Thank you for joining the REDay2022 Conference!

The event will begin at 14h00 CET
Welcoming Remarks

Ciaran Cuffe, MEP
Rapporteur on the EPBD

#Renovate2REPowerEU
#REDay2022
Renovating our Buildings to REPower the EU

Ursula von der Leyen
President, European Commission

https://youtu.be/QiRGq3Y6zRM

#Renovate2REPoweEU
#REDay2022
Adrian Joyce
Director of the Renovate Europe Campaign
The Renovate Europe Campaign

Who are we?

- A political communications campaign beating the drum for deep energy renovation of the building stock in the EU
- Supported by 49 partners from industry and civil society including 18 national partners
- Champions from politics, businesses and communities
- Launched in 2011 as an initiative of EuroACE
National REDay2022 Events

• As every year, we are delighted that the Brussels REDay2022 conference is supported by our national partners organising their own events.
• Two national events organised already by
  • SK, HU, CZ national partners together
  • IE national partner
• Upcoming: Greece, Bulgaria (8 November), Austria (tbc), Poland (tbc)
The C4E Forum is back in Slovakia on 23-26 May 2023!

- The 4th edition of the Central & Eastern European Energy Efficiency Forum is taking place at the central location of Šamorín near Bratislava (Slovakia) and Vienna (Austria)
- Organised by the REC and Buildings for the Future

- CEE-focused
- Policy-oriented
- Network-building
- Interactive
- Affordable
Session I: Time for Action with the EPBD

Marcos Ros Sempere, MEP  
S&D, Spain

Sean Kelly, MEP  
EPP, Ireland

Louise Sunderland  
Senior Advisor, RAP

Oliver Rapf  
Executive Director, BPIE

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#REDay2022
Video Addresses on the Importance of the EPBD

Marcos Ros Sempere, MEP
S&D, Spain
https://youtu.be/AarDpRr_ERA

Sean Kelly, MEP
EPP, Ireland
https://youtu.be/5dbjjq1ADLs

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#REDay2022
Minimum Energy Performance Standards: The key tool to unlock ambition in the EPBD

Louise Sunderland
Senior Advisor, RAP
Implementation and Design of Minimum Energy Performance Standards

Oliver Rapf
Executive Director, BPIE

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#REDay2022
Designing effective and fair Minimum Energy Performance Standards for buildings

27/10/2022 | Oliver Rapf

Renovate Europe Day 2022
Minimum Energy Performance Standards

Key considerations

Why effective?

- To ensure achievement of EU climate and energy objectives
- To meet deep renovation and renovation rate goals
- To fully harvest the energy security contribution of the buildings sector
- To reduce energy poverty and social inequality

Why fair?

- To create acceptance in society and political support in member states
- To avoid social hardships
- To support affordable and stable real estate markets
Principle 1
“Worst first” across all building segments

Why?

- Achieving climate and energy goals
- Delivering higher amounts of energy saving and therefore contributing faster to energy security
- Showing results quickly and visibly for society
- Fighting energy poverty quickly
- Providing clear targets for investors and renovation service industry
Principle 2

Design to meet ability to invest

Why?

• Owner’s ability to invest is essential for compliance with MEPS
• MEPS implementation should therefore reflect ownership structure
• MEPS should be differentiated between different building categories
• MEPS should be embedded in well-designed ecosystem of financial support, especially for vulnerable groups
• To be fair across society
Principle 3
Accelerate innovation in renovation supply chain

Why?

• Construction sector is one of the least innovative sectors in EU
• Standards and binding requirements are key to innovation
• Clear performance requirements will enable sector to plan
• Renovation Wave will not happen without innovative supply chain
Principle 4
Design effective compliance & penalty system

Why?

• Credibility of system and delivery of results needs to be ensured
• Awareness about compliance and penalty scheme is essential
• Evaluation of UK MEPS scheme provides evidence that more than 95% of owners are willing to comply due to expectation of penalty for non-compliance.
**Principle 5**  
Define regular and frequent milestones

Why?

