *must* put in place technical assistance and financial support.

Financial support		Monitoring	Technical assistance	
Providing appropriate financial measures (1, 2, 3)	Designing integrated financing schemes providing incentives for deep and staged deep renovations	Social impacts (1)	Removing non-economic barriers including split incentives	Including through one-stop-shops (1, 3)

► Renovation passports, even if not explicitly mentioned in this provision, should also be used besides one-stop-shops. Finally, the financial incentives for deep and staged deep renovations should be leveraged to achieve higher levels of performance than the minimum requirements set out in Article 9.

## EXEMPTIONS FOR SPECIFIC BUILDING CATEGORIES

Member States are allowed to exempt certain categories of buildings from complying with MEPS, both in the non-residential and residential segments, mostly based on a specific usage: religious activities, industrial sites, agricultural buildings with low energy demand, temporary buildings with a time of use overall of two years or less, national defence purposes, and residential buildings used for less than four months per year. Additionally, small standalone buildings (total useful floor area <50m<sup>2</sup>), and officially protected buildings or other heritage buildings (under some conditions), may also be exempted from the MEPS.

**Table 2:** Overview of how exemptions impact the baseline setup and MEPS requirements

Types of buildings (right) Application of exemptions (below)	Exempted from inclusion in the 'baseline'	Can be exempted from complying with MEPS
Selected non-residential buildings	YES	YES
Selected residential buildings	NO	YES

## MONITORING AND PENALTIES

Member States should monitor whether the requirements for both non-residential and residential buildings are being achieved, and report on these within their NBRPs. The Commission is involved in this respect, by assessing and providing recommendations.

For the residential trajectory the Commission plays an even more explicit role, as it shall evaluate the achievement of the trajectory and check that at least 55% of it comes from the renovation of the 43% worst-performing residential buildings. The Commission can then make recommendations *“where necessary, including a more extensive use of MEPS”*.

Considering the timeline of the NBRP cycle (see below), this means that:

- The Commission could and should carry out an ambition gap assessment (evaluating whether pledged trajectories are in line with the needs) in its assessment of draft NBRPs (June 2026), especially if Member States already include information on the residential trajectory by 31/12/2025.
  - A delivery gap assessment (evaluating whether the pledged trajectory has been achieved) is required by the EPBD and should be included within the 2031 and 2033 NECP progress reports, as well as the 2033/2034 NECP update.
- ▶ The submission of the trajectory by Member States should be frontloaded into the draft NBRP (by 31/12/2025) and deadlines related to NBRP and NECP cycles should be respected, in order to ensure proper reporting and monitoring of results. Otherwise, some more complex issues might arise if timelines are misaligned.

Finally, when it comes to laying down rules on penalties, it is Member States who are responsible. In that regard, they shall consider the financial situation of homeowners, particularly those in vulnerable households, and set penalties which are effective, dissuasive and proportionate.

# PLANNING FOR THE 2050 VISION AND DECARBONISING HEATING AND COOLING

While the EPBD sets out specific requirements for constructing and renovating individual buildings, it also includes a 2050 vision for the entire building stock. To achieve this long-term vision, the EPBD includes specific provisions related to the decarbonisation of heating and cooling and strengthens the strategic planning tool to be used at national level: the national building renovation plan (NBRP).

## THE 2050 VISION FOR THE BUILDING STOCK AND DECARBONISATION OF HEATING AND COOLING

*Article 1, Article 10, Article 13, Article 17§15, Article 19§9, Annex II*

**The vision for the entire building stock is to be zero-emission by 2050**, using the newly introduced ZEB concept. However, the Directive does not specify how standards defined in terms of individual building level should apply at the stock level. Besides the standard for new buildings, there is a specific **ZEB standard for existing buildings**, where both energy demand and operational GHG emissions maximum thresholds can be adapted by Member States. However, there is no requirement for existing buildings to become ZEB at certain dates or at specific trigger points. The decarbonisation of heating and cooling in existing buildings is promoted through other provisions.

First, Member States are required, within their NBRP,<sup>13</sup> to describe their policies regarding the *“phasing out of fossil fuels in heating and cooling **with a view to a complete phasing out of fossil fuel boilers by 2040**”*. The Commission is required to provide a definition of what counts as a “fossil fuel boiler”.

