

Editorial

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Save the Date



**Renovate Europe Day
2013**

Over the past couple of months, in order to make the Finance Ministers across Europe and in Croatia aware of the **multiple benefits of investing in energy efficient renovations, and their positive impact on public finances**, the Renovate Europe Campaign addressed letters to each of these Ministers in their national languages. This successful campaigning initiative has led to the materialisation of several high-level ministerial meetings.

Renovate Europe has also been active at the European level in various policy fields, including the the European Parliament's Report on the **Energy Roadmap 2050**, to be voted in Plenary on Monday 11th March, which underlines the need to reduce the energy consumption of the existing building stock "*by 80% by 2050 compared to 2010 levels*", in line with the Campaign's objective. Ensuring that energy efficiency in buildings remains high on the political agenda is another focus of activity

for Renovate Europe, in terms of highlighting the **opportunities from the EED** (with public buildings renovations, national roadmaps and releasing new financing streams), but also in terms of ensuring that the **post-2020 debate** is framed correctly. Ensuring that a **binding sectoral target for the energy efficient renovation of buildings** is a central part of any post-2020 energy and climate policy is an important milestone towards achieving the EU's ambitions for the creation of a competitive and sustainable low-carbon economy by 2050.

Preparations are also underway for bringing the Renovate Europe Campaign down to the **national level** in several Member States in 2013.

Keep updated about further activities and be sure to mark the **9th October** in your diaries already for RE Day 2013!



Adrian Joyce,
RENOVATE EUROPE Campaign Director

Current and Upcoming Activities: *RE Reaches out to 28 Finance Ministers*



The Renovate Europe Campaign is sending out letters to 28 Finance Ministers in the EU Member States and Croatia, highlighting the Multiple Benefits of Investing in Energy Efficient Renovations, and the positive impact on Public Finances. These letters are personalised to each of the 28 Ministers and written in the national languages. The Irish letter is included below as an example.

Subject: Energy Efficient Renovation Programmes Boost Public Finances

Dear Minister,

There is an overlooked and highly cost-effective way to boost public finances in Ireland that will also lead to social and environmental benefits, namely investment in ambitious energy efficient renovation programmes that address the existing building stock. It is encouraging to note that the Sustainable Energy Authority of Ireland has already prepared the groundwork for Ireland in the form of a series of Roadmaps, including one on Residential Energy that addresses the housing sector – the segment of the buildings sector that uses the highest proportion of energy.

I write to you on behalf of the Renovate Europe Campaign and its 21 partner companies and associations. We are working to create the conditions in which it will be possible to reduce the energy demand of the EU building stock by 80% by 2050 as compared to 2005 levels. If you and your government colleagues take account of the information that we are now sharing with you, it will be an important step on the path towards our goal and an important step in stimulating economic activity in Ireland.

Our experience of existing ambitious energy efficiency programmes shows that for each €1 invested by government, up to €5 returns to public finances in a short period, sometimes within just a year. In particular, this has been demonstrated in Germany and in Ireland. Building on such results, an important new Study that was carried out for the Renovate Europe Campaign by **Copenhagen Economics**, has monetised the **multiple benefits of investing in energy efficient renovation** and the key findings are that a significant increase in public revenue, coupled with a boost to GDP, will accrue in the coming years, if more countries adopt ambitious plans for the renovation of their existing building stock. You can find more detail in the attached brochure.

The report also identifies four **no-cost actions** that your government can take in order to stimulate this promising new market as follows:

- Modernise rent regulation to allow landlords and tenants to split the gains from energy efficient renovation of buildings.
- Reform budget management of publicly owned buildings to allow for a longer term focus in investments and renovation of buildings. This will reduce longer term operating costs in the publicly owned building stock.
- Remove or reduce favourable tax treatment of heating and electricity in buildings to render energy efficient renovation of buildings more attractive **and** provide direct net revenue gains to public budgets.
- Develop well-designed risk-sharing programmes to help government as well as private building owners to realise cost savings with very limited budget costs.