- To provide a clear timetable for implementation
- To avoid renovation procrastination
- To create planning certainty for owners, investors and the construction sector
- To ensure sector stays within its carbon budget and achieves CO$_2$ reduction
Overview of MEPS principles

Creating impact and dynamic

- Worst first
- Design to meet ability to invest
- Accelerate innovation in renovation supply chain
- Design effective compliance & penalty system
- Define regular and frequent milestones
Thank you!

Oliver Rapf
Executive Director
Oliver.Rapf@bpie.eu

www.bpie.eu

Follow us:

Twitter Facebook LinkedIn
Why an Ambitious EPBD Matters

Ciaran Cuffe, MEP
Rapporteur on the EPBD

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#REDay2022
Time for Action with the EPBD – Debate and Questions

Ciaran Cuffe, MEP
Rapporteur on the EPBD

Louise Sunderland
Senior Advisor, RAP

Oliver Rapf
Executive Director, BPIE

#Renovate2REPoweEU
#REDay2022
Session II: Financing the Renovation Wave

Ralf Goldmann
Head of Division, EIB

Vilislava Ivanova
Senior Researcher, E3G

Pascal Canfin, MEP
Renew, France

Stanislaus Jourdan
Executive Director, Positive Money

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Getting the most from National Recovery and Resilience Plans
One year of implementation

Vilislava Ivanova
Senior Researcher, E3G

#Renovate2REPowerEU
#REDay2022
Getting the most out of the National Recovery Plans – one year of implementation of renovation programmes

Renovate Europe Day 2022
Vilislava Ivanova (E3G)
ABOUT THE NRRPS AND STUDY SCOPE

About the Recovery and Resilience Facility

- At heart of NextGenerationEU, €724bn in loans and grants
- Min. 37% of the allocated funds to climate action; min. 20% to digital transformation, do no significant harm criteria
- 25 NRRPs endorsed by the Commission and the Council
- REPowerEU chapter under discussion

Focus of this study

- **Flagship Renovate**: By 2025, contribute to the doubling of the renovation rate and the fostering of deep renovations
- **Investment flows** – how much, which segments, what energy savings
- **How “transformational” plans are**
  - Renovation rate and depth
  - Building a strong enabling framework for delivery
AGENDA

• Key findings
• Where are we one year on
• What next
• Significant amount of funding allocated: ~€40bn across 18 Member states.
• Most countries allocate 11-14% of total
• Significant variations: from €86m in Slovenia and €101m in Austria, to €7.8bn in Spain and €8.6bn in Italy. Per-capita differences too.
• Residential sector takes the lead: nearly €22bn (56%) of funding; public sector follows, with €14bn (34%)
• In most cases expected to deliver at least medium depth renovation, realising a minimum of 30% primary energy savings.
• Range of reforms
STRONG BASIS FOR PROGRESS ON DELIVERY, BUT FURTHER WORK NEEDED ON SUPPLY CHAINS AND FINANCING

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To become transformational:
- Go beyond 30% minimum saving recommendations to ensure funding delivers a step change towards realising deep (or staged deep) renovations.
- Invest in the right enabling framework, including leverage of private finance, to create sustainable renovation markets that will grow beyond 2026.
• Key findings
• Implementation one year on
• What next
IMPLEMENTATION ONE YEAR ON

Milestones met

- Croatia: Four One Stop shops opened across country, support the realization of RES and EE projects
- France: 400,000 homes received renovation subsidies
- Greece: energy poverty action plan with targeted measures for economically vulnerable; launch of new round of residential renovation
- Italy: Extension of the superbonus scheme, long-term fiscal sustainability
- Spain: Rollout of country-wide one-stop-shops for renovation, with initial delay in implementation and regional differences, impacted by inflation

