

Directive (EU) 2024/1275 (recast Energy Performance of Buildings Directive)

Introduction

85% of the EU's buildings were built before 2000, and 75% have a poor energy performance. Furthermore, our buildings use around 40% of all the energy that we consume, and 80% of this energy is used for heating and cooling alone, be it for water or space. Buildings therefore affect a huge part of our lives, and poorly performing buildings negatively affect indoor air quality and health, our energy bills, and even our children's learning capabilities.

To modernise the EU's building stock, Directive (EU) 2024/1275 (recast Energy Performance of Buildings Directive, or EPBD)¹ will increase the rate of building renovations (focusing on the worst performing ones first), support better air quality, digitalisation, the roll-out of renewable energy, and e-mobility in buildings. It also puts the process of home renovations in the hands of citizens and their energy communities, expanding the EU's energy democratisation process into the realm of home renovations. Crucially, it will facilitate financing to fight energy poverty and help bring all of our buildings in line with Europe's net-zero targets, while aiming to leave no one behind.

Member States will have until April 2026 to transpose the updated EPBD, and until the 1st of January 2025 to transpose Article 15(10), which asks Member States to not provide financial incentives for the installation of stand-alone fossil fuel boilers.

Summary of REScoop.eu Recommendations

The recast EPBD introduces new concepts such as Zero Emission Buildings (ZEBs), and reinforces existing provisions such as Minimum Energy Performance

¹ Directive (EU) 2024/1275 on the energy performance of buildings (recast), OJ L 2024/1275, 8.5.2024.

Standards (MEPS), One-Stop Shops (OSS), Energy Performance Certificates (EPCs), and National Building Renovation Plans (NBRPs) to bring the EU's building stock in line with our net-zero target.

In order to meet these standards at local, national and EU level, Member States need to create specific supportive policies within their existing enabling frameworks for energy communities, particularly renewable energy communities (RECs) that are required under paragraph 4 of Article 22 of Directive (EU)/2018/2001 (recast Renewable Energy Directive, or RED II),² as well as relevant provisions that support energy communities under Directive (EU) 2023/1791 (recast Energy Efficiency Directive, or EED)³ and Directive (EU) 2023/2413 (revised Renewable Energy Directive, or RED III).⁴

An aligned approach by Member States will ensure a coherent and holistic approach to supporting renewable energy production by energy communities while also supporting citizen-led renovation (CLR) approaches that can help Member States meet these new buildings performance standards, while doing so in a socially-just manner. It is essential that these enabling frameworks include 'core funding' for energy efficiency activities of energy communities, guarantees to unlock private financing, and technical support. It is also essential that citizens, energy communities and other social economic actors be included in crucial stages of the development of NBRPs.

Moving forward, the European Commission (Commission) should produce guidance to help Member States better understand the role energy communities play in building renovations, the links between support for energy communities across the RED III, the EED and the EPBD, and how they can get the most out of the potential contribution of energy communities towards their own national renovations objectives.

1. Zero Emission Buildings

Article 2(2) of the recast EPBD defines a 'Zero Emission Building' (ZEB) as a building with a very high energy performance, requiring zero or a very low amount of energy, producing zero on-site carbon emissions from fossil fuels, and

² Directive (EU)/2018/2001 on the promotion of the use of energy from renewable sources (recast), OJ L328/82, 21.12.2018, p 82-209.

³ Directive (EU) 2023/1791 on energy efficiency (recast), OJ L 231, 20.9.2023, p 1-111.

⁴ Directive (EU) 2023/2413 on the promotion of energy from renewable sources (revision), OJ L, 2023/2413, 31.10.2023.

producing zero or a very low amount of operational greenhouse gas emissions (GHGs). Article 9b further develops this concept.

Article 7 provides timelines for new buildings to achieve ZEB status. Specifically, new public buildings must be ZEBs as of 1st January 2028, while by 1st January 2030 all new buildings must be ZEBs. The total life-cycle Global Warming Potential (GWP) of the building must also be calculated and disclosed through the building's Energy Performance Certificate (EPC).

