



HOTREC views for compromise amendments

Proposal for a Directive on Energy Performance of Buildings

HOTREC, the European Association of Hotels, Restaurants and Cafés¹, takes note of both the European Parliament report on a proposal for a Directive on the energy performance of buildings (recast) (**COD**) approved in the March 2023 plenary session, as well as the Council General Approach ([13280/22](#)) on the same topic, formally approved by the Energy Council on 25 October 2022.

We welcome the revision of the Energy Performance of Buildings Directive (EPBD) as part of the EU's goal in achieving a zero-emission building stock by 2050. We consider fundamental to alert companies to the benefits that such structures will bring in the future in terms of energy cost savings. But we are also concerned with new infrastructural adjustments that need to be done by companies (especially by SMEs).

Therefore, we would like to stress some of our priorities:

- Support must be provided to companies, especially SMEs (e.g. fiscal incentives, such as tax relief; guarantee funds; funds targeting deep renovation);
- Minimum Energy Performance Standards are essential to help achieve the EU targets. But a step-by-step approach is preferable, to allow companies to adapt, while the notion of building stock should be preserved (when compared to individual buildings) – energy efficiency improvements should be done in connection with other renovation work of the building and taking into account its value in the future;
- Charging stations and bicycle parking spaces shall not be mandatory;
- Solar energy can be encouraged, but not made compulsory, at least for existing buildings.
- A definition of public, residential and non-residential building should be part of the legislation.

Definitions – Article 2

With regard to the definition of zero emission buildings, HOTREC supports that the European Parliament has **not established a distinction** between the **energy produced on-site and the energy provided by the grid** if the energy is produced in an emission-free way. Nevertheless, the source of emission-free energy (near or far) should not be a factor to be included in the definition – in our view all emission-free energy resources must be available.

HOTREC also supports the Council approach, as the definition of zero emission of buildings includes zero or **very low amount of energy**. But we consider that low carbon energy sources should also be included to the definition.

The EU institutions should include a **definition of public, residential and non-residential building** in art. 2.

¹ **HOTREC** is the umbrella association of Hotels, Restaurants, Bars and Cafés and similar establishments in Europe, which brings together 46 National associations in 35 countries, and is the voice of European hospitality. HOTREC's mission is to represent and champion its interests towards the EU and international institutions, foster knowledge sharing and best practices among its members to further promote innovation, and act as a platform of expertise for the hospitality sector.

Justification

- Climate change and transitioning to a low-carbon energy system should accept all CO₂-free energy source in the definition;
- As the main goal of the Directive is to reduce emissions, the latter should not differentiate between the energy produced on-site, nearby off-site or the energy provided by the grid or using district heating if the energy is produced in an emissions-free way;
- The power from low carbon energy sources will have an essential contribution to decarbonizing heating of buildings;
- A definition of public, residential and non-residential building is needed in the text, to bring legal certainty and for companies to understand to which category they belong.

New buildings (Art 7)

HOTREC supports the Council's approach: Member States shall ensure that all new buildings are zero-emission buildings as of **1 January 2030** (as opposed to 2028, as proposed by the Parliament).

Justification

- It is to note that the hospitality sector was one of the sectors which was hit the hardest by COVID. After that, the energy crisis arrived, increasing the energy bills of the sector from 200-600%. With low profit margins, 99% of the companies in the sector are SME's and are struggling to survive. A reasonable transitional period is needed to adapt to the new infrastructural changes.

Minimum Energy Performance Standards (Art 9)

HOTREC defends the Council position, presenting a phased approach for non-residential buildings, where Member States agreed to set Minimum Energy Performance Standards (MEPs) **thresholds'**, based on primary energy consumption. In this sense, all non-residential buildings will be below:

- The 15% threshold as of 1 January 2030 and
- The 25% thresholds as of 1 January 2034.

We also welcome the possibility **to exempt buildings**, in light of the expected future use of the building or in the case of an **unfavourable cost-benefit assessment**. MEPs should not be mandatory.

HOTREC supports the European Parliament's view, when it refers to the **building stock** and not to individual buildings.

Nevertheless, HOTREC cannot accept the change in grading proposed by the Parliament: non-residential buildings to achieve at least energy performance class E by 2027 and D by 2030 (as opposed to class F by 2027 and class E by 2030, as proposed by the Commission).

We very much welcome all the exceptions included in the text by the EU institutions, namely with regard to historical buildings or buildings with a special architecture, temporary buildings, stand alone buildings with a total useful floor area of less than 50m².

