

Better building and building for better

Some shorthand responses for the revision of the Energy Performance in Buildings Directive (EPBD)

Context

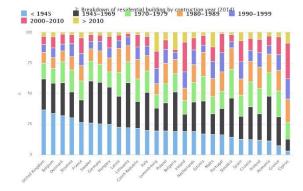
In the last two days, following comments from Giorgia Meloni's party Fratelli d'Italia, Italian media has turned its attention to the EPBD at a key moment ahead of its EU Parliament vote and EU Council negotiation with Member States. Unfortunately, there has been a lot of inaccurate/entirely false information on the national implications of the EPBD, planting doubts among the public on what would have been a monumental file for the climate and energy crisis in Europe, as well as sowing distrust about the EU at large. In order to properly address it, we have compiled below a handy guide to refute these dangerous narratives on a national level.

"The EPBD is damaging to the Italian GDP."

The enormous growth of Italian GDP in volume during the Draghi government in 2021 according to ISTAT (+7.7% in Lombardia, highest of the country) is largely due to the *Superbonus* incentive, which is a key part of the national strategy for energy building renovations. In fact, the national construction sector has grown by 22.8% in the North-West regions and 25.9% in the South. Monumental for the construction industry, this marks a sharp reverse to a three-decade negative economic trend. The *Superbonus 110%* and other building subsidy schemes have also created a ripple effect in the industrial sector as well, to the involved companies and employees. Italian companies working in the renovation business (both materials and heating technologies) are big and growing. Considering this data, Italians concerned about the economy need not be discontented at all.

"Italian homes are too old for renovating."

The argument of Italy being the EU country with the oldest buildings stock, put forward by several ministerial declarations, is bogus. The (false) argument proposes that this would render renovation projects costly if not impossible. However, simply by looking at <u>Eurostat statistics</u> (below), it's clear to see that the country lies right in the middle of such ranking, with other countries such as Belgium, Denmark and France having much older buildings on average. The age of Italian buildings should not be the large barrier to renovation it has been made out to be. Besides, heritage buildings are not in the scope of the Directive



Source: https://ec.europa.eu/energy/eu-buildings-factsheets en

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"Two thirds of Italian buildings must be renovated!"

This is fake and sensationalised news. Major Italian media outlets have repeatedly cited 60-75% as the amount of buildings to be renovated due to their current status as the bottom-ranking energy classes E, F and G by continent-wide standards. However, what they have not noted is that the new directive will re-score the energy classes for each country relative to the state and distribution of the national building stock. Based on EU Commission's text, it is estimated that 25-30% of each country's building stock would be covered by the directive, way lower than the numbers established by Italian media. However, it should be highlighted that making estimations on a non-finalised text is just an attempt to create chaos and hamper natural ongoing negotiation processes. Specific derogations are foreseen in case of justified national circumstances.

"Improving two classes is way too hard!"

In Italy there are roughly 19 million gas boilers installed, tying the people's wellbeing to the volatility of the fossil fuels market. Considering many of them are becoming obsolete as technologies and are coming to the end of their life, roughly 8 to 9 million of boilers will be changed between now and 2030. This presents a great opportunity to swap the archaic boiler for heat pumps, of which Italy is also a big producer. This process alone in many cases can move a G or F class building to E or even D. The scaremongering about the scale of investment is not grounded by data, considering that still today Italy has the most generous incentive for heat pumps and renovations in the whole EU.

"Renovating and improving buildings is not top priority right now."

Italy is the second largest gas importer in Europe after Germany. This fact not only jeopardises the country's economics, exposing it to energy inflation, but is also a serious trigger for people to fall into energy poverty. And guess where the majority of Italian imported gas goes? To heat its buildings. In the framework of the current energy crisis, renovating buildings and applying renewable heating systems like solar and heat pumps seems to be just the most obvious thing to do, for the present and for the future. Deep renovation can see as much as 44% reduction in energy demand (particularly in fossil fuels), and a phase-out of gas boilers (a measure that would be in line with the new directive) would see Italy simultaneously slashing gas import by 15% and clearing a third of the national climate target. Tackling energy use in buildings and heating is not a burden, it is the opportunity to trigger an all-for-one solution: one that protects Italians from energy crises, secures Italy by severing gas dependence to other countries, and reduces the impact on the climate.

"Renovations are costly, not a profitable investment"

Well, it is the exact opposite. In fact, spending money supporting gas bills and heating/cooling in a poorly insulated home is a cost, one that is not recoverable. Spending money on improving home energy efficiency and renewables instead is an investment, which benefits both the investing families and the Italian state, not to mention the community benefits from reducing environmental footprints. Furthermore, buildings being worn down over the years are inevitable, and these investments can greatly increase real estate value in property owners' benefits to recover the costs, an important part of the equation often ignored by opponents of renovations. Costliest is to continue business as usual with the current state of buildings. In the EU, over 500 billion were invested in the last year to support households paying gas and power bills. Instead of it acting as a bandage that lines fossil fuel energy company's pockets, such an amount could have been an investment opportunity in a future with

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better buildings that runs on safe, affordable, and clean renewables, starting with those who need it most. The EPBD is just the right tool to trigger such long-term investments and prepare Italy not only for the energy crisis at hand, but the energy questions of the future.

For more information on the EPBD, the following resources are also available:

- An utter and detailed list of answers from the European Commission to the most common questions about the EPDB can also be found here: https://ec.europa.eu/commission/presscorner/detail/en/QANDA_21_6686
- And our NGOs checklist for a successful EPBD here: https://eeb.org/wp-content/uploads/2022/10/NGO Checklist for a Successful EPBD RECAST final-Oct2022.pdf
- Or contact us for policy support (<u>Davide Sabbadin Deputy Policy Manager for Climate</u>, <u>Laetitia Aumont - Policy Officer for Circular and Carbon Neutral Built Environment</u>), or media support (<u>Bich Dao - Communications Officer</u>).