

5.4.2022

The European Commission

Subject:

EU energy performance of buildings directive (EPBD) – Proposal for a directive

RAKLI is the Finnish Association for Building Owners and Construction Clients. RAKLI brings together private and public Real Estate and Infrastructure Owners as well as Real Estate investors, developers and the major cities in Finland. RAKLI's member organizations invest yearly nearly 10 billion euros to Finnish Real Estates and Infrastructure.

RAKLI welcomes the opportunity to contribute to the development of energy and climate policies at the EU level.

RAKLI's members the professional building owners have for a long time been in the forefront of driving sustainable Real Estate Investments forward in Finland. In the heart of this movement have been the volunteer non-regulatory Energy Efficient Agreements in Finland. The voluntary Energy Efficiency Agreements have been very effective in producing results. Energy efficiency measures implemented by participating companies and municipalities between 2008-2016 reduced carbon dioxide emissions by 4.7 million tonnes a year and energy costs in total by more than 560 million euros a year.

RAKLI is promoting sustainability and low carbon Real Estate business and Infrastructure through active measures. For example last year RAKLI produced a low carbon Road Map for RAKLI's member organizations and we continuously share best practices about carbon reduction and energy efficiency with our member organizations.

In RAKLI's opinion the amount of Investments to sustainability in Real Estates and Construction field and decarbonizing the building stock is growing rapidly. The Members of RAKLI are committed to ambitious ESG targets and to the Carbon Neutrality target 2035 of the Finnish government.

RAKLI's General Feedback

RAKLI supports ambitious climate and energy targets in line with 2050 climate neutrality for EU. RAKLI considers that the new EU climate package fails to consider cost-effectiveness and national circumstances. RAKLI would like to emphasize that some of the articles of the EPBD proposal

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(especially article 7 and 9) are against the Principle of Subsidiarity of the European Union. This has been also noted by the Finnish Parliament. The objectives presented could be reached in a more efficient and in a more cost-efficient way by honoring the principle of subsidiarity and giving greater flexibility to Member States.

The Proposal includes unrealistic, unpractical and costly demands to upgrade entire classes of buildings in a very limited time-frame. The cost and ambition are also largely dependent on several key concepts and levels that are not sufficiently specified and should not be set at EU-level.

The idea of the proposal to reduce the energy consumption in 5-8 years by at least two whole classes, for the 15% of the building stock with the highest energy consumption, and by at least one class for the next class of about 15% of the stock is completely unrealistic.

The short time horizon does not regard the property owners' planning and need for renovation and therefore takes resources away from more efficient measures and more important renovation targets. It does not reflect the availability of skilled labour and entrepreneurs, use of buildings, effect on building values and property markets and the increased costs for tenants.

The cost of the proposal are entirely dependent on several key concepts and levels that are not sufficiently specified, but suggested to be established and updated through delegated acts and guidance. This would grant the Commission the control of key cost-driving aspects and give an insufficient influence for MS and other stakeholders, not reflecting varying conditions among MS and creating an unacceptable risk for property owners and investors. This concerns the Zero Emission Building Concept and Minimum Energy Performance Standards in relation to classification of buildings. Cost-optimal levels in general should be decided in Member State level.

RAKLI states that the GHG requirement should include the phasing out of fossil energy in the energy system at large and also include renewable electricity supplied via the electricity grid. This should be taken into account in the definition of NZEB – buildings. In Finland the decarbonisation of the building stock is very much connected to the decarbonisation of the energy system.

The EPBD's requirements for the charging infrastructure do not take account of the demand. With the increase in electric vehicles at the current rate, the number of charge points will follow the demand on market terms, and financial support is accelerating this development. The requirement to install a charge point in 10% of the parking spaces in existing non-residential buildings (with more than 20 parking spaces) is excessive. The requirements of the current directive need not be changed.

The EPBD should not regulate the construction of bicycle parking spaces but leave it to Member States to decide locally.

Under the current EPBD, the Member States are obliged to adopt renovation strategies aimed at a highly energy efficient and decarbonised building stock. It should be the EU's role to monitor the implementation of the plans for ensuring the renewal of the building stock and, where necessary, to require Member States to step up the level of ambition for the plans and allocate sector-specific requirements. The EU should also ensure that the necessary reporting takes place. This would also be consistent with Finland's sectoral low-carbon road maps.

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The SRI – method does not support best decarbonization technical solutions in Finland. For example it does not take into account local energy grids and energy circulation between buildings. It should not be made mandatory.

Best Regards,

Mikko Somersalmi , Technical Director

RAKLI – The Finnish Association of Property owners and Construction Clients