

## **EuroWindoor feedback to the public consultation on the revised Climate, Energy and Environmental Aid Guidelines (CEEAG 2022)**

EuroWindoor welcomes the opportunity to comment on the revised Guidelines on State aid for climate, environmental protection and energy 2022. We are especially interested in Section 4.2 “Aid for the improvement of the energy and environmental performance of buildings”. We highly appreciate the approach of the EU Commission to establish the “Efficiency First Principle” as the guiding principle for eligibility (Section 4.2.2 point 115). It is also right and important to support comprehensive renovations as a matter of principle, but we also consider the funding of individual measures or step-to-step renovation to be necessary, for which the energy-saving threshold in the guidelines are not reasonable.

### **Do subsidies to improve the energy efficiency of buildings meet the definition of aid?**

First of all, EuroWindoor recommends to check whether Section 4.2 for buildings is necessary or can be deleted from the guidelines. National or regional subsidies to improve the energy efficiency of buildings are subsidies that - as long as they are technology-neutral - do not affect international trade and thus do not affect competition in the European internal market. As a result, they should not be classified as aid within the meaning of Article 107 (1) of the Treaty on the Functioning of the European Union (TFEU). **If this applies and EU-wide guidelines for the promotion of energy efficiency for the building sector are desired by the European Commission, we recommend adding this to the Energy Performance of Buildings Directive (EPBD).**

### **Comments to Section 4.2 “Aid for the improvement of the energy and environmental performance of buildings”**

- **Point 117**

In order to be able to achieve the climate neutrality in the building sector by 2050, both the building's energy demand must already be reduced by an efficient building envelope and the provision of the remaining energy needs must be provided through efficient technical equipment and the use of renewable energies.

Without a reduction in the building's energy demand, too much renewable energies will be needed in 2050, and if the building's energy demand is only reduced after the technical equipment has been renewed, it will result in low levels of efficiency. The “Efficiency First Principle” as the guiding principle for eligibility should also be clarified at this point by expressing the need to combine it with point 115.

- EuroWindoor suggests the following addition: “Aid may also be granted **in combination with aid according to point 115** for the improvement of the energy efficiency of the heating or cooling equipment inside the building. ...”

- **Point 118 (a)**

Compared to comprehensive renovations, individual measures and step-by-step renovations are the preferred approach to energy-efficient renovation for many owners - e.g. due to limited financial options (despite subsidies) or minimizing restrictions on habitability during construction measures in residential buildings.

The proposed minimum reduction of the energy demand of 20% would exclude too many individual measures out of eligibility, including the individual measures on the building envelope like window replacement that are important for the energy efficiency and climate protection goals to be achieved. These individual measures usually do not account for > 20% of the energy demand of the building and thus cannot result in at least 20% energy savings.

- EuroWindoor proposes that **the 20% threshold for reducing the primary energy demand shall only be applied to a comprehensive renovation of the entire building. In the case of improvements through individual measures or partial renovation the 20% threshold**

**needs to be related to the improvement in the energy efficiency of the implemented measure only.**

Step-by-step renovations - especially by means of an individual renovation schedule, which will ultimately lead to full renovations - are extremely important for the implementation of the climate goals in the building sector. A combination of reduction in energy consumption of at least 30% over a maximum of 3 years does not take into account the fact that the available financial possibilities are limited, nor the timing in the normal renovation cycle of components and systems, which is sensible for the economic viability of measures. Furthermore, an additional threshold for step-by-step renovations makes the procedures unnecessarily complicated. The outcome at the end is important and this should be the same.

- EuroWindowor therefore demands the **deletion of the second threshold 30% and the 3-year deadline or amending the addition: "If energetic modernizations are implemented step-by-step within the framework of an individual renovation schedule, these must be completed within 15 years."**

- **Point 118 (b)**

In relation to the planned threshold value of 20% in 118a, the proposal with at least 10% improvement compared to the specified NZEB for new buildings is incomprehensible and unambitious, since construction and technical measures to improve energy efficiency are much simpler and more cost-effective than in the renovation.

- **For new buildings, EuroWindowor recommends a threshold of at least 20% reduction in the primary energy demand compared to national NZEB definition.**

- **Points 126–129 in Section 4.2.4.2 Proportionality**

The proposed specifications in 4.2.4, in particular points 126-129, show that the aid criteria usually applying to companies are not meaningful for the energy efficiency of buildings.

In 4.2.1 "Rationale for the aid", some reasons for support measures in the building sector are already explained, but the most important ones are excluded from the list. The building owners are predominantly private owners - mainly owner-occupiers.

The subsidies for energy efficient building renovation should, on the one hand activate them to take these measures, but above all it should close the gap to the individual profitability of measures. An attempt is made to take account of this fact in point 130 with an exception for the member states, but this form of exception represents a further, unnecessary hurdle in the necessary incentives for building renovation.

Therefore, the requirements for maximum funding, paragraphs 126-129 are to be rejected.

- **We recommend to delete the points 126-129** or replacing them with specifications that generally enable the funding agency to bridge the gap to economic viability in accordance with the national / local situation. In such a specification, the economic lifespan of the measure should also play a role.

We look forward to supporting the European Commission throughout the revision process.

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**About EuroWindowor AISBL** – EuroWindowor AISBL was founded as an international non-profit Association, in order to represent the interests of the European window, door and facade (curtain walling) sector. Our 19 national associations speak for European window, door and facade manufacturers that are in direct contact with consumers, and thereby having large insights on consumers' demands and expectations. We are at the forefront interacting with dealers, installers and consumers buying windows and doors, and the companies behind the associations cover selling all over Europe.



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