We believe that the current weak economic situation across most of the EU makes it timely to decide to put such programmes in place now, especially as the report concludes that it will be another 4-5 years before Europe gets back to its structural GDP level. This means that the conditions for investment in deep renovation of the building stock are ideal with under-capacity in the labour market to draw upon and with **the cost of financing** in most Member States **at an all-time low**. The hard facts brought to the surface by the Copenhagen Economics Study show that the resulting energy savings from renovation will be a net benefit to stretched public finances.

Aggregating the calculated benefits to EU level, Copenhagen Economics estimates that an ambitious programme of energy efficient renovation of the existing building stock could **create up to 1,480,000 jobs**, boosting GDP in the period to 2017 by up to €291 billion and delivering **permanent annual benefits** to public finances of up to **€39 billion**.

We attach to this letter a PDF version of the full report, but we would also be ready to send, upon request, some printed copies of the Study to you.

Finally, we would like to suggest that a meeting be arranged in order to further discuss the best way for Ireland to benefit from this opportunity and to share more of our understanding of the issues at stake with you and your services.

Yours sincerely,
Adrian Joyce, Campaign Director

Current and Upcoming Activities: *RE Reaches out to 28 Finance Ministers*

Annexe

The key facts from the **Copenhagen Economics Study** looking at a high and low energy efficiency scenario shows:

- There is widespread evidence that undertaking energy efficient renovations at current energy prices often pay for themselves
- The EU Member States can stimulate economic activity, create between **760,000 and 1,480,000 jobs**, and bring benefits to **GDP of €153-291bn** depending on the level of investments. This corresponds to between **1.2% and 2.3% of EU's GDP**. These benefits stem from increased economic activity in the primary affected sectors. The benefits from stimulating economic activity are considered as "one-off" benefit from increased activity in a period of economic underperformance.
- A range of co-benefits will follow from increased energy efficient renovation such as **reduced outlay on government subsidies, improved health** due to less air pollution and better indoor climate, both of which also lead to fewer hospitalisations and improved worker productivity.
- The co-benefits will bring a **permanent annual benefit to society of €104-175bn** in 2020, depending on the level of investments made: **€52-75bn from lower energy bills**, at least **€9-12bn from co-benefits** of reduced outlay on subsidies and reduced air pollution from energy production. **The health benefits from improved indoor climate makes up €42-88bn** per year which is in the same order of magnitude as the value of the energy savings! The health benefits are evident, but difficult to estimate.
- Speeding up the recovery in the coming 3-5 years with continued projections of substantial unemployment will have a direct positive impact on public budgets. In the period from 2012-2017 the hard fact shows that **public revenues can be increased by €67bn or €128bn** depending on the scale of investments, corresponding to between **0.5% and 1% of EU GDP** – as a direct benefit from stimulating activity in a period of economic underperformance. Next to the "one-off" benefit from increased economic activity **the public budget will be improved with € 29-39bn annually** due to net savings directly impacting the public expenditure.

Dear Chancellor,

Vážený pane ministře,

Exmo. Sr. Ministro,

Arvoisa Ministeri,

Уважаеми г-н министър,

Αξιότιμε κύριε Υπουργέ,

Tisztelt Miniszter Úr!

Estimado Sr Ministro,

Monsieur le Ministre,

Sehr geehrter Herr Minister,

Have a look at the letter that Renovate Europe sent to **YOUR** Finance Minister
in **YOUR** national language:

www.renovate-europe.eu/multiple-benefits-study---awareness-raising-with-finance-ministers

Current and Upcoming Activities: Press Release on EP's Energy Roadmap 2050

Brussels, 24th January 2013

Renovate Europe welcomes Parliament's call for ambitious building stock renovation targets!

The European Parliament's Report on the Energy Roadmap 2050, adopted in the ITRE Committee on 24th January, echoes the call already voiced in the EU Roadmap for a low-carbon economy in 2050 as well as in the Energy Efficiency Directive, to urgently address the energy efficient renovation of Europe's buildings.