- ▶ While the provision *stricto sensu* is an indicative target about the phase-out of boilers, Member States should plan for a complete phase-out of fossil fuel use in buildings as soon as possible.

<sup>13</sup> Mandatory indicator within Annex II (NBRP template)

The recast EPBD also refers to another target relevant to heating and cooling decarbonisation, included in the Renewable Energy Directive (REDIII Article 15a§1), which requires Member States to achieve “*an indicative target of at least 49% [renewables in the EU] final energy consumption in buildings in 2030*”.

Second, **the recast EPBD encourages Member States to set national requirements to phase out fossil fuel boilers** by:

- Setting a stronger legal basis which allows Member States to set requirements on:
    - Heat generators, based on (1) their GHG emissions, and (2) the type of fuel used; and
    - The minimum part of renewable energy used for heating and cooling at building level.
  - Calling on Member States to “*strive to replace stand-alone boilers powered by fossil fuels in existing buildings*”.
- ▶ These provisions are welcome tools to promote the decarbonisation of heating and cooling in existing buildings. However, they are either of a merely indicative nature or are left to the discretion of Member States, which reduces their impact. The recast EPBD does not include an EU-wide ban on the installation of fossil fuel boilers in existing buildings.

Third, **the recast EPBD incentivises the use of renewable energy in some categories of existing buildings**. When an EPC is issued, its recommendations should include, where relevant, “*possible alternatives for the replacement of the heating and cooling system, in line with 2030 and 2050 targets*”. Moreover, the recast EPBD Article 10 requires the progressive deployment of solar energy installations on existing public and non-residential buildings, provided it is technically, economically and functionally feasible.

Finally, the recast EPBD indicates **a redirection of financing streams away from fossil fuel-based equipment towards further decarbonised heating and cooling** by:

- Banning Member States from 01/01/2025 from providing financial incentives for the installation of stand-alone boilers powered by fossil fuels (Article 17§15). However, this provision includes two weaknesses, as it still allows financial support to be granted to: (1) hybrid/combined systems that partly run on fossil fuels, and (2) stand-alone fossil fuel boilers if such investments take place under some existing EU funds and have been decided before 2025.<sup>14</sup>
- Requiring Member States to provide financial support for the deployment of solar energy in buildings (Article 10§5).
- Incentivising Member States to provide “*new incentives and funding to encourage the switch from fossil-fuel-based heating and cooling systems to non-fossil-fuel-based heating and cooling systems*” (Article 13§6).

<sup>14</sup> Recovery and Resilience Facility, as well as Regional Funds of the current Multiannual Financial Framework (thereby postponing the complete ban to 2030)

# NATIONAL BUILDING RENOVATION PLANS

## *Article 3, Annex II*

The recast EPBD, besides renaming national long-term renovation strategies (LTRS) as national building renovation plans (NBRPs), brings significant changes to this key planning tool for building renovation and decarbonisation.

## **A MORE HOLISTIC TOOL AT THE CENTRE OF STRATEGIC ACTION FOR THE BUILDING STOCK**

The recast EPBD transforms the NBRP into a more holistic planning tool. It entails a stronger social focus with key indicators on energy poverty and skills, and it is intended to be used more strategically to support the decarbonisation of the building stock, serving as an integrated planning, reporting and assessment instrument. The NBRP also includes a strong transparency dimension with the requirement for Member States to hold a public consultation during the drafting process, as well as an obligation to feed data on the building stock to the publicly available Building Stock Observatory.

## **IMPROVED AND MORE DETAILED CONTENT, BUILDING ON THE LONG-TERM RENOVATION STRATEGIES**

Member States are required to establish a NBRP to ensure the improvement of the national building stock with a view to its full decarbonisation by 2050. Each NBRP shall contain a certain number of points. Some of them were already included in the LTRS but are now more detailed: an overview of the state of the building stock, a roadmap with national targets and measurable progress indicators, an overview of policies and measures to implement the roadmap, an outline of investment needs, and an estimate of expected benefits.