Member States must take the necessary measures to ensure that the energy demand of a ZEB complies with a maximum threshold. This maximum threshold shall be at least 10% lower than the threshold for total primary energy of nearly zero-emission buildings (NZEB).

In order to achieve ZEB status, Member States must ensure that the total annual primary energy use of the building is covered by:

1. Renewable energy generated onsite or nearby, or
2. Renewable energy provided **by an energy community**, or
3. Energy from an efficient district heating and cooling system, or
4. Energy from carbon-free sources.

Analysis

In a nutshell, the new ZEB standard has two important implications for energy communities. First, the recast EPBD allows renewable energy provided by an energy community to count towards the total annual primary use of a building in order to meet the ZEB status. This is very positive as it allows energy communities, particularly through renewable energy production, to contribute to achieving a modern, renewable, and resilient building stock. This represents a considerable change, as citizen-led initiatives should now have a better level-playing field with traditional renovation market actors. Second, it provides a legal basis for supporting energy communities to undertake renovations, as the recast EPBD creates a ZEB standard that energy communities can help to achieve through their power production and energy efficiency measures such as CLRs. This is further expanded in Article 29, where Member States are encouraged to support "renewable energy communities and other relevant actors, such as CLR initiatives, to promote the objectives of this Directive."

Recommendations for EU and national action

- When transposing the ZEB objective, Member States should make available information to local authorities and the public about energy

communities and how they can be used to help new and existing buildings achieve ZEB status in every municipality. Giving citizens this information in a transparent and understandable way will spark citizen's interest in renovations.

- Transposition and implementation should be linked to Article 15 on financing in order to support energy communities in their CLR activities. Particularly, administrative and financial support should be given to organisations with limited means to help energy communities undertake renovations. This will be key to develop ZEBs, as these citizen-led initiatives often struggle to access financial support.
- In order to reach a ZEB, the EPBD allows for the inclusion of "carbon-free sources". The meaning of "carbon-free" should be further specified through Commission Guidelines, in order to avoid a lock-in of polluting and/or dangerous technologies.

2. Minimum Energy Performance Standards

Article 5 of the recast EPBD introduces the concept of MEPS to ensure that minimum energy performance requirements for buildings are set at national level with a view to achieve ZEBs. These MEPS will also apply to building elements that form part of the building envelope when they are replaced or retrofitted (i.e. heating systems). These requirements will also need to take into account optimal indoor environmental quality to avoid inadequate ventilation.

These MEPS must ensure that non-residential buildings reduce their primary energy use by 16% as of 2030, and 26% by 2033. Member States may exempt certain buildings under stringent criteria. For residential buildings, the MEPS trajectory shall be expressed as a decrease in average primary energy use, expressed in kWh/(m².y). Member States shall ensure that the average primary energy use of the entire residential building stock decreases by at least 16% by 2030, and 20 - 22% by 2035.

To avoid counting renovations of already well-performing buildings towards the target, Member States must ensure that at least 55% of the decrease in average primary energy use is achieved through the renovation of worst-performing buildings. This is also related to the energy savings obligation under Article 8 of the EED, which also includes a focus on energy poor households - as in order to save more energy, buildings must become more efficient, which may be accomplished through MEPS.

To achieve this energy reduction target, Member States must put in place technical and financial support measures, especially targeting vulnerable households, people affected by energy poverty, and one-stop shops to offer incentives for deep and staged deep renovations. However, this could be a complicated process, and if it is not correctly implemented and monitored it could lead to poor households slipping through the cracks.

MEPS must be reviewed every five years and updated to reflect the technical progress of the building sector. These updates are based on a 'cost-optimal calculation' which is set out in Article 6, and the updated National Energy and Climate Plans (NECPs).

The link between building renovations and national climate strategies has been reinforced, as the National Building Renovation Plans (NBRPs) that Member States will need to develop to ensure a continuity of support for renovations until 2050 will become linked to the NECPs. The renovation of the European building stock is therefore recognised further as a key element of national climate transition plans. This is explained in further detail below.

Places of worship, military complexes, or stand-alone buildings that are smaller than 50m² are exempt from MEPS.

