

EEB's reply to the heating and cooling strategy call for evidence

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The combined effect of the ESR, RED, EED and EPBD provisions **might prompt EU households to move from fossil heating to biomass**. While the latter has a marginal role to play in rural areas, a large shift in this direction would lead to a massive amount of pollution and lock households in solutions that have a great impact on climate, health and [safety](#). In any case, only top-quality technologies with [abatement](#) filters should be allowed to access public subsidies.

In this sense, we believe the **H&C strategy should promote first and foremost energy efficiency and non-polluting technologies**: when renewable district heating is not a viable option, [heat pumps](#) -especially when combined with other renewable energy sources and storage solutions- play a central role in the decarbonisation of heating and cooling. Leapfrogging to the latest, future-proof solutions should be encouraged particularly in those countries where heating is still massively linked with coal and other fossil fuels.

District heating, and in particular DH based on geothermal, heat pumps and solar would be greatly improved by a specific roadmap leading to large extension of the technology by 2040, with intermediate targets and a dedicated set of tools to enable investments.

We encourage **the Commission to support the Energy Efficiency first principle**, which we believe is consistent with the aim to quickly and sharply improve EU's energy independence: in this sense it is critical that anytime this is feasible, heat pumps are integrated into a more holistic renovation that aims at cutting energy demand in the building. Only when this is not possible, either for budget or time constraints, should heat pumps installation [be the first step of a staged renovation](#).

It is worth stressing that **the strategy should prompt member states to shape their incentive schemes and overall policies in the direction of prioritising future-proof refrigerants such as R290 or CO2** over fluorinated refrigerants in heat pumps, to prevent future chemical and climate harm from these chemicals, along the lines of what Germany has done. Besides, these refrigerant have proven on average more efficient and have allowed HPs to reach much higher temperature flow, this being a critical factor to extend the range of buildings where they can be deployed.

The EEB would like to stress that the strategy should chiefly help member states **tackle the key financial challenges for citizens and SMEs: the upfront costs**, which [are often prohibitively high](#) for low-income households, and the electricity prices, which in many countries are unfairly inflated by a range of taxes. This makes fossil gas appear more affordable by comparison.

We therefore proposed that the Heating & Cooling strategy include:

Guidance on **the promotion of social leasing and other innovative business models, such as those mainstreamed in the UK**, where companies offer turn-key heat pump (and combination with solar and other technologies) installations that may not require upfront investment and integrate public subsidies into the package. These models could significantly expand access to heat pumps for households lacking the financial means but willing to make the transition, thus expanding the outreach of the strategy well beyond the possibilities of public support.

Detailed guidance based on best practices to reduce running costs for consumers, particularly by **encouraging Member States to favour the installation of “independence kits”**, i.e., heat pumps alongside on-site renewables such as geothermal, solar PV, PVT, and thermal systems. Ideally, these should be complemented by some form of energy storage (home batteries or the innovative, small-sized, phase-changing thermal storage are good examples that can be fitted in any dwelling) to reduce peak consumption, ease pressure on the grid, and strengthen the business case.

Detailed guidance on **how to promote energy communities, particularly for low-income households**: in fact, where local renewable energy production is not feasible - such as in apartment blocks with limited roof space or historic centres facing permitting constraints- [energy communities](#) offer a valuable opportunity to produce cheaper energy collectively and lower energy bills. Some examples in [Italy](#) and [Belgium](#) are clearly inspiring.

The launch of **a working group/permanent stakeholder forum on Sustainable H&C policies to gather a Coalition of Willing Member States** committed to improving the framework for these technologies. The coalition could embrace a policy mix that includes measures such as VAT reductions, lower excise duties, and streamlined permitting processes in selected areas, regardless of progress made in the revision of

the ETD. The decisive actions taken under the RePowerEU strategy to reduce gas consumption are a clear positive precedent for these soft law initiatives.

In this context, **tripartite agreement schemes** could be envisaged between Member States, the renovation industry, and the EIB, where minimal criteria for financing zero-interest loans could be the availability of the mentioned zero-upfront renovation packages for consumers, quality, and delivery time. Member States could offer simplified permitting and facilitated integration of matching public subsidies and Social Climate Fund (SCF) resources into the packages.

The strategy should also have **a specific focus on those buildings which have no hydronic heating distribution**: a large number of dwellings in the south and east of Europe, both in rural and historical centres, traditionally lack such infrastructure. Oftentimes, they revert to fossil fuel local space heaters, with their main energy consumption driven by cooling. Despite having lower winter consumption, their fossil fuel consumption is far from negligible, as it made up almost 5% of the [EU energy consumption in 2010](#). For these dwellings, guidance on how to integrate solar rooftops and the latest air-to-air heat pump technologies should be provided (i.e., connecting the tens of millions of air-to-air HPs installed as EC to centralised space heating units and radiators via IT and smart controllers, to electrify heating consumption in mid-seasons).

Another key point concerns the “technology neutrality” principle. Given the urgency of decarbonising heating and cooling, **technologies like hydrogen and biogas/biomethane should receive limited attention and not be treated on par with solar, heat pumps, and storage**. While hydrogen’s economic unsuitability for heating is well documented, biogas and biomethane have received less scrutiny, despite posing a risk of delaying the transition.

The Commission should therefore **avoid endorsing speculative commitments to biogas in the heating and cooling (H&C) sector**. While the principle of “technology neutrality” has led some Member States to advocate for what they consider equitable treatment of combustion-based technologies—such as those using biofuels or second-generation fuels—these systems are inherently less efficient than alternatives centred around heat pumps (“*independence kits*”). As combustion technologies rely on the future availability of bio-based fuels, which remains uncertain and potentially vulnerable to supply disruptions, they risk reverting to fossil fuel use. In contrast, other renewable solutions offer greater reliability and efficiency, without depending on unproven fuel supply chains, and should therefore be prioritised.

Furthermore, we advocate for the full integration of ETS2 and the SCF into the strategy. [Millions could benefit from these funds](#) if Member States design investment schemes effectively. A focus on the decarbonisation of heating and cooling to shield households from ETS2 should be included.

We would like to stress that to prevent peaks in the ETS2 price, a fundamental measure is the implementation of a ban on fossil fuel boiler sales as foreseen in the Repower EU strategy. We support a strong commitment from the EU Commission to **finalise the revision of the ecodesign and energy labelling of all heating & cooling technology lots by the end of 2026**, and we would welcome this commitment enshrined in the Strategy.

Adding to these measures, we call on the EU Commission to take advantage of the H&C Strategy **to kickstart a discussion with stakeholders on how to implement Clean Heating Market Mechanism in Europe**, as a measure that could build on the UK experience, boosting decarbonised heating & cooling technologies and contributing to lowering pressure on the ETS2 price.

Lastly, equally relevant is **ensuring that existing public subsidy programmes are compatible with and combined with SCF** resources to amplify their impact as much as possible. Many support schemes are only accessible to households that are not in energy poverty (i.e., requiring downpayment and focusing on reimbursement), and in these cases, they cannot be used to complement national social climate plan resources, potentially resulting in the impossibility of carrying out renovations for these low-income households.

We believe these measures are crucial to dispel the perception of heat pumps as “the new electric car” or a “solution for wealthy households only”, a narrative often exploited by populist political forces and used to undermine climate policies and the EU institutions at large.

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