Additional points are introduced to support the planning and reporting related to new instruments of the recast EPBD (thresholds for ZEBs and non-residential MEPS, residential trajectory). The most significant addition concerning NBRPs is the introduction of an EU-wide template (Annex II) for Member States to follow when drafting them. The new template provides detailed specifications regarding the structure and content of NBRPs, with a list of mandatory and optional indicators. Following a template should help Member States in their planning activity, as well as the Commission in its monitoring and evaluation tasks.

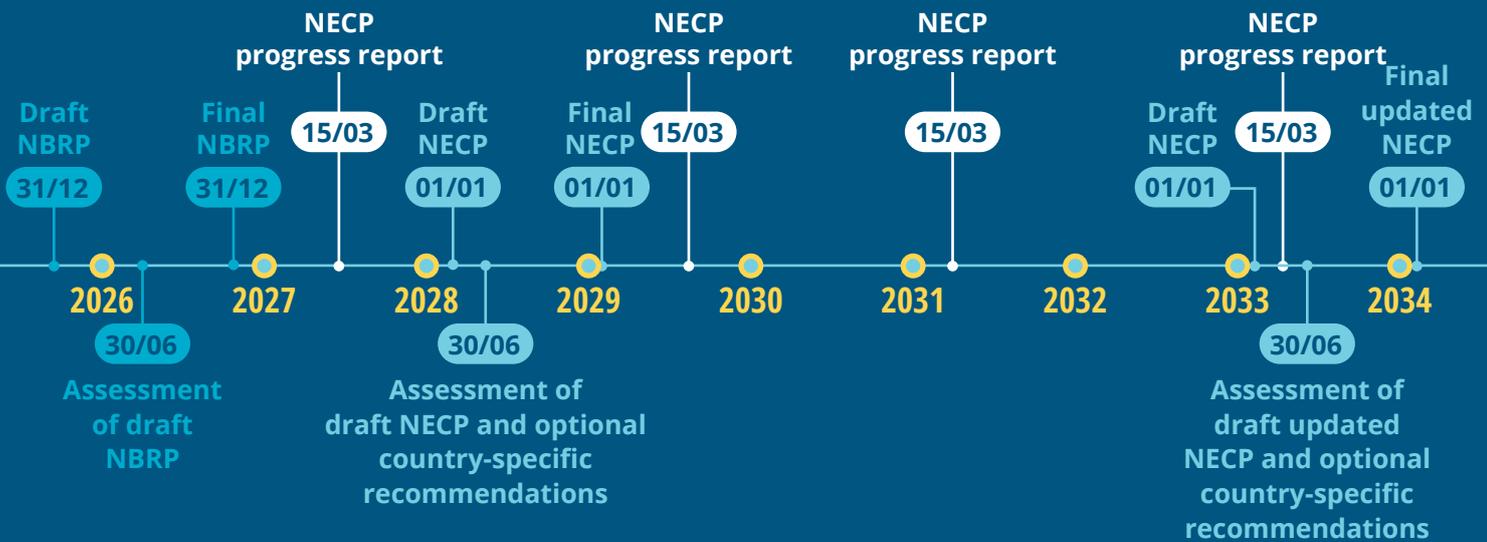
## A TIMELINE INTENDED TO ALIGN WITH NATIONAL ENERGY AND CLIMATE PLANS

The recast EPBD builds on the previously established integration with the Governance Regulation,<sup>15</sup> intending to match the NBRP process with the cycles of the national energy and climate plans (NECPs). The NBRP will now be updated every five years. Similar to NECPs, NBRP preparations will follow a three-stage process consisting of (1) the submission of the draft plan by Member States, (2) the assessment of the draft plan by the Commission (with optional country-specific recommendations), and (3) the submission by Member States of the final plan, taking due account of the Commission's recommendations. Beyond a methodological parallel there is an alignment of timelines between NBRPs and NECPs, except for the first NBRP (2025/2026), by way of derogation (authorised by Article 3).

**Figure 4:** Requirements and deadlines, linked to NBRP and NECP cycles (until 2034)

## REQUIREMENTS AND DEADLINES

### MEMBER STATE ACTIONS



### EU COMMISSION ACTIONS

There is a risk that Member States will not update their NBRP when submitting it together with the next draft NECP. This is due to the short timeframe (one year) between the first final NBRP (by 31/12/2026) and the second NBRP, to be submitted as part of the next draft NECP (by 01/01/2028).