Focus of this study

- 5 countries reaching milestones on energy efficiency in buildings; LV, SK – no relevant milestones yet
- 25 relevant milestones reached. 18 related to investment, 7 to reforms.
- Mostly relate to signing programmes into law
- €21bn (grants), €3.25bn (loans) associated with completed investment milestones
- €12bn for Italy’s superbonus scheme, €5.7bn France, €1.4bn

Overall implementation progress

- Implementation gradually progressing - 17 operational arrangements concluded; 17 payment requests made (12 MS);
- Disbursement to 8 member states - Croatia, France, Greece, Italy, Spain, Latvia, Slovakia, Portugal*
- Spending to date: €113bn (pre-fin & disbursed, ~15%, further ~5% requested)
AGENDA

• Key findings
• Implementation one year on
• What next
IMPLEMENTATION OF NRRPS AND RENOVATION COMPONENTS: ONE YEAR ON

• Further progress required
• Existing best practices and knowledge can be shared
• Ongoing need to attract private capital & creating the right enabling conditions
• Multiannual financial framework another opportunity to invest – skills, one-stop-shops, renovation passports, digitalisation
• Critical need: Long-term regulatory clarity – send strong and stable signal for industry to invest in supply chains and modernisation
Thank you!
Pascal Canfin, MEP
Renew, France

https://youtu.be/NzdnxSB2Otg
The Role of the EIB

Ralf Goldmann
Head of Division, EIB
EU Renovation Loan & Mortgage Portfolio Standards

Stanislaus Jourdan
Executive Director, Positive Money

#Renovate2REPowerEU
#REDay2022
Unlocking renovation loans across the EU

Stanislas Jourdan
Executive Director
Positive Money Europe
Why are people not taking up loans for renovation until now?

Households think renovation is worth it if:

- **Upfront costs** below 10,000 EUR
- Net return on investments in **less than 10 years**
- **Cashflow balance**: energy savings must be at least equal to monthly repayment costs in the first year
- **Debt to income ratio** must remain below 35% to comply with banks prudential rules.
The EU Renovation loan proposal

- Loans for renovation purpose, aligned with taxonomy criteria
- **Zero-coupon structure**: clients do not have to make repayments until the property is sold or transferred, or at last after 30 years
- No **extra-regulatory cap** on the borrowing amount (to ensure deep renovation can be covered)
- **Guaranteed** by junior collateral on existing mortgage (or real estate property) + state or EU guarantee
- **Interest rate level** must be closely aligned with EU-bonds rates (2% today)
- Supported by **central bank liquidity** to guarantee a secondary market for this assets
Launching the EU Renovation Loan

Webinar

Thursday, Nov 3rd 2022, 3:00 PM - 4:30 PM (CET)

With support of:

Media partner: ENERGY MONITOR
What else needs to happen to get banks onboard?

**Mortgage Portfolio Standard**

The EPBD directive should oblige banks to develop strategies to increase the energy performance indicators in their mortgages portfolios.

**Guarantee funds**

National and EU-level guarantee funds to lower the risk weights on banks’ balance sheets and widen the eligibility to renovation loans to low-income households.

**Green discount rate from ECB**

The ECB could offer lower rates under refinancing operations (e.g. TLTROs) when banks issue taxonomy-aligned renovations loans, to ensure low and stable cost of funding.
Financing Through the MFF

Vilislava Ivanova
Senior Researcher, E3G
Financing the Renovation Wave: Debate and Questions

Ralf Goldmann
Head of Division, EIB

Stanislas Jourdan
Executive Director, Positive Money

Vilislava Ivanova
Senior Researcher, E3G

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Reaction and Final Comments

Ciaran Cuffe, MEP
Rapporteur on the EPBD

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Conclusion

Adrian Joyce
Director of the Renovate Europe Campaign

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End of REDay2022 conference

Join us NOW for a Networking Drinks Reception in JAN3Q Brasserie

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