

MAKING OUR HOMES AND BUILDINGS FIT FOR A GREENER FUTURE

July 2021



The proposals presented today support the development of renewable and less polluting energy systems for our homes and public buildings. They will:

- · decrease emissions
- save energy
- tackle energy poverty
- improve quality of life
- generate jobs and growth

Buildings account for:



40% of energy consumed



of energy-related greenhouse gas emissions

KEY PROPOSALS FOR HOMES AND BUILDINGS

- → The revised Energy Efficiency Directive and Renewable Energy Directive will make buildings more energy efficient and boost the use of renewable energy in buildings.
- → The new Effort Sharing Regulation sets emission reduction targets for all Member States by 2030 for sectors including buildings.
- ▶ Emissions Trading for building fuels will speed up emissions reductions and stimulate investments in renewables and energy efficiency.
- → The new Social Climate Fund, funded by revenues from emissions trading in road transport and buildings, will provide financial support to citizens, in particular the vulnerable households, to invest in renovation or heating systems and ensure a fair transition.

More measures for promoting the decarbonisation of buildings will follow before the end of the year with a proposal for revising the Energy Performance of Buildings Directive.



THE REVISED RENEWABLE ENERGY DIRECTIVE WILL:

- Make it easier to **integrate renewables** into the grid (e.g. developing new technologies, integrating storage facilities and improving cross-border cooperation)
- Provide **stronger incentives for electrification** (e.g. heat pumps and electric vehicles) and the incorporation of new fuels such as renewable hydrogen
- Encourage **energy efficiency** and **circularity** (e.g. facilitating the use of waste heat)



Set a new EU-level target of 40% renewables in the energy mix



Set a benchmark of 49% of renewables in buildings



Increase the use of renewable energy in heating and cooling by

1.1 percentage point every year



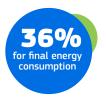
Raise the use of renewable energy in district heating and cooling by **2.1 percentage points** every year

THE STRENGTHENED ENERGY EFFICIENCY DIRECTIVE WILL:

SET BOLDER TARGETS FOR ENERGY SAVINGS BY 2030







9% increase compared to the ambition pledged by Member States in 2020 within their National Energy and Climate Plans

- Introduce indicative **Member State** contributions to the EU-level energy efficiency target
- Introduce a legal requirement to put energy efficiency first in planning and investment decisions
- Require Member States to renovate at least 3% of the total floor area of all public buildings annually
- Establish a new target for Member States to reduce energy use in the public sector by 1.7% every year
- Encourage public bodies to use **Energy Performance Contracts for renovation** of large non-residential buildings
- Prioritise energy efficiency measures for vulnerable consumers and energy poor households
- Take further steps to empower final customers basic contractual rights on **heating**, **cooling and hot water**





GIVING PRICE SIGNALS TO REDUCE EMISSIONS FROM BUILDINGS

EMISSIONS TRADING FOR BUILDING FUELS WILL:

- Put a price on polluting fuels, **encouraging producers to innovate and invest in clean energy**, and offer it to end-users
- Finance a Social Climate Fund to **provide financial support to citizens**, in particular vulnerable households, to invest in renovation or heating systems and ensure a fair transition
- Ensure a level playing field for all heating options, by **complementing the existing carbon price on electric heating and district heating** with a carbon price on domestic heating
- Create revenues for Member States which can be used to support the decarbonisation of buildings



INCENTIVISING MEMBER STATES TO CUT EMISSIONS IN BUILDINGS

THE NEW SOCIAL CLIMATE FUND WILL:

- Use €72.2 billion in current prices of auction revenues generated by the new ETS for buildings to address social impacts
- Benefit vulnerable households, especially those in energy poverty
- Support national measures and investments fostering building renovation for these households.
- Co-finance Member States' direct income support to vulnerable households until investments have been undertaken

NATIONAL EMISSION REDUCTION TARGETS UNDER THE EFFORT SHARING REGULATION WILL:

- Maintain the incentives for Member States to take action
- · Allow Member States to make emissions cuts in cost effective ways, with some flexibility

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