The own-initiative report on the Commission's Energy Roadmap 2050 underlines the need to substantially scale up the rate and quality of building renovation in order to reduce the energy consumption of the existing building stock **"by 80% by 2050 compared to 2010 levels"**.

"Energy Efficiency is a cost-effective way for Europe to achieve its long-term energy-saving, climate change, economic and energy security goals", reads the text of the Report. It recognizes the huge energy savings potential and economic benefits which currently lie dormant in the EU's low-performing building stock, and reiterates the key role which energy efficiency must play in the EU's needed energy transition towards a competitive low carbon and low energy future.

Achieving the reduction in energy demand of the EU's building stock by 80% by 2050 was already established as a cornerstone of the EU Roadmap for moving towards a Low-carbon economy in 2050, agreed in 2011. Setting this long-term perspective for energy efficiency is essential to providing **market certainty in the long-term, to unleash** the needed investment in energy efficiency.

"Aligning all actors, in the public and private sector, but also at consumer level, around the same goals of reducing the energy demand of the EU's existing building stock by 80% by 2050 is a fundamental step to achieving the EU's goal of a competitive low-carbon and low-energy economy by 2050", explained Adrian Joyce, Campaign Director of the Renovate Europe Campaign. "The Renovate Europe Campaign recognized this logical step in 2011, and set this target as the main vision of its Campaign, with the aim of **delivering jobs, growth and lower energy bills** for EU citizens."

The Parliament's Report also calls on the Member States to fully implement the recently adopted Energy Efficiency Directive, and to adopt ambitious long-term building renovation strategies accordingly.

Download the EP's Energy Roadmap 2050 on ITRE's website: <http://www.europarl.europa.eu/committees/en/itre/home.html>

DOWNLOAD THE FULL PRESS RELEASE
www.renovate-europe.eu

Current and Upcoming Activities: *Implementing the EED*

Maximising the Potential of the Energy Efficiency Directive

By Günther H. Oettinger, European Commissioner for Energy



Energy challenges are among the greatest Europe has to face in the coming decade. We know that our economic competitiveness fully depends on a reliable energy supply: a safe, secure, sustainable and affordable energy supply is crucial to the EU's economic and strategic interests as a global player. The growing EU dependence on imports from third countries therefore represents a matter of great concern, in particular for oil (85 %) and gas (65 %) and explains why Energy Efficiency is to be found at the heart of the EU's Energy Strategy 2020.

In order to achieve the needed increase in energy efficiency, a comprehensive mix of energy efficiency policies and supporting measures have been implemented throughout Europe. These target many sectors such as buildings, household appliances and industrial equipment, transport etc. However, already in 2011 the Commission estimates suggested that despite the progress made over the last years, we are set to achieve only about half of our 2020 objective – that means we would only cut our estimated energy consumption by about 9% to 10% instead of our target of 20%. That is why new measures targeted to save energy or to make energy use more efficient were necessary. The new Energy Efficiency Directive adopted in October 2012 introduces a whole range of measures targeting Member States, the industry and the citizens.

Firstly, it obliges each Member State to set a national indicative energy efficiency target for 2020. The Commission will report in 2014 whether these targets and the national measures put in place will put the EU on track for its 20% energy efficiency target, which is explicitly defined for the first time in a legal act (i.e. in 2020 the Union's energy consumption has to be no more than 1474 Mtoe of primary energy or 1078 Mtoe of final energy). Still, because of the inefficiencies in the way we use fuels, reaching of the 20% target is a win-win possibility for Europe's industry and citizens and can be done along with an increased economic growth and prosperity.

Secondly, to ensure this target is reached, each Member State will have to put in place a number of concrete policy measures. It has to make a long-term strategy for mobilising investments in the renovation of the national building stock and renovate 3% of its central government buildings every year. It shall also ensure that a certain amount of energy savings is achieved within the 2014-2020 obligation period either by obliging energy distributors or retailers to work with final customers to reduce their energy use or by establishing alternative policy mechanisms such as financing schemes or voluntary agreements.

