

Consultation Response – Draft Delegated Regulation under Article 6 of Directive (EU) 2024/1275 (EPBD)

Finnish Property Owners Rakli (Transparency Register id 727236253172-92) is the most comprehensive and prominent association of professional property owners, real estate investors, corporate real estate managers and construction clients in Finland.

Finnish Property Owners Rakli welcomes the European Commission's initiative to harmonize and update the methodology for determining cost-optimal levels of minimum energy performance requirements in accordance with the revised EPBD. However, there are some concerns we see important to address.

In the context of the national implementation of the directive, the interpretation in accordance with the wording and the key objectives of the directive should be significant. In the draft, certain provisions seem to go beyond the Commission's authority under Article 290 TFEU, which allows for the adoption of delegated acts solely to supplement non-essential aspects of legislation. Additionally, there are elements that do not align with the flexibility provided to Member States under Directive (EU) 2024/1275, particularly in terms of methodological choices and national adaptation.

These provisions and elements include for example binding timelines and actions that are not outlined in the directive as well as contradictions with explicit provisions in the directive that allow national adaptation. Consequently, the draft delegated act should be revised to ensure legal certainty and adherence to the principles of subsidiarity and proportionality.

Inclusion of environmental externalities

Although the directive permits the inclusion of environmental externalities, it does not mandate them or specify particular cost values. The delegated act, however, requires the monetization of PM2.5 and NOx emissions and dictates the exact values to be applied.

Use of total primary energy as a sole indicator

The delegated act mandates total primary energy as the exclusive performance indicator. However, the directive does not specify a single metric. Member States should be permitted to use non-renewable primary energy or other indicators that align with their national context.

Future energy and emission allowance price developments

Annex II refers to the assessment of future energy price developments, the costs of externalities of energy use, and development of EU emission allowance prices. Member States should be allowed to implement their own defined development paths with appropriate justifications as well as to use their own specified values for technology prices. Without these flexibilities, there is a risk that the cost-optimality framework could hinder Member States' ability to take into account national market conditions.

General observations

The current EPBD follows strictly the “energy efficiency first principle” although the fundamentals in minimizing emissions are changing. Reduction of building emissions results from the combined effect of energy efficiency and zero-emission energy. The development of emissions from energy production varies greatly among Member States. In Finland, emissions from buildings' energy use decreased by 15% from 2017 to 2021 mainly due to cleaner energy production and this trend continues due to the rapid ongoing shift to zero-emission energy.¹¹ In addition to energy use, other factors such as optimizing the use of materials are becoming more and more important in reducing emissions from building stock and construction.

Therefore, we call for flexibility in the application of the EPBD, ensuring that renovation requirements are both realistic and adapted to local energy systems and do not inadvertently increase emissions.

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¹¹ [Low-carbon roadmaps - Ministry of Economic Affairs and Employment](#)