



## Where next on Energy Performance of Buildings?

THE EUROPEAN COMMISSION PUBLISHES THE PROPOSAL FOR A RECAST DIRECTIVE

In December's edition of Irish building magazine, we looked at Fit for 55, the European Commission's package of legislative proposals for reducing greenhouse gas emissions by at least 55% in 2030 compared to 1990 levels, considered vital for reaching carbon neutrality by 2050.

**THE FIT** for 55 proposals published last July included a proposal for a Recast Energy Efficiency Directive. With the last such Directive having been made in 2018, this says something about the pace of regulatory change we are now seeing, as policymakers and stakeholders across the economy push forward with implementing measures to tackle climate change.

We also looked at some of the other proposals that will drive change across all sectors. Finally, we noted that publication of a proposal to revise the Energy Performance of Buildings Directive was imminent. The European Commission has now published this in the form of the proposal for a Recast Directive. This article looks at the current position in relation to regulatory requirements relevant to the energy ratings of buildings and where we are headed next.

### CURRENT REQUIREMENTS

Requirements of the Energy Performance of Buildings Directive 2010/31/EU (amended in 2018 by Directive 2018/844/EU) are transposed into Irish law through a range of instruments, which we have summarised below.

The European Union (Energy Performance of Buildings) Regulations 2012 provides the system for Building Energy Rating ("BER") certificates.

The Building Regulations 1997 (most recently amended by Building Regulations (Part L Amendment) Regulations 2017 and the European

Union (Energy Performance of Building) (No. 2) Regulations 2019) provide a definition for nearly zero-energy buildings ("nZEB"). Part L (Conservation of Fuel and Energy) requires buildings to be designed and constructed so as to ensure that energy performance is such as to limit, insofar as is reasonably practicable, the energy required for the operation of the building and the amount of CO<sub>2</sub> emissions associated with this energy usage. Part L sets out how this requirement must be met for both existing and new buildings other than dwellings, as well as material alterations to existing dwellings. (Dwellings are defined as a house or flat forming a separate unit of residential accommodation). New commercial buildings must meet the standards of an nZEB building.

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Part L applies also to renewal works to existing buildings involving the replacement of external doors, windows and rooflights, and to major renovations in respect of buildings other than dwellings. Part L does not apply to works to an existing building which is a 'protected structure' within the meaning of the Planning and Development Act 2000.

The European Union (Energy Performance of Building) Regulations 2019 transpose certain requirements to apply to dwellings. New dwellings must meet nZEB performance requirements. Existing

dwellings undergoing major refurbishment (which means that more than 25% of the surface envelope of the building is undergoing renovation) must attain specific energy performance levels (defined as "cost optimal" levels) in so far as this is technically, functionally and economically feasible. The cost optimal level takes into account energy-related investment, maintenance and operating costs, as well as lifecycle costs of the building.

The European Union (Energy Performance of Buildings) Regulations 2021 apply to (a) new buildings, (b) existing buildings (other than dwellings), and (c) buildings undergoing major renovation. Works or building in these categories must be designed and constructed to meet certain heating system regulation requirements. Minimum numbers for electric vehicle charging points are also specified as follows:

- existing buildings, other than dwellings, with more than 20 parking spaces must have one or more charging points by 2025;
- buildings, other than dwellings, (new or undergoing major renovation) with more than 10 parking spaces must have at least one charging point for every five parking spaces;
- buildings containing one or more dwellings (new or undergoing major renovation) with more than 10 parking spaces must have ducting infrastructure (to allow for charging points) for each parking space.

The Minister for Housing, Planning and Local Government has also published Technical Guidance on how these legislative requirements are to be met.

### FIT FOR 55: PROPOSAL FOR A RECAST ENERGY PERFORMANCE OF BUILDINGS REGULATION

In December 2021 the Commission published the proposal to revise the Directive. What are its main elements?

- The objective is to achieve a zero-emission building stock by 2050. The proposal includes new definitions for zero-emission buildings, deep renovation, staged deep renovation, and mortgage portfolio standards. It also includes a revision of the definition for nearly zero-energy building to mean a building with a very high energy performance, as determined in accordance with Annex I of the Proposal, which cannot be lower than the 2023 cost-optimal level reported by Member States, and with the nearly zero or very low amount of energy required coming as far as possible from renewable sources (including energy produced on-site or nearby).
- New Buildings must be zero-emission buildings by 2030. New public buildings must be zero-emission by 2027. This means having very high energy efficiency performance, with the very low amount of energy still

required being fully covered by renewable sources generated on site, from a renewable energy community, or from a district heating and cooling system.

• Minimum Energy Performance Standards would apply to buildings with an energy label G. Such buildings would have to be upgraded to at least energy label F by 2030, and E by 2033. For public buildings, these deadlines would be 2027 and 2030. It is anticipated that EU finance would be available for this. Member States would be required to establish timelines for rescaling energy performance classes by 2040 and 2050 with a view to achieving a zero-emission building stock by 2050. In other words, the A rating should correspond to zero-emission buildings, the G rating to the 15% worst performing buildings in each country, and the remaining buildings in the country would be distributed proportionately among the classes in between. The period for which D to G energy performance certificates would remain valid would be reduced to five years.

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There would also be some change on the status of buildings officially protected because of their special architectural or historical merit, with Member States invited to adapt minimum energy requirements to be applied to them.

- The methodology for calculating the energy performance of buildings is to be updated.
- There are proposals for further measures on the quality of Energy Performance Certificates and for a system of voluntary renovation passports for home owners, as well as requirements for recharging infrastructure in private buildings, homes and workplaces, and a requirement for recharging points to support smart charging so that cars can be charged when energy prices are low and can, eventually, feed electricity back to the grid.

The proposal is now undergoing the legislative procedure. The scale of change that the EU is seeking to achieve through Fit for 55 is immense, and the emphasis being placed on transforming the profile of the building stock should not be underestimated. The Commission observed that: "The proposal is particularly important because buildings account for 40% of energy consumed and 36% of energy-related direct and indirect greenhouse gas emissions. In the EU, heating, cooling and domestic hot water account for

80% of the energy that households consume."

In Ireland, the recent launch of the National Retrofitting Scheme is timely. In addition to increasing grant support, it promises to support scaling up of the supply chain. In addition, a fund designed to improve the energy efficiency of infrastructure, including buildings, the Solas Sustainable Energy Fund ICAV, has received an investment of €30m from the EIB and €20m from the Ireland Strategic Investment Fund. This fund has a target size of €200m and intends to provide debt financing to energy service companies to carry out energy efficiency and small renewable energy projects.

As we have commented previously, we are seeing a lot of change across the sector. Climate law and policy is just one of the drivers of change but is really significant – the opportunities are there to be seized by businesses of all shapes and sizes across the industry. ■



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