Analysis

The MEPS represents an opportunity for energy communities and Member States alike, as studies have shown that citizen-led initiatives lead to reductions in energy consumption by around 10% due to behavioural changes. If properly supported, energy communities and CLRs are a great tool for municipalities to achieve these energy reduction targets, including in poor-performing residential buildings where residents experience energy poverty.

Recommendations for EU and national action

- Both the Commission and Member States need to strengthen the enabling framework of MEPS to incentivise, support, and democratise energy renovations. In particular, Member States should include CLRs and energy-reducing behaviour in their existing enabling frameworks for energy communities. Support should also better target community and citizen-led initiatives that focus on helping vulnerable groups, giving core funding to energy communities or dispersing this funding through national and European energy community network organisations. The Commission should also issue guidance on how CLRs help to achieve MEPS.
- Member States should create synergies between MEPS and Article 8 of the EED on the energy savings obligation, energy poverty to better tailor MEPS towards achievement of energy savings among vulnerable households through organisations with a social aim, such as energy communities and other social economy actors.
- The social impact of the implementation of MEPS and its prioritisation of energy poor households should be closely monitored at the national and EU level to avoid vulnerable households slipping through the cracks.

3. National Building Renovation Plans

In order to ensure that both public and private buildings are highly energy efficient, decarbonised, and a ZEB, the recast EPBD requires each Member State to establish a national building renovation plan (NBRP).

Each NBRP must include an overview of the national building stock (including construction periods and climatic zones) and the share of vulnerable households. It must also include a Roadmap with national targets and progress indicators to transform the building stock to ZEBs by 2050 and to reduce energy poverty. This Roadmap must include a list of planned policies and measures and, where possible, be aligned with the NECPs. The NBRP must also include information on investment needs, and financing and administrative sources for building renovations. In addition, the NBRP must include the operational GHG and annual primary energy use of a new ZEB, MEPS for non-residential buildings, a trajectory for the renovation of residential buildings, and an evidence-based estimate of the expected energy savings and wider benefits. The NBRPs shall include national targets for 2030, 2040 and 2050 to give predictability to citizens and market actors.

These NBRPs must be prepared every five years, with the first draft due on 31st of December 2025. The Commission will then assess whether the draft plans are enough to meet the EU's targets, and whether they prioritise worst performing buildings and vulnerable households.

Analysis

The development of NBRPs is the responsibility of Member States. However, in doing so it is important to consider and promote the role that energy communities play in achieving the different targets set out in the NBRPs (MEPS, ZEB, energy savings...). For instance, including enabling measures for energy communities in the NBRP can accelerate the renovation rate, decrease energy consumption, and prioritise vulnerable households.

Recommendations for national action

- Member States should conduct ex-ante and ex-post public consultations of the NBRPs with the active involvement of citizens in order to increase literacy and public support for renovation activities.

- Member States should include “enabling measures to support energy communities” in their NBRPs. To achieve the NBRP objectives of transforming the building stock into ZEB by 2050, to install RES, and to reduce energy poverty, energy communities are a great way to connect RES, renovations, and a social economy, and are one of the 3 ways to transform a building into a ZEB.
- Member States should conduct an assessment of workforce needs at the local level to design, and implement the NBRPs, especially considering social economy actors. This will help central governments allocate sufficient resources over time to achieve the renovation targets, while prioritising vulnerable households through the support of social economy actors.
- Member States should include a “social roadmap” in the NBRPs with a focus on marginalised communities, such as energy poor households, vulnerable households, and households of socially excluded communities. This Roadmap should include measures and means to reduce these inequalities, and bring these households into the broader local community.

4. Solar energy in buildings

Article 10 of the recast EPBD states that all new buildings shall be designed to optimise their solar energy generation potential for its subsequent installation. Member States shall ensure the deployment of solar installations for:

- all new public and non-residential buildings (>250m²) by 31st December 2026;
- all existing public buildings (>2000m²) by 31st December 2027;
- all existing public buildings (>750m²) by 31st December 2028;
- all existing public buildings (>250m²) by 31st December 2030; and
- all new residential buildings by 31st December 2029.