- ▶ In any case, the first draft NBRP (by 31/12/2025) should consider the information provided within the updated NECP (June 2024) to ensure initial coherence between both planning tools.

<sup>15</sup> Regulation (EU) 2018/1999 on the Governance of the Energy Union and Climate Action.

# A STRONGER ENABLING FRAMEWORK: INFORMATION, ADVISORY, AND FINANCIAL SUPPORT

Besides updating the standard for construction and introducing renovation requirements, the recast EPBD improves the enabling framework and brings new or stronger benefits to citizens in terms of access to information, advice, and financial support.

## IMPROVED ENERGY PERFORMANCE CERTIFICATES

*Article 19, Article 20, Annex V, Annex VI*

EPCs are an essential tool to convey information to citizens about the energy performance of their building. The recast EPBD introduces many improvements to the EPC framework.

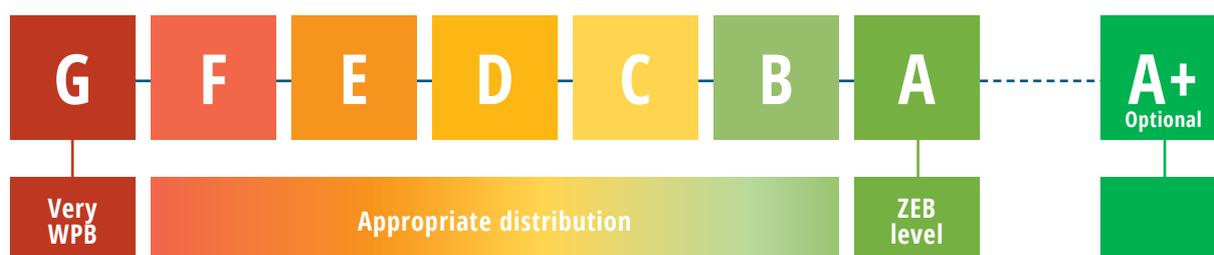
### AN INCREASINGLY COMMON APPROACH TO EPC SCALES, WITH SOME NATIONAL FLEXIBILITY RETAINED

Member States are required to recalibrate EPC classes using only the letters from 'A' to 'G,' and shall ensure an *“appropriate distribution of energy performance indicators”* among 'B' to 'F' classes.

- ▶ Member States should ensure that the limits of classes (top and bottom thresholds) are defined in a way that does not lead to the creation of very small or very large classes. This will ensure that buildings are distributed across the classes in a fair way, enabling Member States to quickly identify which buildings to prioritise for the renovation actions.

Some EPC classes should be commonly used across Member States:

- 'G' class should cover the very-worst-performing buildings (defined at national level).
- 'A' class should correspond to ZEB.
- 'A+' class, if Member States decide to use it, should be defined at the national level as *"building with a maximum threshold for energy demand which is at least 20% lower than the maximum threshold for ZEB, and which generates more renewable energy on-site annually than its total annual primary energy demand"*.



The updated scale should apply to new EPCs issued as of 29/05/2026. There is one exemption: Member States which rescaled their EPCs between 01/01/2019 and summer 2024 (entry into force of the EPBD) may postpone the rescaling to 31/12/2029.

But reforming EPCs is not only about rescaling. The recast EPBD includes many positive changes regarding the quality of their content, however the improvement potential will not entirely be fulfilled, considering provisions on EPC rollout.

## MORE COMPLETE, INFORMATIVE, AND USEFUL EPCS

EPCs shall communicate energy performance in a common way – i.e. with numeric indicators of both primary and final energy use in kWh/m<sup>2</sup>/year – and include, for comparison purposes, reference values (MEPS, NZEB, ZEB). The recast EPBD also introduces a common EPC template, to be mandatorily used as of 29/05/2026. It specifies which elements the EPC should include, along three categories of indicators: (1) mandatory indicators on the front page specifically, (2) mandatory indicators overall, and (3) optional indicators.

