

# Insulate - Tackling Climate Change Cost-effectively

The case for insulation as a cost-effective measure to tackle climate and energy security has been clear for some time. However, the wider competitiveness impacts of these improvements, on for example improved energy security, reduced air pollution and job creation have not been as clear. The European Insulation Platform (EIP), commissioned the Centre for European Policy Studies (CEPS), to analyse the wider competitiveness effects of different solutions to deliver climate change objectives. The results confirmed the key role of insulation as the most cost-effective solution. The EIP has come up with four recommendations to turn these results into concrete actions.

## EIP RECOMMENDS - IMPLEMENT CURRENT LEGISLATION WITH AMBITION

**WHAT IS AT STAKE** - Two major pieces of European legislation impact energy efficiency in buildings: the Energy Performance of Buildings Directive (EPBD) and the Energy End Use and Energy Services Directive (ESD). Both set out frameworks and minimum requirements. Neither, by themselves, will deliver the step change in energy efficiency that is needed.

**WHAT NEEDS TO BE DONE** - The EPBD came into force in 2006 and the ESD will come fully into force in 2008. For both directives there are a number of actions that need to be taken to ensure that they make a real difference.

- **Energy Performance of Buildings Directive** – The EPBD requires energy efficiency labels for all buildings, minimum performance requirements for all new buildings and the obligation to improve the energy efficiency of any building above 1000 m<sup>2</sup> that is undergoing major renovation. To ensure that this legislation delivers real improvements in terms of energy efficiency and reduced greenhouse gas emissions means:
  - Including all buildings: It is most cost-effective to improve energy efficiency when a building is being renovated. All buildings should be obliged to improve energy efficiency when renovated, through cost-effective energy efficiency measures; to support this, financial incentive schemes should be provided.
  - Minimum to maximum: Current national standards should be reviewed and should fit with long term climate objectives and energy prices. Buildings are built for a lifetime and need to be ready for tomorrow's as well as today's challenges.
  - Supplying energy efficiency: Improved energy efficiency requirements demand new skills from the market place. Governments should ensure that the rules are complied with but also that the necessary skills are developed to allow compliance.
- **Energy End Use and Energy Services Directive** – The ESD requires, amongst other things, that each EU Member State reduces energy use by a minimum of 1% per year over 9 years and develops national energy efficiency action plans. To turn these proposals into success on the ground means:
  - Going beyond 1%: Europe is committed to a 20% reduction in greenhouse gas emissions by 2020. To achieve this goal cost-effectively, national governments should be considering annual energy efficiency targets closer to 2% per year.
  - Use national energy efficiency action plans as a spring board for action: Delivering real change in buildings demands joined up policies that mix regulation, financial support, training and information to deliver change. The national action plans offer the opportunity to deliver this linked approach.

**WHAT WILL IT ACHIEVE** - The EPBD only captures about 10% of heating related CO<sub>2</sub> emissions from buildings. Ensuring that the performance of buildings is improved when undergoing renovation will help decrease significantly the CO<sub>2</sub> emissions. Ambitious national action plans could help to deliver the rest, helping the EU as a whole to save 270 billion euro a year in energy costs.