In order to achieve these objectives, Member States are required to put in place a framework providing necessary administrative, technical and financial measures to support the development of solar energy in buildings, including in combination with efficient district heating systems.

Analysis

While power generation (in this case through solar energy) is a well-established activity of energy communities, the recast EPBD further links it to the efficiency of our building stock. This is indeed in line with the EU's target of a minimum 49% of renewables in the building sector by 2030 under the RED III where Member States may use increases in energy communities and energy sharing in order to achieve

it. At the same time, Art 10 of the EPBD is aligned with Articles 15a, 16d and 17 the RED III and EPBD's also link power production in buildings with energy efficiency, and renewable heating and cooling, given the reference to an efficient district heating system. In particular, Article 15a calls on Member States to include national measures to support the increase in onsite and nearby solar production, including from RECs. Implementation of Article 10 of the EPBD is therefore a great opportunity to support RECs to link PV production with energy efficient buildings, and a renewable local heating and cooling system, whilst ensuring its social, democratic and local dimension through energy communities.⁵

Recommendations for national action

- Member States should align efforts to implement Article 10 of the recast EPBD and Article 15a of the RED III by supporting RECs to install nearby and on-site solar production, combining such support for building renovations.
- Administrative, technical and financial measures to support development of solar energy in buildings should be targeted towards social economy actors, such as energy communities. This would allow social economy actors to develop across several local municipalities, lifting some of the burden from the authorities.
- Keeping in mind that solar installations cover both photovoltaics and solar thermal collectors (responsible for almost 50% of our energy consumption), Member States should align implementation of Article 10 of the EPBD with the Renewable Energy Directive and the Energy Efficiency Directive provisions on heating and cooling.

5. Financing

Article 15 of the recast EPBD gives Member States the legal means to provide and mobilise financial assistance to achieve the EU's renovation objectives. To this end, Member States must provide appropriate financing, support measures, and other instruments to address market barriers to transform their building stock into ZEBs by 2050.

Procedures to apply for public financing must be simple and streamlined to make it easy for households to access. Where appropriate, Member States should address barriers to up-front costs of renovations using revenue-based parameters. Member States may use existing national energy efficiency funds to finance renovation projects, as well as the Recovery and Resilience Facility, the

⁵ See also [REScoop.eu's briefing and recommendations on the revised RED III](#).

Social Climate Fund, Cohesion Funds, InvestEU, and revenues from Emissions Trading System (ETS).

Beyond public funds, Member States should also promote the deployment of private funds, such as energy efficiency loans and mortgages, energy performance contracting, pay-as-you-save financial schemes, reduced tax rates, on-tax schemes, on-bill schemes, guarantee funds, deep renovation funds, and mortgage portfolio standards. The important thing is that this funding is deployed in a consistent way to achieve a ZEB building stock by 2050, and avoid gaps in renovations and their financing. This funding must also include measures to promote education and training to ensure a sufficient workforce. Furthermore, Article 29 specifies that Member States should aim to support training specifically for energy communities, CLR activities, and local and regional authorities.

Non-economic barriers must also be removed, for instance it could be decided to remove unanimity requirements in co-ownership structures, or allowing co-ownership structures to be direct recipients of support. Member States must also address eviction of vulnerable households caused by disproportionate rent increases following a renovation, known as “renovictions”. Member States must aim at financial incentives benefitting both the owners and the tenant, and introduce effective safeguards to protect vulnerable households by providing rent support or imposing rent caps.

From 1st January 2025, Member States shall not provide any financial incentives for the installation of stand-alone boilers powered by fossil fuels.

Analysis

Grants could help scale up the Energy Performance Contracting model, allowing for energy communities to provide energy service company (ESCO) services at scale. Guarantees and revolving funds could equally unlock higher levels of private funding. Energy communities could also be supported with operational funding to help run training programs for members of the local community to acquire relevant renovation skills and certifications.