- ▶ The introduction of a template with additional indicators will enhance the comprehensiveness of information which citizens can access regarding the building they own or occupy.

The recast also **widens the scope of EPC recommendations**, which should increase their impact. Next to the energy performance improvements and steps to achieve them, recommendations must now also include more details on:

- The energy savings and operational GHG emissions reduction potential
- The improvement of indoor environmental quality
- Financial incentives and benefits

- Available administrative and technical support
- Possible alternatives for the replacement of the heating and cooling system

Finally, the recast EPBD (Annex VI) considerably elaborates and strengthens provisions linked to EPC quality control, notably on the validity and (public) availability of EPCs.

## IMPROVEMENTS ARE UNFORTUNATELY RESTRICTED TO A SMALL NUMBER OF EPCS

Besides the trigger points of construction, sell or lease to a new tenant, **the recast EPBD increases the number of instances when an EPC shall be issued** to also include major renovation and renewal of rental contracts. In addition, it widens the requirement to issue an EPC from *“buildings over 250 m<sup>2</sup> occupied by public authorities and frequently visited by the public”* to *“existing buildings owned or occupied by public bodies”*.

- ▶ While these additional hooks to issue EPCs are welcome, they are not enough to drastically increase the number of EPCs within the entire stock, especially for owner-occupied buildings. Requiring the issuing of EPCs in more instances would contribute to getting more data on the state of the stock, thereby helping to better implement renovation requirements (Article 9).

Considering the timeline for rescaling and that the EPC lifespan period remains at 10 years, EPCs issued in accordance with the previous EPBD will remain lawful until the end of their validity period. Therefore, EPCs issued according to two different scales will co-exist until around 2036. This also means that all the above-described **improvements to the content of EPCs will materialise for only a small number of EPCs and in a very gradual way**. However, the recast EPBD includes provisions to boost the uptake of EPCs in certain parts of the population, as Member States shall ensure the affordability of EPCs and shall consider providing financial support to vulnerable households to enable them to get an EPC.

Finally, the recast EPBD specifies that **by default, EPCs should be issued through an on-site visit by an independent expert**, but authorises an alternative approach to the on-site visit, which *“may be carried out, where appropriate, by virtual means with visual checks”*.

- ▶ Allowing virtual site visits for issuing EPCs is currently a major risk to their quality. With better data in the future such visits will become more reliable, but this cannot yet be considered a good method to issue EPCs.

# RENOVATION PASSPORTS AND ONE-STOP-SHOPS

## AN EU FRAMEWORK TO SUPERVISE AND FACILITATE THE UPTAKE OF RENOVATION PASSPORTS

*Article 2§19, Article 12, Article 19§6, Annex VIII*

The recast EPBD introduces a **definition for renovation passports**: a “tailored roadmap for the deep renovation of a specific building in a maximum number of steps that will significantly improve its energy performance”. As the Directive also defines deep renovation<sup>16</sup> as the transformation of a building into a NZEB (until 2030) and into a ZEB (as of 2030), it means that **the renovation passport outlines how, in a few steps, an existing building should be renovated into a ZEB**. There is no deadline by which this level should be achieved, but the recast EPBD suggests the renovation passport should “explain the best steps by which to transform the building into a ZEB *well before 2050*”.

The recast EPBD also includes a **common EU framework for renovation passports**, which further elaborates on the definition, describing the main renovation passport design features, distributed between mandatory and optional elements. Based on the definition and EU framework, **each Member State shall introduce its own national renovation passport scheme by 29/05/2026**. While national schemes are mandatory, the use of renovation passports at individual level by building owners is voluntary (unless Member States decide otherwise). Like for EPCs, Member States shall ensure that renovation passports are affordable and should consider providing financial support to vulnerable households to enable them to get a renovation passport.

► BPIE welcomes the common EU framework for renovation passports, and considers the concept is defined at the right level of ambition and in a comprehensive manner. This represents a firm foundation on which Member States can easily and quickly build to establish their national scheme. Unfortunately, the recast EPBD does not make the use of renovation passports mandatory at building level. This would have been a positive addition, even if only in some cases (e.g. as a condition to get public financial support for renovation). Member States should expand and boost the use of renovation passports, notably for the delivery of renovation requirements (Article 9).

