



Roadmap – Renovation Wave initiative

Confederation of Danish Industry (DI) and the Danish Construction Association (DB) welcome the Renovation Wave initiative and appreciate the opportunity to comment.

This overall written contribution to the public consultation has been co-ordinated between DI and DB. The two organisations merge by September 2020.

DI and DB represent more than 17.000 companies across various sectors/areas such as building construction, energy production, energy efficiency, renewable energy technology and manufacturing industries.

DI and DB support the European Green Deal. Denmark has set a 70 per cent 2030 climate target supported by a vast political majority in the Danish Parliament and we support this ambition. DI and DB also support a 55 per cent EU 2030 climate target on the way to the climate neutrality objective in 2050, supplemented by ambitious EU targets for energy efficiency (EE) and renewable energy (RES). EU's building stock is key in EU's green transition and will play an important role in EU's and the Member States' efforts to ensure sustainable growth in the next decade. DI and DB find it important that energy and resource efficient buildings are incorporated and prioritised in EU's economic recovery plan after the COVID-19 pandemic.

Recovery measures aiming to reduce greenhouse gas emissions should take a holistic approach by focusing on energy efficiency, increased use and production of renewable energy and a cost-effective reduction of greenhouse gas emissions. This will enable the creation of jobs across Europe whilst paving the way for climate neutrality in 2050.

At DI and DB, we support efforts to cost-efficiently scaling up building renovations. Scaling up energy renovation is not only good for the economy, but also in securing better homes and the environment. It is essential to get a plan with common European solutions that can minimise regulatory barriers and stimulate a faster pace of building renovation across the EU. A successful transition to a climate-neutral EU also implies low- or no-emissions from the European building stock by 2050 and materials to be used efficiently and with a minimal carbon footprint.

DI and DB would like to highlight the following elements in need of further elaboration.

Digitalised renovation roadmaps for all public buildings

An analysis for energy renovations in public buildings should be prepared. A digitalised and structured roadmap/data mapping over the public buildings will be central in order to improve their performance. It will give a qualified indication of the investment need of the public buildings and make it easier to prioritise and track the renovations. An incorporation of lifecycle assessment (LCA) is also an important tool to lower CO₂-emissions when renovating old buildings and building new ones.

It is important that the initiative includes not only state-owned buildings, but also covers regional and municipal buildings.

However, private property owners should not be covered by these renovation roadmaps – they must already meet several requirements such as a certification over the condition of the house and energy performance at point of sale.



Integrate smart technologies in buildings

Today, a high proportion of buildings in the EU are energy inefficient and DI and DB agree that it is important with a long-term renovation strategy focusing on ways to improve the energy performance and energy integration in the buildings. A key part of a more sustainable building stock is better use of materials. We also need innovation in the construction value chain to boost extensive building improvement work that substantially increases energy efficiency.

EU's climate leadership is needed. The Commission should as part hereof ensure that the Renovation Wave prioritise the decarbonising of Europe's economy. Electrification and sector-integration must therefore be handled in the strategy. DI and DB welcome the new sector integration strategy from the Commission.

For DI and DB, the flexible renewable energy use in buildings and data-based energy management are also important measures and makes it easier to optimise the energy consumption.

When renovating we should integrate smart technologies in buildings, with digital solutions for optimal operation and maintenance (e.g. building automation and control systems, smart thermostats etc.). Combined with insulation technologies, EU's future building stock can be energy efficient and carbon-neutral with a high indoor air quality.

Mobilisation of private investments

DI and DB support that the initiative will have focus on removing barriers and on incentivising investment in building renovation. It is important to secure more funding for energy efficiency to boost the renovation.

DI and DB support easily accessible financial packages for building renovation combining different types of funds. However, to have a clear understanding of the financial framework and funding sources for the Renovation Wave, the Commission should clarify the institutional setup and which EU programmes that would be relevant to channel funds from.

The Renovation Wave should support mobilisation of private investments and the increase in the availability of attractive and easily accessible private financing will be essential. We can e.g. recommend the use of the ESCO model.

The use of the EU taxonomy can also be highly relevant to identify sustainable energy efficiency investment and to direct finance to such investment. The EU taxonomy should therefore also be integrated in the Renovation Wave and can be a useful tool to raise more awareness of green building renovation.

Energy labelling should be improved

The energy labelling is useful, but we need to strengthen it on European level. The energy labelling should be based on the actual use of energy – not only the theoretical use. A better energy labelling can also be useful for getting the EU taxonomy to work and prevent green washing.

The Commission should as a core priority ensure cost-effectiveness guidance to EU spending on the Renovation Wave across all relevant programmes in order to reduce greenhouse gas emissions and deliver higher energy efficiency and other benefits at lower cost. This should include using improved indicators to measure energy savings and greenhouse gas emission-reductions and rewarding measures that deliver on these priorities in the most cost-effective way.



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Circular economy

Integration of circular economy principles such as reuse, or high-quality recycling of construction materials will also be important and can encourage the construction of flexible buildings in a material and carbon efficient way.

A Renovation Wave is a very important initiative for our companies and at DI and DB we therefore look forward to the presentation of the Strategic Communication and Action Plan later this year.