Most importantly for energy communities, such financing programmes must be designed so they are accessible to organisations with lower administrative, financial, and organisational capacity. This is clarified in Recital 64, stating that:

“Energy communities, citizen-led initiatives and local authorities and energy agencies, while indispensable for delivering the Renovation Wave, face the same issues [as microenterprises] of lower administrative, financial and organisational capacities. This should not hamper the essential role of such entities and should be taken into account in the development of support and training programmes, with sufficient visibility and ease of access;”

Therefore, when mobilising public and private funding for renovations, Member States must pay particular attention to energy communities, citizen-led initiatives, microenterprises, local authorities and energy agencies.

These measures must also be linked with vulnerable households and reductions in GHG emissions. Deep renovations or staged deep renovations should be incentivised with higher financial, fiscal, administrative and technical support (deep renovation is one resulting in at least 60% reduction in primary energy use). District renovation programmes that result in an overall reduction of at least 30% of primary energy use shall also be incentivised further.

Recommendations for national action

- The main issue for customers is up-front investment needs, which many cannot afford or they do not see the value in. This is an even bigger issue for vulnerable households. To tackle the issue, up-front funding should be given to vulnerable people and customers wanting to join a CLR project.
- Funding for fossil fuel boilers should be re-invested in renewable energy projects with a social dimension. The funding should be multi-year, clear, and predictable, so as to not cause sudden shocks and/or freezes to the renovation market. To this end, offering "core funding" to energy communities would help groups of citizens to carry out their renewable energy projects and increase their range of renovations (be it citizen-led renovations, or community-led heating and cooling).
- As outlined in REScoop.eu's [briefing on the Social Climate Fund](#),⁶ Member States should use their Social Climate Plans for structural investments in clean heating and cooling pioneered through energy communities, as these offer citizens the democratic control over their local heating and cooling, as well as allowing them to decide over its revenues. We recommend that Member States use more than 25% of the foreseen ETS2 proceeds, combined with ETS1 revenues, to bolster socially just climate investments that foster local collaborations between citizens and their local municipality.
- Public support should be given as "core funding" to starting citizen-led initiatives in order to ensure the hiring of a minimum amount of employees for the project (this can then be re-adjusted as the citizen-led renovation project makes revenues to finance them). Beyond public funds, we recommend to unlock private financing by making it clear to lending institutions that projects by energy communities are financially attractive and a safe investment. This could be achieved through municipal/public guarantees, as the KommuneKredit in Denmark does for citizen-led heating and cooling projects, or the loan to grant scheme in Scotland.

⁶ <https://www.rescoop.eu/toolbox/rescoop-eu-briefing-on-social-climate-fund>

- We recommend to include enabling measures to support the renovation activities of energy communities in the final NECPs, as well as the Social Climate Plans. Half of all EU Member States (will) use Cohesion and Recovery Funds to support energy communities. Yet, activities like production and self-consumption of energy are over-emphasized, sidelining the opportunity to support energy efficiency, CLRs, and heating and cooling.
- Expand “Community Energy Financing Schemes” in order to accelerate community energy and their renovations and heating and cooling activities. In many EU countries there exists an active national federation of energy communities. Following the successful examples of France and the Netherlands, these national federations could act as honest brokers that could help co-manage, and distribute, national funds to energy communities. This would reduce risks of fraud, while maximising social impact and value for money.

Recommendations for EU action

- Guidance should be given to Member States for the remainder of the funding period (2027/2026 respectively) to create specific calls targeting renovations, energy efficiency, and heating and cooling projects by energy communities. The Commission should also work proactively to foresee such support programs in the EU's next Multiannual Financial Framework (MFF).

6. Energy Performance Certificates

Article 16 of the recast EPBD updates EPCs, which must include a numeric indicator of primary energy use (kWh/(m².y)), and a reference to MEPS.

The EPC should specify the energy class on a scale from A to G (A being a ZEB and G being a very worst-performing building). Member States may define A+ as buildings with a maximum threshold for energy demand which is at least 20% lower than the maximum threshold of ZEBs and which generates more energy than it consumes. For A+ buildings, Member States shall ensure that the GWP is estimated and disclosed through the EPC. Annex V of the EPBD offers more information on what must be included.

