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Video Address - Renovate Bulgaria Day (8 November 2022)

Ladies and gentlemen,

It's a real pleasure for me to address you on Renovate Bulgaria Day and to acknowledge the great work achieved this year in establishing the Renovate Bulgaria platform.

Here in Brussels, there is a great deal happening and I want to touch on the geopolitical situation and on the specifics around legislation that will affect buildings moving forward.

And I do this in the hope that what we have to say will be helpful and informative for you in Bulgaria.

First of all, though, let me say the Renovate Europe Campaign has already been in existence for eleven years.

We're delighted that today we have 49 partners, among which 18 national partners, and that our work over the years has already brought great changes to the level of ambition as far as energy performance of buildings is concerned.

In the current geopolitical context, following the unjustified aggression of Russia on Ukraine, we are all painfully aware of the impacts that this has had on our lives.

In fact, we've seen costs going up, energy shortages, the threat of power cuts coming this winter.

All of this has focused minds in Brussels and a great deal of effort is being put into bringing relief to all of us who are suffering from high energy bills at this time.



This fact is a bit of a concern for Renovate Europe because by spending huge sums of money today, we are risking not having enough money to spend in the future.

The Renovate Europe call is that Member States would carefully consider how to, in parallel with the necessary relief measures that are being rolled out today, put in place medium- and long-term measures that will bring about structural change to the way we use energy.

Among these measures, our view is that the most critical sector to address is the building sector.

As you know, the building sector in Europe uses 40% of all energy produced and emits over 35% of all energy-related CO₂.

Without addressing this wastefulness in buildings, the EU will never achieve its long-term and climate goals.

Fortunately, the European Commission launched the European Green Deal in October 2019 before the COVID pandemic struck.

And, in that deal we found a proposal to recast the Energy Performance of Buildings Directive and several other directives affecting energy efficiency ambitions.

Whilst the negotiations are still going on, we are confident that a higher level of ambition will finally emerge from these directives and these negotiations here at European level.

It would be then up to the Member States to take stock of what has been adopted and agreed at EU level and to transform those into national laws and regulations.

Among the expected provisions is the introduction of Minimum Energy Performance Standards, which will require each Member State to put in place a improved level of performance for each building segment to be achieved by a certain date in the near future.



The Renovate Europe Campaign sees these obligatory Minimum Energy Performance Standards as one of the most important tools for upscaling and increasing the level of energy renovation across the EU.

It is proving to be a politically sensitive issue, but we are at this stage confident that a form of Minimum Energy Performance Standards will be in the final text.

This confidence because last week in early November, the European Council adopted its common position and retained the proposal to have Minimum Energy Performance Standards included.

Beyond this, we expect to see more changes, including a revamp of the Energy Performance Certificate framework, and increase in the use of Smart Readiness Indicators, and greater digitalisation in our sector.

There are provisions relating also to concerns around achieving high Indoor Environmental Quality and in bringing forward newer measures that will allow us in the future to fully understand the impact of decarbonisation of our building stock.

Turning back to the need for financing, it is well understood here in Brussels that grant-aiding for renovation can only be a means to kickstart the Renovation Wave.

In fact, it has been realised that it's important to have a number of different financing approaches for energy renovation that will allow different socio-economic groups to access financing.

Concretely, for those who simply cannot afford an energy renovation and who are in very poor performing building, there is need for full subsidies and full grants.

However, many of us in society can afford to undertake the renovation works.

And so, when obliged by the Minimum Energy Performance Standards, we should have access to good private financing at preferential rates that would allow us to undertake that work.



A third group needs to have a blend of subsidies or grants and loans so that the burden is appropriately placed on their shoulders.

And a final group who have no financial headroom but who do own their properties, should have access to more innovative loans and financial instruments.

For example, no coupon loans that do not require monthly payments but are paid off as a lump sum at a future date on the sale or lease of the building, or on the transfer of the building to children, etc.

So, these are just a few of the issues that are taxing our minds here in Brussels.

There are many more facets to the challenge faced by us in the buildings sector and in society to increase the energy performance of buildings and to deliver a high-quality built environment for all citizens.

I will end now but wish you a very fruitful exchange and discussion today in Bulgaria and I look forward to hearing a report of how you get on.

Thank you once again for all your efforts and we look forward to continued cooperation in the year ahead.