



International Union of Tenants answer to the Energy Efficiency Directive report of the European Parliament

1) Fight energy poverty of low- and medium income households

IUT supports the Commission's aim in recasting the EED to send a further signal to the Member States to take action against energy poverty, as well as to protect vulnerable consumers and people living in social housing, by means of energy efficiency measures.

In order to actively involve citizens in the process, it is essential to enable all consumers to make use of energy efficiency potentials and, at the same time, to foresee public financing at EU level and national level as well, especially for vulnerable consumer groups. In this context, the IUT shares the rapporteurs and the European Commission's view that energy poverty is also becoming increasingly noticeable in households not only with a low but also a medium income. This is explicitly the fact in the rental sector, as the housing costs overburden risk is higher for tenants than for homeowners.¹ The respective amendments of the rapporteur should therefore also include low – and medium-income households, especially tenants, as well.

2) Respect the principle of subsidiarity

The IUT calls on the Commission and the rapporteur to ensure that, in the proposed measures for improving energy efficiency the principle of subsidiarity is also respected insofar as the member states are themselves responsible for public housing. According to Protocol 26 to the Treaty on European Union and to the Treaty on the Functioning of the of the EU, Member States have the right to decide how to organise this service of general economic interest.

3) Comply with tenant's and owner's rights and the national rent laws

¹„ In the EU, the share of the population living in households that spent 40 % or more of their disposable income on housing in 2019 was significantly greater among tenants than it was among homeowners, as shown in **Table 5**. This was especially the case for tenants living in dwellings with a market price rent, for whom the housing cost overburden rate was 24.2 %, while it was 4.0 % for homeowners with a mortgage or housing loan.“

https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Living_conditions_in_Europe_-_housing#Key_findings

The IUT notes that under the present proposal obliging the Member States to achieve a certain proportion of energy savings does not apply generally in the buildings sector under Article 6 (1), but only to the extent that the buildings are owned by public bodies.

IUT points out that in some of the member states social housing is in principle privately owned and it is not used by public institutions themselves within the meaning of Article 6 (1). The situation differs in the member states as systems are based on national systems and traditions within their respective legal framework of the provision of affordable and social housing.

If the social housing sector shall be covered, an implementation of energy measures on the property of third parties or, in the case of use by third parties, is only possible in compliance with the tenant's or owner's rights and the national rent law.

We ask the rapporteur to further consider this question: How do the new requirements in the Energy Performance Buildings Directive EPBD for the implementation of minimum energy efficiency standards (Article 9) and the provision for determining such a standard (Articles 5 and 6) correspond to the renovation quota for all publicly owned buildings of 3 % per year in the Energy Efficiency Directive?

The revised directive presents several overlapping concepts with other legislation (EPBD, RED) while leaving it to the Commission to further define in delegated acts. This makes any impact assessment nigh on impossible, while leaving compliance uncertain. The proposed new requirements of the EPBD are a de facto renovation obligation for residential buildings of 15% in the worst energy efficiency class by 2030.

4) Provide climate housing allowances

The IUT supports the Commission's plan to initiate a multilateral dialogue process under Article 21 (5) in order to overcome barriers to investment with regard to split incentives between landlords and tenants.

However, the IUT asks that the dialogue process also takes sufficient account of tenants living in energy-inefficient housing, since the tenants concerned can hardly influence the building's energy standard. This can only be done by the landlord.

IUT welcomes the provisions on the financial and regulatory framework in Article 15 EPBD and recognises the considerable efforts made at the European level to provide financial support for building renovation through the Resilience and Reconstruction Facility, the Climate Social Fund or through regional funding.

Targeted incentives like climate housing allowances for the affected tenants should be implemented (subject subsidies) and the use of the EU social climate funds (2021/0206/COM) shall be further explored in order to add on national funding to prevent energy poverty for low- and medium- income groups. The tenant unions are ready to contribute to this dialogue.

The IUT supports the Commission's and rapporteurs intention both to promote technical assistance for social actors in order to realise active participation of vulnerable consumers in accordance with Article 22 of the recast EED, and to establish a network of experts in the Member States

In this context, the IUT suggests to the rapporteur that tenant unions as actors and experts should also be included. They have been working on energy renovation policy and rent law for several years.

5) Explore and implement the principle of housing cost neutrality

The IUT welcomes the proposed establishment of national networks of experts from all relevant sectors, which will specifically advise decision-makers on measures to improve energy efficiency that reduce energy poverty. These groups, mentioned in Article 22, should be open for tenant organisations in order to ensure the principle of security of tenure after renovations, in order to avoid “renovictions” = evictions by renovation.²

The expert groups should concentrate on the investigation of models for a housing cost neutral renovation, meaning that the increases in rent must be balanced by energy savings-

IUT considers it particularly important to ensure equity in the relevant measures and to avoid increasing the risk of energy poverty for vulnerable groups and low- and medium income households.

6) Ensure cost-effectiveness in billing and consumer information

The IUT is critical of the fact that according to Annex VIII number 2 paragraph 2 (cf. Articles 16-19) of the proposal for a Directive on "Minimum requirements for billing and consumption information" for the supply of heating, cooling and drinking water", this information must be provided at least monthly.

If these additional costs are passed on to the tenants they are disproportionate to the effect. A minimum quarterly and, if reasonable, electronic provision of the information might be sufficient. The IUT calls on the rapporteur to amend the respective article and make sure that consumers are not burdened with the costs of billing and consumer information. Therefore, article 19 paragraph 2 and 3 must be deleted.

² <https://www.iut.nu/eu/energy/eu-green-deal/>