The recast EPBD also introduces renovation passports in **coordination with other tools within the renovation ecosystem, especially the EPC**. The renovation passport should build on the information included in the EPC and shall indicate the estimated EPC class to be achieved following completion of the steps outlined. Renovation passports can also be drawn up and issued jointly with EPCs – in these cases, the renovation passport shall replace the recommendations section of the EPC.

► There are positive synergies between renovation passports and EPCs, avoiding overlaps and maximising the impacts of both tools.

The introduction of renovation passports in the recast EPBD also achieves a **balance between a forward-looking (digital) approach and quality safeguards**. The renovation passport shall be issued in a digital format and shall be stored in or accessed via a digital building logbook (DBL)<sup>17</sup> when one is available. Quality and reliability in turn are ensured by the requirement that a renovation passport can only be issued by a qualified or certified expert following an on-site visit of the building.

<sup>16</sup> Article 2§20 defines deep renovation as a “renovation which is in line with the ‘energy efficiency first’ principle, which focuses on essential building elements and which transforms a building or building unit into a NZEB before 2030, and into a ZEB from 2030”.

<sup>17</sup> A digital building logbook is defined in Article 2§41 as “a common repository for all relevant building data, including data related to energy performance such as energy performance certificates, renovation passports and smart readiness indicators, as well as data related to the lifecycle GWP, which facilitates informed decision making and information sharing within the construction sector, and among building owners and occupants, financial institutions and public bodies”.

## MORE RECOGNITION, BETTER INTEGRATION, AND A STRONGER ROLE FOR ONE-STOP-SHOPS

### Article 18

#### Who is responsible for setting up one-stop-shops?

Member States are required to establish and operate technical assistance facilities, including one-stop-shops. Private stakeholders can be involved in the setting up of one-stop-shops, where appropriate. In coordination with the EED (Article 22§6), the Commission must provide guidelines on how to establish one-stop-shops, to *“encourage cooperation among public bodies, energy agencies and community-led initiatives”* and with the objective of *“creating a harmonised approach”* in the EU. Member States shall report, within their NBRP, on policies put in place to create one-stop-shops and may report on the number of them too.

#### How are one-stop-shops rolled out and to whom are they addressed?

There should be a minimum of one one-stop-shop per 80,000 inhabitants and per region. One-stop-shops will, broadly speaking, target three audience categories: 1) public actors (administrative), 2) private actors (homeowners and households), and 3) private entities (financial and economic organisations, including SMEs). A particular focus should be given, through dedicated services, to people affected by energy poverty, and vulnerable and low-income households.

#### What services should one-stop-shops provide?

Technical assistance facilities should provide streamlined information, independent advice, and holistic support related to the energy performance of buildings, covering both technical and financial solutions, at all stages of renovation projects, with a particular focus on the worst-performing buildings and considering different housing typologies. Other optional goals include: (1) accompanying *“integrated district renovation programmes”*,<sup>18</sup> and (2) providing measures and financing to promote education and training, especially targeting SMEs (Article 17§12).

#### What role should one-stop-shops play within the renovation ecosystem?

The recast EPBD introduces a separate Article on one-stop shops, giving them more prominence as key information and advisory tools for renovation. It also recognises the crucial role they play in supporting the delivery of other provisions, such as MEPS (Article 9§4b), and draws links between one-stop-shops and other tools, such as EPCs and renovation passports. These identified synergies should boost the use of one-stop-shops. Both EPCs and renovation passports must contain, as a mandatory element, the contact information of relevant one-stop-shops (Article 19§10, Annex V and Annex VIII). When an issued EPC is below class ‘C’, building owners shall be invited to receive renovation advice in a one-stop-shop (Article 19§13).

► BPiE welcomes the strong support for one-stop-shops given by the recast EPBD and the special attention it gives to their wide availability to all citizens across Europe, including social fairness considerations. A clearer requirement for one-stop-shops to promote deep renovation and full decarbonisation would have been more impactful, but at least one-stop-shops are recognised within the enabling framework necessary to deliver on the requirements of Article 9.

