

Morning Conference

Designing Ambitious Renovation Programmes in the EU

CONFERENCE CONCLUSIONS

Article 4 of the Energy Efficiency Directive (EDD) requires Member States to define, by April 2014, a long-term strategy for mobilising investment in the renovation of the national stock. This is an excellent opportunity to unlock the huge untapped energy savings potential in the EU building stock.

In its third edition, the Annual **Renovate Europe Day** tackled this policy development by inviting high-level speakers to provide their input on:



The Key Success Factors to develop Ambitious Renovation Roadmaps



The Financial Mechanisms needed to support Renovation Roadmaps

Conclusions summarised by

Adrian Joyce, Renovate Europe Campaign Director



"Energy Efficiency is the highest impact measure governments can take to save energy. And buildings represent the greatest potential sector for energy savings in the European Union"

"Energy efficiency in buildings is not a cost, but an investment with a great rate of return. Undertaking ambitious renovation of the existing building stock can have very significant social, economic and environmental benefits".

Herman Van Rompuy,
President of the European Council



"The responsibility is on each of us in our Member States to design ambitious Renovation Roadmaps in order to unlock the vast potential in the EU's building stock. The deep

renovation of the building stock in Lithuania is a top priority in our country, not only because of the huge energy savings potential, but also for the positive impact on people's health, on the country's energy independence, and on the State's public finances".

Daiva Matoniene,
Environment Vice-Minister,
Republic of Lithuania



Key Success Factors to develop Ambitious Renovation Roadmaps

“A long-term strategy for mobilising investment in the renovation of existing buildings must have a **lasting impact, be truly reliable and fully measurable**. This will require the **setting of targets**, which will in turn mobilise investment as policy stability will result from the setting of targets”.

Oliver Rapf, BPiE

“A critical prerequisite for such WIN-WIN energy renovation is greatly increased investment in the **training of building managers and assessors, renovation engineers and skilled workforce**.”

Matti Jantunen, Intl Inst. of Exposure Science

“Involving **all national stakeholders at an early stage** through a structured network process has been very successful. It ensures **ownership of the strategy across a wide base** of sectors, and provides stronger input and support to the Government and Minister, leading to **more engagement and commitment**. In Denmark, we have 200 participants from 45 organisations representing all aspects of the renovation market represented at a series of Working Groups.”

Peter Bach, Danish Energy Agency



The Multiple Benefits:

“The deep energy renovation of existing buildings should be the number one infrastructure priority for EU governments that are looking to **create jobs and growth** in their countries”.

Ed Matthew, Energy Bill Revolution, UK

“We all spend about 90% of our time inside buildings and the quality of indoor air is often less good than that of outdoor air. Energy renovation has great potential to **improve the indoor environment** via thermal insulation, reduction of dampness and noise, elimination of indoor air pollution sources and sufficient ventilation. In total the public health improvement potential in Europe is several hundred thousand additional healthy years of life.”

Matti Jantunen, Intl Inst. of Exposure Science

“Improving the energy performance of an existing building by one letter on an Energy Performance Certificate **increases its market value by about 4%**”.

Paul Hodson, European Commission, DG Energy

“In Denmark there is a very significant correlation between the **value of a property and its energy performance**. In fact the increase in value is such that for a one-letter improvement in energy efficiency the value goes up by around €100 per square metre.”

Peter Bach, Danish Energy Agency

“In the UK, if the government channelled the revenues from the Emissions Trading Scheme and Carbon Support Price into the renovation of housing affected by fuel poverty, 9 million homes could be made highly energy efficient. There is enough carbon revenue to **end fuel poverty, quadruple carbon emission reductions and create 130,000 jobs**. There is no better investment the Government could make.”

Ed Matthew, Energy Bill Revolution, UK

Moderator's Conclusions: Adrian Joyce, Renovate Europe Campaign Director

 Member States need to set up ambitious **long term frameworks to 2050** for renovation to very high energy performance levels. Mobilisation of banks and investors in the development of **specific financial products** should be envisaged in the Roadmaps.