EPCs must have a common visual identity across the Member State, and must be affordable. To that end, Member States may provide financial support for vulnerable households.

The recommendations included in the EPC should include information on available financial incentives, administrative and technical assistance, and financial benefits. It should also include an assessment of whether heating, ventilation, air-conditioning and domestic hot water systems can be adapted or

replaced to operate more efficiently, as well as an assessment of the remaining lifespan of the system. It must also indicate where the owner or tenant can receive more detailed information.

The validity of EPCs shall not exceed 10 years.

Analysis

EPCs provide yet another opportunity to develop supportive policies and measures for incentivising the renovation of households, particularly those experiencing energy poverty and/or living in worst-performing buildings, while increasing citizen's energy literacy. In particular, energy communities and other social enterprises can help contribute to achieving these objectives by informing citizens and targeting vulnerable groups. Following the successful examples of France and the Netherlands, these national federations can act as honest brokers that could help co-manage, and distribute, national funds to energy communities working with vulnerable households.

Recommendations for national action

- Given that Member States must provide financial support for vulnerable households to access EPCs, we recommend channelling a portion of this funding through local social economy actors collaborating with municipalities.

7. One-Stop Shops (OSS) for energy performance of buildings

Article 18 says that Member States need to ensure the establishment and operation of technical assistance facilities, including through inclusive OSS targeting all actors involved in building renovations. Member States must ensure that there is at least one OSS available:

- Per region;
- Per 80.000 inhabitants;
- In areas where the average building age is above the national average;
- In areas with district renovation programmes; or
- In a location that can be reached within less than 90 minutes travel distance.

These OSS should be in line with the references to OSS in Article 22 of the EED. The definition of OSS in the EED includes a reference to energy communities, stating that the information on available energy efficiency improvement measures must be transparent and accessible to all relevant market actors, including energy communities. Furthermore, these OSS must provide streamlined information on technical and financial renovation possibilities, and provide holistic support with a particular focus on energy poor households.

Analysis

In addition to benefiting from OSS established at the local and national level, energy communities have also established dedicated OSS in several EU Member States, including Ireland, France, and Belgium, to support a citizen-led approach to renovations. The revision of the EPBD and EED offers a legal framework to support citizen-led initiatives for these activities. Furthermore, the EPBD requires Member States put in place policies for the multiplication of OSS where none exist. This will allow more energy communities to benefit from OSS, as well as set up their own at regional and local levels.

Article 18 of the EPBD is also closely linked with the RED III, stating that Member States should provide sufficient financial and human resources to local authorities “in line with the planned installed renewable energy generation capacity provided for in their integrated national energy and climate plans.” Furthermore, the RED III states that “Member States may promote cooperation between local authorities and renewable energy communities in the building sector, particularly through the use of public procurement.” As such, there is an opportunity to use cooperative OSS as a way to provide this information to citizens, and create synergies between renovations and development of local renewable energy production by RECs.

Recommendations for national action

- Member States should support CLR approaches through their OSS as part of the broader enabling framework for energy communities under the RED and EED, accentuating the importance of local partnerships and cooperative models.

- Member States should link single administrative contact points with information support and access to expertise under enabling frameworks for RECs, covered in Article 22 paragraph 4 of the RED II.⁷
- Member States should put special attention when creating an enabling framework for OSS to prioritise social market actors, citizen-led initiatives, and existing organisations that provide social support services, as they are most familiar with the needs and expectations of the local population.

Recommendations for EU action

- Create Guidance for the development of an EU-wide informational and enabling framework for citizen-led renovations (CLR) through cooperative OSS, as it was done for energy communities in the Renewable Energy Directive. This recommendation seeks to embed sustainability and democratisation at the heart of inclusive renovation strategies.
- Develop an EU-wide dynamic platform for the seamless exchange of best practices, innovative tools, and successful service archetypes among Member States and energy communities working on CLR. This platform would serve as a repository of knowledge, fostering a collaborative ecosystem for efficient renovation initiatives across the EU.

⁷ Directive (EU)/2018/2001 on the promotion of the use of energy from renewable sources (recast), OJ L328/82, 21.12.2018, p 82-209.