Justification

- The hospitality sector was severely hit by the COVID crisis and faces high energy prices. A phased approach will give more time to companies to adapt (see justification for art 7);
- Companies in the sector, especially SME's, need incentives to comply;
- Exceptions must be possible – if the assessment shows that MEPs will not be cost efficient, then companies should be allowed to be exempted from applying MEPs. The strict energy efficiency requirements should not apply to buildings with no value in the future and for which there is currently no financing available to cover the renovation costs.
- The changes proposed by the Parliament with regard to the grading system are not based on the performance of the building.

Solar energy in buildings (Art 9a)

We consider that the Council's approach is balanced, **as it exempts existing non-residential buildings** from the obligation of developing solar energy solutions.

Regarding the European Parliament's approach, it is positive that solar energy installation shall be deployed if technically suitable and economically and functionally feasible.

We fully support that both institutions agree that criteria should be developed at national level for the practical implementation of these obligations and for possible exemptions targeting non-residential buildings.

Justification

- Solar energy can be encouraged but not made compulsory;
- The existent building stock should be exempted from this obligation and be addressed with incentives and support;
- A one-size-fits-all approach is not functional (e.g. some countries do not have much light during winter time).

Infrastructure for Sustainable Mobility (Art 12)

HOTREC fully supports the exception put forward by the European Parliament where Member States may adjust requirements for the number of **parking spaces** for non-residential buildings, if this would lead to disproportionate costs, would be economically unfeasible or unjustifiable or where conditions do not justify the fulfilment of the requirements. **We firmly believe that this exception also applies to the recharging points installed in a new or non-residential building (as charging points depend directly on the number of parking spaces).** This makes it possible to adjust at national level the ratio between the parking spaces and charging points, avoid disproportionate costs and ensure economical feasibility. HOTREC would very much welcome a **clarification of the text in this sense.**

HOTREC also fully welcomes the exception put forward by the European Parliament: the Commission may decide to allow a **Member State to adjust the requirements of introducing charging stations and bicycle parking spaces in the non-residential buildings owned or occupied by SMEs.**

With regard to bicycle parking places, we support the Council's view to provide the possibility to Member States to adjust requirements for a number of parking spaces that are not typically accessed by bicycles.

It is positive that Member States may adjust the requirements of bicycle parking places in accordance with geographical, demographic and climate conditions (European Parliament's view).

Justification

- **Charging stations should not be mandatory**
 - Charging stations are a very expensive investment to be done by companies (tens of thousands of euros). In addition to charging points, it means electrical cabling repairs and adjustments in the property.
 - They might also become obsolete quite rapidly as technology of electric cars involves constantly, as well as charging infrastructure. The needs and habits of recharging will change accordingly.
 - The size of the parking area, its use and the need for charging varies greatly depending on the business and activities in the property and where the property is situated inside the country (city, urban areas, rural areas, remote areas etc).
 - Therefore, the best approach is to rely on market driven solutions speeded up with finance and incentives to support companies in their adaptation. If regulated, the amount of charging stations should be decided on a national level. The exemption (12.5 b) in the parliament's text gives a possibility for consideration to be given at national level which can be used to avoid disproportionate costs and ensure economic feasibility. But the text of the exemption needs to be clarified to apply both to charging stations and parking spaces as these are interconnected in the directive.

- **Bicycle parking spaces shall not be mandatory**

- Cycling should be promoted through sensible and cost-effective measures. Guidance at local level should take place.
- The mandatory nature of such a requirement is too burdensome, especially for SME's.
- Also, the climate conditions vary from country to country. In certain countries the cycling season is short and cyclers use their bikes for short periods of time during the year.

Financial incentives (Art 15)

We welcome both the Council and the Parliament's approach, as they highlight that Member States shall provide appropriate financing and stimulate the necessary investments in energy renovations in view of their national building renovation plans and in view of transforming the building stock into zero-emission buildings by 2050. Incentives can include pay-as-you-save financial schemes; fiscal incentives; reduced tax rates on renovation works and materials; economic instruments that provide incentives for the application of sufficiency and circular measures; guarantee funds.

Justification

The sector was severely hit by COVID and is now facing the energy crisis. The sector will need to be supported in order to be able to apply the investments that this piece of legislation is requiring. More EU and national funds are needed to support the industry to comply.

Nota bene:

With the aim of summarizing as much as possible, HOTREC expressed only its main concerns. In case of any doubt please contact Marta Machado (marta.machado@hotrec.eu), HOTREC's Deputy Director General.

HOTREC is willing to continue discussions with both co-legislators, in order to find a compromise that makes it feasible for companies, especially SME's and microenterprises to comply with the upcoming revision of the Directive.