<sup>18</sup> The recast EPBD does not explicitly define integrated districts but Annex II includes a mandatory indicator within the requirement for Member States to provide an overview of policies, regarding the *“the promotion of district and neighbourhood approaches and integrated renovation programmes at district level, which may address issues such as energy, mobility, green infrastructure, waste and water treatment and other aspects of urban planning and may take into account local and regional resources, circularity and sufficiency”*. In its position, the European Parliament had defined in Article 2§44 ‘integrated district’ as *“a district selected on the basis of an analysis of building stock, taking into account the area-specific potentials for energy efficiency measures by means of clear and measurable objectives and that develops renovation roadmap templates for similar building types, following an adequate analysis of local conditions, with the aim of a rapid, resource-efficient and mutually coordinated transformation of buildings, as well as other aspects, such as the social structure, the economic and environmental conditions and the energy supply infrastructure of buildings”*.

# FINANCIAL SUPPORT FOR BUILDING RENOVATION AND DECARBONISATION

## Article 17

### A MORE STRATEGIC ROLE FOR A DIVERSE FINANCIAL FRAMEWORK

The recast EPBD recognises that the financial support framework for building renovation and decarbonisation **strategically contributes to the objective of a ZEB stock by 2050**. Member States shall outline within their NBRP both the investment needs and the financing and administrative resources for the implementation of the strategy. They shall also **promote a diverse set of financing instruments**, such as the newly introduced mortgage portfolio standard<sup>19</sup> and pay-as-you-save scheme, but also reduced tax rates, on-bill schemes, green loans, and many others.

Additionally, the Commission shall submit by 31/03/2025, **a report on the effectiveness and appropriateness of financing instruments both at the EU and national level**, for the purpose of improving the energy performance of buildings, in particular the worst-performing ones. This analysis will be key, not only for Member States writing their NBRP (draft to be submitted by 31/12/2025), but also in view of the preparations for the next EU budget, the Multiannual Financial Framework (2028-2034).

### 'HIGHER IMPACT, HIGHER SUPPORT': A QUALITY PRINCIPLE UNDERMINED BY ALTERNATIVES

Member States shall make **best cost-effective use of national and EU financing**, in a context of restricted availability of public funds. In this respect, the Directive adopts a push-and-pull approach, by supporting specific measures and restricting and even banning others. First, the recast EPBD sets out provisions to **redirect financial support to promote the decarbonisation of heating and cooling** (see section on the 2050 vision for more information).

Second, the recast EPBD builds on an earlier requirement for Member States to link their financial measures to the targeted or achieved energy savings and GHG emissions reductions. The Directive now introduces proportionality by **explicitly requiring Member States to incentivise (staged) deep renovations with higher financial, fiscal, administrative, and technical support**. Article 2520 defines deep renovation as a *“renovation which is in line with the ‘energy efficiency first’ principle, which focuses on essential building elements and which transforms a building or building unit into a NZEB before 2030, and into a ZEB from 2030”*. Article 2521 defines a *‘staged deep renovation’ as a deep renovation “carried out in a maximum number of steps, as set out in a renovation passport”*.

However, a renovation that reduces primary energy use by at least 60% is also allowed to benefit from the higher support. This alternative allows bigger support to be directed towards the deep renovation of the worst-performing buildings, which is a welcome development and in line with Article 9 requirements. On the other hand, Member States are also required to *“incentivise [with higher support] sizeable programmes that address a high number of buildings [...] and that result in an overall reduction of at least*

<sup>19</sup> To be further developed for voluntary use by financial institutions, through a Commission Delegated Act to be published within 12 months of the date of entry into force of the Directive, i.e. around summer 2025 (Article 17510).

30% of primary energy use". The principle of 'higher impact, higher support' might thus be undermined, as this level of ambition, in terms of energy savings, does not match with the deep renovation thinking and is not in line with climate targets. However, the recast EPBD introduces a safeguard by requiring Member States to focus their sizeable programmes on the worst-performing buildings.