Thirdly, the directive targets the consumers. Energy Efficiency also represents the area where consumers can most directly influence and benefit from the long term sustainable energy system. Our energy policies therefore aim to be consumer-tailored with an emphasis on further transparency and information. Consumers should feel empowered in order to optimize their energy consumption and enjoy their right to basic energy needs at all times, including in a supply crisis. Our main challenge is to make these technologies accessible and cost-effective to the general public. For instance, consumers will have a smart meter, accurately reflecting their individual energy consumption and providing information on the time of their energy use. The Directive also covers heating and cooling, the rationalisation of the grids and their demand response, and energy services.

Buildings are responsible for almost 40% of the energy consumption and about 36% of all greenhouse gas emissions in the EU. The revised Energy Performance of Buildings Directive requires Member States to ensure that by 2021 all new buildings are 'nearly zero-energy' buildings. But given the fact that around 75% of existing buildings today will still be around by 2050, it is especially the energy efficient renovation of Europe's building stock that will be crucial if we want to meet our ambitious climate and energy policy goals. Moreover, increasing the building renovation rate would also strongly contribute to job growth and competitiveness in the construction sector. However, we all know that this is easier said than done. Barriers continue to exist and there is a need for a large amount of financing. Nevertheless, I am optimistic that we can achieve our goals. Firstly, because of the existing comprehensive policy framework in support of energy efficiency. Secondly, because of the Commission proposal of an increased financial support for energy efficiency during the next longterm EU budget, the so called Multi-Annual Financial Framework. And thirdly because of the existence of European projects that show that Europe's business sector is at the forefront of driving energy efficiency improvements through innovation and cooperation.

With our conventional energy resources becoming scarcer, we should use the current momentum to gradually shift to a resource efficient, low carbon society. Our initiatives for the development of new and renewable energy sources and for reaching a high level of energy efficiency therefore serve this objective. I call upon all stakeholders, businesses, citizens and policy makers alike, to join their efforts in supporting the European Union in achieving our medium and long term goals for the benefits of all of us.

Current and Upcoming Activities: *Interview on Post-2020 Debate*



Following the Orientation Debate which was held with the College of Commissioners on 20th February, discussions are now underway about the post-2020 Climate and Energy Package for the EU. A Green Paper is expected late March 2013, which will be followed by a Public Consultation with Stakeholders. Renovate Europe spoke to Brook Riley from Friends of the Earth Europe to hear their views on the topic.

What is the importance of the post-2020 debate?

The post-2020 debate is the next 'big one'. It will dominate the next three to four years of climate and energy policymaking. It will determine whether or not the EU meets its emission reduction objectives, and will be hugely influential to the rest of the world.

What are the key issues which the Commission must address in framing the debate?

The first issue is the number of targets for 2030. For FoEE, the key question is 'will the EU's 2030 policy deliver the required level of emissions cuts'. We don't believe a greenhouse gas target by itself is sufficient to do the job. First, because it would rely heavily on the emissions trading system (ETS), which has proved ineffective at driving change and allows an unacceptably high share of emissions to be 'met' outside Europe. Second, because a greenhouse gas target is too technologically neutral. The risk is that governments might put their trust in technologies which are billed as viable decarbonisation solutions – carbon capture and storage, nuclear – but are in practice unlikely to deliver due to high costs, safety risks and unproven technology. Third, because as the Commission itself recognizes, energy savings and renewables are crucial to addressing climate change. Given that they are too important to fail, they must be made mandatory, not optional.

