

Die Wohnungswirtschaft Deutschland

GdW Statement

Concerning Directive of the European Parliament and of the Council on the promotion of the use of energy from renewable sources (recast) COM(2016) 767 final as part of the proposed package of measures "Clean Energy for All Europeans"

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Concerning Directive of the European Parliament and of the Council on the promotion of the use of energy from renewable sources (recast) COM(2016) 767 final

The housing sector welcomes the aim of the package "Clean Energy for all Europeans" to supply EU consumers with safe and clean energy. Overall however, the questions regarding housing and investment costs are neglected as well as the issue of affordable housing and building. In several EU countries (e.g. Germany) construction and renovation costs for social / affordable housing are not covered by the government or municipalities. Higher construction or renovation costs lead to higher rents. The explanations of the directive mention that the Energy Union strategy also recognized the role of the citizen in the energy transition, where citizens take ownership of the energy transition, benefit from new technologies to reduce their bills, and participate actively in the market.

This view, however, is onesided. Every investment needs to be financed. Interest and repayment costs are incurred which for many years are higher than the saved energy costs. In several Member States (e.g. Germany) these costs are not taken over by the public authorities. In particular energy standards, which are prescribed by the German EnEV (EPBD and EED), cannot be funded. With additional obligatory measures the basic rent (without operating costs) will therefore increase for rented dwellings. This increase in rent is practically always higher than the energy cost savings. Additional measures in Germany may thus reduce energy poverty, but overall housing costs will increase. This causes difficulties for affordable housing as a whole.

The EU focusses on the economic impact of cost-efficient modernizations on the EU economy. The interplay between "profitability for the investor" versus "affordability for the tenant" in the housing market is not being looked at.

The importance of measures affecting several sectors and regulatory areas is growing. This applies both to energy efficiency, renewable energies and climate protection, which in the building sector cannot be looked at separately anymore, as well as heat market, e-mobility, decentralized electricity generation and "smartness", including repercussions on the grids which influence each other.

GdW asks for more freedom for landlords in the production and usage of electricity from renewable sources in buildings. Moreover, GdW proposes to couple climate protection to a key indicator in the building sector and to aim for a "nearly-zero-greenhouse gasbuilding". At the same time, simple instruments should be developed that take into consideration the whole life cycle.

With all the requirements and impact assessments it is essential for affordable housing to take into account the gross-rent (including operating costs).

In the following, GdW will make suggestions for modifications including explanations / justifications. The changes are marked in grey and the deletions or additions in bold.

Proposed Amendment Article 15 Administrative procedures, regulations and codes Paragraph 5

6. Member States shall, in their building regulations and codes or by other means with equivalent effectrequire the use of minimum levels of energy from renewable sources in new buildings and in existing buildings where appropriate, that are subject to major renovation, reflecting the results of the cost-optimal calculation carried out pursuant to Article 5(2) of Directive 2010/31/EU. Member States shall permit those minimum levels to be fulfilled, inter alia, through district heating and cooling produced using a significant proportion of renewable energy sources or CHP.

Justification

GdW supports the directive's aim of achieving a sustainable, secure and affordable energy system for European citizens. Affordable systems for citizens / tenants must also be cost efficient for building owners / landlords. In some countries (such as in Germany) construction costs for social / affordable housing are not covered by the government / municipalities, i.e. the rent depends on the construction costs. Therefore with additional measures less energy poverty can be expected, but the gross rents / the housing costs increase. That is why the use of minimum levels of energy from renewable resources especially in existing buildings shall be the Member State's decision "where appropriate" (this provision should not be deleted in Art. 15 (6) and should be moved to "major renovations").

The reference to the use of cost optimal calculations does not cover the affordability for citizens / tenants. It should also be noted that obligations for owners and tenants can destroy the good image of renewable energies.

If a building is connected with district heating resp. cooling already using a significant proportion of renewable energy sources or CHP, an additional use of renewable energies is not appropriate and cost efficient in most cases.

Proposed Amendment Article 21 Renewable self-consumers Paragraph 3

3. The renewable self-consumer's installation may be **built (i.e. invested) or** managed by a third party, **especially in rented buildings by the landlord,** for installation, operation, including metering, and maintenance.

Justification

The investment costs for the installation, operation and maintenance of the renewable self-consumer's installation are high. Therefore, it is unlikely that tenants with a limited residence time will take a long-lasting investment decision for the building. This concerns in particular tenants with low and medium household income. Moreover, for e.g. Photovoltaic, the available surfaces need to be shared.

For a successful implementation of RED in the German housing industry we ask for considering our amendments.

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