

Addressing the barriers to energy efficiency - split incentives

Based on the analysis of the National
Energy Efficiency Action Plans in the
context of Art. 19, EED

Barriers to energy efficiency - analysis of the NEEAPs



- Analysis of 26 NEEAPs made available on DG ENER website before July 2015. NEEAPs from SI and HU were not available yet
- **Most common barriers** to energy efficiency:
 - Split incentives between tenants and owners or co-owners (12 MS)
 - Barriers to energy-efficiency service contracts including to Energy Performance Contracting (11 MS)
 - Barriers related to accounting rules (2 MS), annual budgeting for public bodies (2 MS)
 - Lack of personalised information (2 MS)
- Other barriers/specific problems: lack of skills in public sector, rules on public procurement, lack of financing options, Eurostat rules on public debt and deficit, ...

Measures aimed to address split incentives dilemma (1)



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- Housing regulation/programmes aimed at **dividing financial contribution or gains from energy saving actions among tenants and owners** (FR, DK, BE)
 - Amendments to the housing regulations: **voting rules on EE measures/loans for renovation projects between co-owners** (FR, ES, AT)
 - Provisions to take into account **energy efficiency aspects in property management/lease contracts** (FI, LU, SK, NL)
 - Considering **minimum thermal efficiency performance standards in properties offered for rent/lease** in residential and commercial sectors (UK, IE)

Measures aimed to address split incentives dilemma (2)



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- Under the Home Valuation System in social housing, **an energy-efficient dwelling receives more points than a dwelling that is not energy efficient**, which forms the basis for the rental price ⇒ Investments in EE of the dwelling can thus lead to an increase in the rents (NL)
 - Requirements for **dividing financial contribution between tenants and landlords** depending on who has a direct agreement with an energy supplier (UK)
 - An exception allowing **actual users of public buildings to use appropriations funds to improve EE in public buildings**, the surplus of these funds could be left in their discretion (LT)
 - **Accelerated tax write-off of investments in energy renovation** (LU)

Conclusions & Recommendations



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- In general, most measures are linked to **introducing new legislation/amending existing laws.**
 - Tackling identified barriers is still at the initial stage, **much more energy could be saved in a cost-effective way!**
 - **MS** to make a comprehensive inventory and evaluation of barriers to EE and solutions to remove them and work closely with stakeholders and the European Commission.
 - **European Commission** to streamline reporting by defining a mandatory template for MS, facilitate sharing best practice between MS, consider further studies and guidance notes to facilitate the removal of barriers, start infringement procedures, if necessary.

Who we are

- 30 industry, NGO, workers, professional and local authorities associations
 - 400 associations, 150 companies
 - 2 million workers, 15 million supporters
 - 2,500 cities and towns in 30 countries in Europe



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