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Comments of the AIE on the consultation on "Financial Support for Energy Efficiency in Buildings"

The AIE – the European Association of electrical contractors -represents about 175,000 specialist contractors with 1,000,000 employees in the EU-countries and beyond. Our member companies are installing electrical building equipment and other types of energy systems.

The overall turnover is approx. 75 billion Euros.

AIE contractors have an in-depth knowledge of the energy performance of nearly all buildings in Europe. With their high-quality expert skills, our member companies have since long started to work on the little improvements of the energy efficiency of buildings – step by step.

The AIE is well aware that the financial investment of all improvements made on the energy efficiency of buildings is a crucial issue! We also recognise that existing buildings are difficult to be addressed because of the different types of buildings with very different situations.

Beyond an obvious request to enforce the existing regulatory framework (EPBD, eco-design, energy labeling...) in the Member States and to be cautiously monitored by the European Commission, we believe financial measures should take into account the following recommendations:

Let's be S M A R T!

• <u>S</u>ME's are the backbone of the economy and those who survive today to the economical and financial crisis, have surely the necessary in-house expertise and know-how. However the access to financial mechanism or funds for SME's is often difficult, if not impossible. Any incentives and funding made available to energy service providers should also be made available to SMEs working within the energy efficiency solutions and system installation sectors. We need to develop funding arrangements tailored specifically to allow smaller companies to participate in the energy services market, where paybacks to the installer may be delayed. They might act as individuals or in consortia.

• <u>M</u>onitoring and measurement of energy savings are crucial; what cannot be measured cannot be improved and will not be taken serious. Any investment by

the customer or a third party should be closely monitored and offer guarantees to the investor.

• <u>A</u>wareness and information are key! One of the greatest challenges is how to change energy-using attitudes and energy-consumption behaviors. Massive information campaigns including media broadcasts, information points in major towns and cities and stakeholder involvement of the whole value-chain (building-owners, tenants, municipalities, architects, energy experts, installers, etc.) should be started immediately – the more, the better.

The European institutions can help by funding European, national, regional or even local awareness campaigns with case examples on how to improve the energy efficiency of buildings which will play a key role and have massive effects on the implementation velocity of the Directive. Citizen's awareness has increased rapidly over the last years and will continue to increase. Better informed citizens will require professional and technical advice, stimulate private investment and boost the demand side.

• <u>R</u>esidential houses can be reached and addressed by requiring an energy and safety inspection when selling a house! It would give the potential buyer accurate information on the investment to be made in the future and prioritize them, and to the house owner potentially better value for a energy performant house.

Learning from the experience in France where inspections of existing electrical installations in houses are mandatory, 90% of the owners express their intention to renovate the installation. This will benefit sustainability and safety (in the case of electrical installations), create or maintain employment and trigger private investment.

Moreover, financial institutions should be encouraged to have 0% loans for energy efficient renovation of residential houses whilst insurance companies should be encouraged to offer a rebate on the home insurance premium.

For the landlords – tenant issue, there are yet some solutions implemented such as 50/50 investment.

• <u>Taxes</u>, such as Value Added Tax should be removed from measures that support energy efficiency solutions and systems in buildings. Energy efficient technologies and products should rather be promoted which is not always the case. For example, in the UK an import duty is currently placed on LED lamps and LED lighting products that is based on the fact that these lights and products are regarded as machines by customs. LED lamps and LED lighting products should be classified in the same way as the incandescent lamps, CFL lamps and conventional lighting products that are now being replaced by these LED products. This duty is an unnecessary extra tax being placed on energy efficient lighting installations and upgrades of existing lighting installations.

Far too often life-cycle considerations are not well known and ecological & financial benefits are not calculated. We recommend EU decision-makers to include compulsory measures for member states to implement more tax, financial and other incentives for the encouragement of building owners to care for sustainable & long-sighted renovation rather than rough-and-ready repair work of their often far too-inefficient equipment.

Last but not least, to build up an energy services market we need first of all to create a <u>fair level</u> <u>playing field for all companies</u>, SME's included, to offer the cheapest and smartest energy savings.

Professionals need to be recognized for their expertise and advice to assist at local level, customers but also banks and other financial institutions. Tax, fiscal or financial incentives should therefore automatically be linked to the requirement to work with building professionals.

In conclusion, the AIE calls on the EU decision makers to make use of a chance to transform buildings from energy wasters to climate savers. The EU must not miss the opportunity to act now.

Brussels, 18 May 2012.