## FINANCING TO SUPPORT THE RENOVATION ECOSYSTEM AND WITH SOCIAL CONSIDERATIONS

The recast EPBD also clarifies how **financing should be used to set up and run the renovation ecosystem**, which would in turn help to unleash private money. The Directive requires Member States to

- Address barriers related to upfront costs of renovations (Article 17§3).
- Finance the promotion of education and training to ensure a sufficient skilled workforce is available (Article 17§12).
- Ensure the affordability of EPCs and renovation passports and consider providing financial support for vulnerable households to enable them to get an EPC or renovation passport (Article 12§2 and Article 19§4).

Finally, the recast EPBD puts **a strong emphasis on social safeguards and the social fairness of availability of and access to financing:**

- 'Proactively': financial incentives shall target, as a priority, vulnerable households, people affected by energy poverty and people living in social housing, especially but not only when supporting the implementation of Article 9 renovation requirements.
- 'Defensively': Member States shall introduce safeguards, to protect in particular vulnerable households and tenants (e.g. imposing caps on disproportionate rent increases or providing rent support).

# Social fairness considerations in the EPBD



THE RECAST PAYS SPECIAL ATTENTION TO THE SOCIAL FAIRNESS OF ALL PROVISIONS, WHETHER MANDATORY REQUIREMENTS OR INCENTIVES AND SUPPORT WITHIN THE ENABLING FRAMEWORK.

- First, more recognition is given to the social aspects of building decarbonisation policies, by the **introduction of legal definitions** for specific concepts such as 'energy poverty' (Article 2§27) and 'vulnerable households' (Article 2§28).
- Second, policies and requirements put a strong emphasis on the **renovation of the worst-performing buildings**, which are often occupied by people in energy poverty. This is notably the case with the requirement to deliver 55% of the residential trajectory by the renovation of the 43% worst-performing residential buildings (Article 9§2). Moreover, the mandatory enabling framework (financial support and technical assistance) accompanying the introduction of MEPS (Article 9§4) mentions specific categories of the population (vulnerable households, people affected by energy poverty and people living in social housing). When defining penalties for non-compliance with renovation requirements, Member States shall also consider the financial situation of homeowners, particularly that of vulnerable households.
- More generally and beyond MEPS, the recast focuses many of the improvements it brings to the enabling framework on **ensuring the affordability of information and advisory services**. Member States shall ensure the affordability of both EPCs and renovation passports and shall consider providing financial support to vulnerable households to enable them to get such tools. One-stop-shops' services and financial support mechanisms should also benefit as a priority people affected by energy poverty, and vulnerable and low-income households.
- Finally, Member States shall **introduce specific safeguards** to protect citizens, in particular tenants (e.g. imposing caps on disproportionate rent increases or providing rent support). The recast also pays special attention to **monitoring the social impacts** of building renovation and decarbonisation policies. This is especially the case for MEPS (Article 9§4), but also applies more generally, with key indicators on energy poverty being added in the NBRP.



# Conclusion

As BPIE's EU Buildings Climate Tracker shows, the building stock is still not on track to achieve climate neutrality by 2050. There is a gap of more than 10 points between actual progress made since 2015 and the reference path aligned with climate neutrality.<sup>20</sup> The recast EPBD can contribute to closing, in a socially fair way, the building decarbonisation gap and realign the EU with its 2030 and 2050 climate and energy targets.

EU legislation is impactful only in so far as it is effectively implemented. The transposition period of the EPBD starts end of May 2024 and will last two years until 29 May 2026. This period will be crucial to get building renovation and decarbonisation policies right at the national level, so that all citizens can enjoy their benefits as quickly and fully as possible. If implemented well, and with social considerations in mind, the recast EPBD can be a powerful boost to building renovation and decarbonisation.

While it is now up to Member States to make the most of the opportunity, BPIE remains committed to supporting the transposition work.

<sup>20</sup> BPIE (Buildings Performance Institute Europe) (2023). EU Buildings Climate Tracker: A call for faster and bolder action. Available at: <https://www.bpie.eu/publication/eu-buildings-climate-tracker-a-call-for-faster-and-bolder-action/>



BUILDINGS  
PERFORMANCE  
INSTITUTE EUROPE

Rue de la Science 23  
B-1040 Brussels Belgium

Sebastianstraße 21  
D-10179 Berlin Germany

[www.bpie.eu](http://www.bpie.eu)