 **Quality needs to be secured**, not only in the design of the **policies and the regulations** that will see their implementation, but also in the choice of **strategies and measures** for specific projects.

 **Accurate, independent monitoring and evaluation** so that we can all be sure that the savings that are intended to be achieved in the renovation of our building stock are actually achieved.



Financial Mechanisms needed to support Renovation Roadmaps

*“The banking business model requires banks to lend money and it is financial products that they sell. As it is a sales effort on the part of banks, it is **marketing techniques that are needed to get financing flowing into the energy efficiency sector.**”*

Teresa Godwin-Coombs, Financial Consultant

*“The banks are used to **real estate regulations**; energy efficiency should become a part of this “business as usual” – but there is a need to introduce **transparency, good practices and regulation to increase the visibility of environmental and energy performance in the market.** Doing this will enable translation into financial value especially if the regulations put a clear signal on near future non-performing assets. It is therefore necessary to carefully **assess a project in a holistic manner** before making an investment decision in order to capture a broader, more complete vision of what an energy efficiency investment will deliver through the life cycle of a building.”*

Frank Hovorka, UNEP Finance Initiative

*“When there is a lack of finance for energy efficiency investment, despite the existence of a high and profitable investment potential, it is a sign that there are other problems that prevent the development of these investments. It is therefore essential to have a combination of **robust policies in place**, including finance to increase investment and this is exactly the approach of the EIB to energy efficiency. In addition, **adequate finance generally plays a catalytic role in boosting energy efficiency**”*

Juan Alario, European Investment Bank



The Challenges:


*“When making a decision to issue a loan for an energy efficiency project, a commercial bank decides whether or not to **finance the borrower**, when, in fact, it should be deciding on whether or not to **finance the investment that the borrower is planning to undertake.**”*


Teresa Godwin-Coombs, Financial Consultant

*“The **risk assessment procedures used by banks are unrealistic.** If you look at the performance of loans that were issued for energy efficiency upgrades in CEE countries, you see that the global financial crisis had no measurable effect on their performance – they fully withstood the crisis.”*

Adrian Balaci
Global Environmental and Social Business

Moderator's Conclusions: Tatiana Bosteels, Hermes Real Estate

 Much has been done, especially in terms of regulation, but much more needs to be done, including **building a better understanding among stakeholders of how banks operate.** We all understand what is profitable and we can see that there is an appetite for energy efficiency financing. What is missing – and is badly needed – is **trust between the main players.** In order to build this trust, we will have to **translate the needs of finance to match the needs of owners.**

 In addition, there is a need to create more clearing houses that **mitigate the perceived risks.** This would be helped by more technical assistance for project developers.”

REDay2013 - CONFERENCES

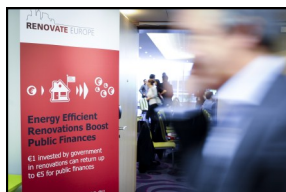


Download the PPTs, Videos
on renovate-europe.eu

The third annual Renovate Europe Day took place on the 9th October 2013.
It attracted more than 300 participants to the two following events :

Morning Conference: Designing Ambitious Renovation Programmes in the EU

- ✔ An official event of the EU Lithuanian Presidency
- ✔ Targeted at policy-makers and stakeholders



Afternoon Debate: Investing in Building Renovations for the Benefit of Europe's Regions

- ✔ An official event of the Open Days in the Committee of the Regions
- ✔ Targeted at Regional Authorities managing EU funds



REDay2013 - EXHIBITIONS

Renovate Europe Campaign also endeavours to bring to the surface concrete examples of successful renovation projects. Two exhibitions took place during RE Day 2013:

Display Campaign

In partnership with Energy Cities, the Display Campaign delivers poster-sized Energy Performance Certificates of renovation projects in public buildings.



100EUrban Solutions Exhibition

In partnership with the Open Days, Renovate Europe contributed a panel of 3 renovation projects to be exhibited within the building of the Committee of the regions, as an example of an EUrban Solution.



About the Campaign

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 European building stock by 80% by 2050 as compared to 2005 levels
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