

## EU NEWS from Brussels June/July 2012

**ENERGY:** The Industry Research and Energy (ITRE) committee of the European Parliament (EP) voted on February 28 on the proposal for a **directive on energy efficiency (EED)**, introducing several changes to the Commission's (COM) text. The main changes aimed at: **(1)** ensuring a multiple stream of financing for energy efficient investments, i.e. funds from both EU financial institutions and Member states; **(2)** achieving the 80% reduction target in energy consumption by 2050 (compared to 2010 levels) and the energy renovation of 2,5% of public building stock; **(3)** providing measures aimed to remove regulatory and non-regulatory barriers to energy efficiency, particularly concerning *"the split of incentives between owner and tenants of a building"*. On the latter point, the IUT has lobbied the EU institutions in order to ensure that tenants are not financially penalized by energy efficiency renovations. IUT lobbying action has brought fruitful results: indeed, the EP text provides for financial facilities that *"shall allow for cost effective renovations among low and medium revenue households"* and *"stimulate landlords letting houses to render their property as energy efficient as possible"*; within the energy efficiency obligation scheme, *"Member states may include requirements with a social aim in the saving obligation they impose, including by requiring a share of energy efficiency measures to be implemented as a priority in households affected by energy poverty"*.



**Claude Turmes MEP**, rapporteur for EED.

On June 15<sup>th</sup> EP, Council and COM reached an agreement on the EED in their sixth and final trialogue. The Council significantly watered down the original COM and EP texts in order to increase the level of flexibility for Member States, industry and public bodies. At the same time it reduced the level of ambition of the provisions concerning public buildings renovation and energy saving obligations. The COM expects the contributions through the directive to add up to 17% energy savings compared to 2020 projections (which means a 3% gap to remain).



**Gunther Oettinger**, Commissioner for Energy.

The European Parliament managed to push through some changes to the Council's position, including an article on long-term building renovation strategies as well as an article on financing schemes for energy efficiency measures. As far as our interests are concerned, some dangerous regulations have been moderated, taking into account some of IUT recommendations. Thus, Member States are required to: **(1)** adopt long term strategies to foster renovation of private and public buildings including cost-effective approaches to deep renovation; **(2)** renovate 3% of *"buildings owned and occupied by their central governments"*, which means that most of social/public housing stock in Member States is out of the EED scope; **(3)** implement each year measures that lead to energy savings equal to 1,5% of annual energy sales by an energy saving obligation or alternative measures, e.g. tax reductions on energy efficiency investments;

(4) adapt individual metering schemes “in so far as it is technically possible, financially reasonable and proportionate in relation to the potential energy savings”; (5) solve the split-incentive problem as a barrier to energy efficiency, “without prejudice to the basic principles of the property and tenancy law of the Member States”. A vote of the EP is expected in September 2012.

The IUT is also taking part in a **working group on vulnerable consumers**, with the aim of contrasting energy disconnection practices and the constant increase in energy prices.

IUT’s position is that energy efficiency is a good way of tackling energy poverty only if supported by strong financial tools. For this reason we have participated in the COM consultation on financing energy efficiency, proposing the establishment of a specific energy efficiency fund for housing. Our response to the consultation is available through the “registered organization” link on the following website:

[http://ec.europa.eu/energy/efficiency/consultations/20120518\\_eeb\\_financial\\_support\\_en.htm](http://ec.europa.eu/energy/efficiency/consultations/20120518_eeb_financial_support_en.htm).

Another ongoing dossier is the EU regional policy, a very important issue for the tenants considering that **EU structural funds can co-finance energy efficiency projects** in housing (since 2009 the 4% of ERDF can be used for this purpose). The new provisions for structural funds covering the 2014-2020 period remove this threshold and set up to 20% the amount of ERDF funding that can be used for energy efficiency. This is a very good achievement, but we are striving to ensure that this fund is channeled towards housing renovations, and not just pipelines construction. On May 16<sup>th</sup> the European Parliament S&D group recognized the need to address the difficult housing conditions that confront an increasing number of European citizens. Constanze Krehl MEP pointed to the need to use the new generation of structural funds for the sustainable construction of social housing.

On this occasion the PES group of the Committee of the Regions launched the publication “**A European Agenda for Social Housing**” (more information available on <http://www.pes.cor.europa.eu/roof.html>) The IUT has actively participated in with an article in this document, calling for specific housing measures for housing young people.



The apex of IUT 2012 lobbying campaign has been the launch of the European Housing Forum’s (EHF) brochure “**Affordable housing for all-policy implications of shrinking budget**” at the European Parliament in Strasbourg on May 23<sup>rd</sup>. Available from [www.iut.nu](http://www.iut.nu). The main messages conveyed are: the adoption of tenure-neutral policies by Member States; the simplification of access to funding for housing projects; the need to tackle the difficult situation of sitting tenants in the restituted flats of East Central Europe.



**World Urban Forum VI in Naples Sept. 1-6**  
IUT networking event, **September 3<sup>rd</sup>, 5-7pm:**  
“**Tenants make cities – cities need affordable housing**”  
<http://www.unhabitat.org/categories.asp?catid=672>

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