The second issue is the coherence of the targets. In the 2020 climate and energy package, the combined emissions reduction potential of energy savings and renewables was around 24%. Yet the EU's 2020 greenhouse gas target was and sadly still is 20%. A bizarre outcome of this was that, in 2011, when the draft energy efficiency directive was released, some DG Climate Action officials warned that increased energy savings would reduce emissions faster than expected, and therefore further reduce the price of the permits in the ETS. Thus a good thing – cutting emissions – was misrepresented as a problem. We need to make sure this doesn't happen in the 2030 debate.

The third issue is the level of ambition of the 2030 targets. At present the Commission is basing its work on the numbers in the 2050 Roadmaps. These are 40% emissions cuts below 1990 levels, a 30% share of renewable energies and 20% energy savings below 2005 levels. This is disastrously low. The 40% emissions figure is what the IPCC recommended for 2020 to ensure a 50:50 chance of keeping below 2 degrees of global warming. We think 60% would be more in line with climate science. Meanwhile, the energy savings figure is less than half of what the German environment ministry – following in-depth analysis from Fraunhofer ISI – estimates is cost effective for 2030.

Timing is the final issue. We're facing a trade-off between the need to ensure the right investment decisions are made, for example opting for energy savings instead of developing shale gas, and the need to secure adequate levels of ambition. We believe it is better to wait, and use the time to secure sufficient national support, than to make a hasty and inevitably weak deal that would be regretted later.

What do you see as the main challenges?

The biggest is the Commission's – and the Council's – take on climate action. Most policymakers see it as something that needs to be done *despite* its (allegedly) negative impact on the economy. There's no space for the argument that climate action – and energy savings in particular – will help resolve the economic crisis, cut energy costs, create jobs etc.

This 'old-think' problem isn't new of course. It was precisely because we wanted to counter it that FoEE and Climate Action Network asked research group ECOFYS to look into the financial benefits of ambitious energy savings legislation for 2030. Their results are now in: they estimate the net benefits at about [€250 billion per year](#), or the same as Denmark's GDP.

This is persuasive stuff. But if we want to win the 2030 debate we must stay focused on winning the argument that the benefits outweigh the costs. It's the issue which will overshadow the whole debate and determine how ambitious national governments – the real players in this game – are prepared to be.

Interview: March 2013

Highlights from the end of 2012: RE Day 2012 Report and Videos

Full Report and Executive Summary

Download the
FULL REPORT
www.renovate-europe.eu/uploads/RenovateEurope-Day2012_Report.pdf



Videos: Conference Speeches



VIEW THE VIDEOS AND FULL REPORT ONLINE
www.renovate-europe.eu

Highlights from the end of 2012: *Renovate Europe Christmas Card*

In December 2012, the Renovate Europe Christmas card was sent out to over 1500 contacts in and outside Europe



The graphic is a red rectangular card with a white outline. At the top left is the 'RENOVATE EUROPE' logo, featuring a white silhouette of a city skyline above the text. The card is decorated with several white snowflake icons. The main heading is 'WHAT WOULD YOU LIKE FOR CHRISTMAS?' in white, bold, uppercase letters. Below this, there are six small square photos of people, each with a white speech bubble containing their response. The responses are: 'A job to fund my family', 'Better air quality in my school', 'A means of stimulating the economy in my town', 'A warmer house, with lower energy bills', 'More money to spend on hospital staff and equipment', and 'Less green-house gas emissions for a healthier planet'. Below the photos, the text 'RENOVATE EUROPE' is written in white, bold, uppercase letters, followed by 'TO UNLOCK THESE MULTIPLE BENEFITS FOR YOUR CITIZENS' in the same style. At the bottom, there is a white illustration of a house with a chimney, a snowman, and a Christmas tree, with a small flag on a pole that says 'RENOVATED'. Below the illustration, the text 'Wishing you a Merry Christmas and a Happy New Year!' is written in white. At the very bottom, there is a white box containing the text 'Learn about the Multiple Benefits of Investing in Energy Efficiency in Buildings:' followed by the URL 'www.renovate-europe.eu' in red. Small text at the bottom left of the card lists photo credits: 'Credits for photos, clockwise, starting top left: © Daniel Hurst | Dreamstime.com; © Filip Emanuel | Dreamstime.com; © Monkey Business Images | Dreamstime.com; © Denise P. Latt | Dreamstime.com; © Andreea Rodriguez | Dreamstime.com; © Artavika | Dreamstime.com.'

