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GN POSITION PAPER ON THE PROPOSAL FOR A REVISED ENERGY PERFORMANCE OF BUILDINGS DIRECTIVE (EPBD)

GasNaturally fully supports the Commission's ambition to decarbonise the building sector by promoting higher-performance and energy-efficient buildings and ensuring a cost-efficient energy transition by building on existing infrastructures and networks. The gaseous fuels industry has a key role to play in addressing the twin challenge of energy efficiency and affordability of Europe's ageing building stock and we strongly believe that the Energy Performance of Buildings Directive (EPBD) opens an opportunity for policymakers to provide the proper framework to substantially reduce the GHG emissions in buildings in a cost-efficient way.

Residential heating is a hard-to-abate sector, and all energy vectors are needed to ensure that the decarbonisation process is successful and cost-effective, in combination with market-based measures aiming at empowering citizens to make sustainable choices.

Equally important, however, is the need for a level-playing field among available technologies. Measures that favor one technology over others may prevent citizens from investing in highly efficient heating solutions, such as gas condensing boilers and hybrid systems, which would immediately reduce emissions and energy demand in a cost-efficient way. Furthermore, deterring buildings from relying on existing gas networks, such as gas grids and liquid gases, would hinder the uptake of renewable gases, which are particularly suitable for heating as they provide stable and storable energy and significant emissions reductions while keeping system costs low.

To achieve the decarbonisation of the heating sector, GasNaturally has developed the following recommendations in order to ensure that the proposed Directive will enable a level-playing field among available technologies, taking into consideration security of supply, cost-effectiveness, and flexibility.

1.Reconsider the definition of Zero Emission Building to include renewable gasses not generated on-site

Zero Emission Buildings should be allowed to meet their energy needs by relying on renewable energy irrespective of the grid used, the market player involved or the distance to the renewable energy sources.

Renewable gases, even if not generated on-site, provide immediate emissions reductions compared to other heating fuels. The Directive should, therefore, recognise their important contribution in decarbonising the European building stock, both for new and existing buildings. The generated on-site requirement introduced in the Directive constitutes an unjustified market barrier that would exclude renewable gases such as hydrogen, biomethane and renewable liquid gases from contributing towards the decarbonisation of the building sector.



Furthermore, if kept unchanged, the proposed definition would be problematic for many buildings, especially rural buildings, with limited space for solar PV and wind generation, creating an unfair distortion and discriminating against consumers who cannot benefit from onsite sources.

Taking into account the aforementioned considerations, GasNaturally would like to propose the following:

- The definition of ZEB should be revised to ensure the inclusion of renewable gasses not generated on-site in accordance with the energy efficiency first principle.
- Likewise, the definition of available energy sources to cover the energy needs of an efficient building should be revised to be better aligned with the provisions entailed in the Gas Package and the recast of the Renewable Energy Directive.

2.Ensure a balanced mix of technologies and enable all renewable-ready heating technologies to contribute.

The EU is characterised by a heterogeneous building stock that reflects the history, cultural traditions, geography and climatic conditions of its Member States. A one-size-fits-all approach based exclusively on electrification is not sufficient to accommodate all the different needs of European households, the heterogeneity of the heating sector, or the diversity of national infrastructures.

Gas boilers can already run on renewable gases today, providing for a prompt and cost effective solution to decarbonise heating. The new EPBD should, therefore, not establish *a priori* which technology is the best to drive the decarbonisation of the EU buildings stock but should instead promote a balanced mix of heating technologies and energy vectors that could safeguard consumers' choices while guaranteeing that the 2050 climate targets are met cost-effectively.

To this end:

- Adequate incentives should remain in place in order to allow the necessary short-term replacement of old and inefficient heating appliances, while ensuring the use of renewable gases in those situations where electric-only solutions such as heat-pumps are not fit-for-purpose and technically inefficient.

This should be complemented by revising the proposed legal basis for national bans on specific heating technologies and/or fuels as to ensure that the Directive is fully aligned with the Commission's commitment to a technology neutral approach.

GasNaturally is a partnership of eight associations from across the whole gas value chain. Our members are involved in gas exploration and production, transmission, distribution, wholesale and retail operations, as well as gas in transport.