RENOVATE EUROPE

WHAT WOULD YOU LIKE FOR CHRISTMAS?

A job to fund my family

Better air quality in my school

A means of stimulating the economy in my town

A warmer house, with lower energy bills

More money to spend on hospital staff and equipment

Less green-house gas emissions for a healthier planet

RENOVATE EUROPE

TO UNLOCK THESE MULTIPLE BENEFITS FOR YOUR CITIZENS

Wishing you a Merry Christmas and a Happy New Year!

Learn about the Multiple Benefits of Investing in Energy Efficiency in Buildings:
www.renovate-europe.eu

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VIEW THE CHRISTMAS CARD ONLINE:
www.renovate-europe.eu

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Renovate Europe..Now @RenovateEurope 6 mars
 Crucial vote in the Parliament next week on the EU Energy Roadmap 2050: bit.ly/WIE7Br #EnergyEfficiency of buildings features too
 Ouvrir

Renovate Europe..Now @RenovateEurope 27 févr.
 "REDay 2012 - Owen Lewis - Conclusions" : youtu.be/Dilz1N-j64M?a via @YouTube
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 "REDay2012 - Adrian Joyce - Introduction and Presentation of Campaign" : youtu.be/0QjECBMILPE?a via @YouTube
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 The controversy on reduced UK VAT for EE products rumbles on: bit.ly/Xp5xj4
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 In Brussels today a key orientation debate takes place and it looks like #energyefficiency will not be centre-stage: bit.ly/VIK2vw
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 An interesting blog post on the rebound effect that #energyefficiency is supposed to produce: bit.ly/VsMROx
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 A powerful tool for boosting #energyefficiency of homes in the USA exists: bit.ly/XljDvB Could we do similar in the EU?
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Renovate Europe..Now @RenovateEurope 13 févr.
 New report from WWF shows 2.5% renovation rate for buildings could deliver 26% reduced energy demand by 2030: bit.ly/VU4hkm

#REDay2013 - 9 October

Website Statistics

Total Visits: 20 691

April 2011– March 2013



How many downloads of the Letters to Finance Ministers?

319

www.renovate-europe.eu

On YouTube



2,076
video views

32
videos

Renovate Europe

LEARN MORE ABOUT THE CAMPAIGN ONLINE
www.renovate-europe.eu

Renovate Europe at European Events

UPCOMING EVENTS

**Sustainable Building
Conference**

24/04/2013

Dublin, Ireland

Ecee Summer Study

3-8/06/2013

Hyères, France



World Sustainable Energy Days— nZeb Conference

27/02-1/03-2013

Wels, Austria

PAST EVENTS

**Coalition for Energy Savings -
Workshop on Targets**

25/01/2013

Brussels, Belgium

**Intelligent Energy
Europe Open Days**

28/01/2013

Brussels, Belgium

**Expert Workshop With
National Government**

30/11/2012

Zagreb, Croatia

Energy Efficiency Forum

8-9/11/2012

Monaco, France

LEARN MORE ABOUT THE CAMPAIGN ONLINE
www.renovate-europe.eu/

About the Campaign

Launched in 2011, the **Renovate Europe Campaign** is an initiative of EuroACE, the **European Alliance of Companies for Energy Efficiency in Buildings**. Its headline objective is to **reduce the energy demand of Europe's building stock by 80% by 2050 as compared to 2005 levels.**

Contact for the Campaign

Adrian Joyce
Renovate Europe Campaign Director
Rond Point Schuman 6, 8th floor
info@euroace.org
Tel: +32 2 639 10 10
Fax: +32 2 639 10 15

www.renovate-europe.eu



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