


## A09 STAKEHOLDER MEETING – SPAIN NATIONAL REPORT – ENERGY- EFFICIENT BUILDINGS

<b>Dialogue date</b>	18 October 2022
<b>Participants</b>	<p>Number of participants 5</p> <ul style="list-style-type: none"> <li>- Albert Banal-Estanol, Universitat Pompeu Fabra</li> <li>- Guillermo José Escobar López, Plataforma Tecnológica Española de Eficiencia Energética</li> <li>- Cecilia Foronda Diez, ECODES</li> <li>- Silvia Rafael Bastante, Ministry for the Ecological Transition and the Demographic Challenge</li> <li>- Jose Antonio Ferrer, CIEMAT</li> </ul> <p>Facilitator: Samuel Martinez External EC Observer: Diana Lopez Garcia, Ecological and Social Transitions Department – Directorate-General for Research and Innovation (RTD.C.5), European Commission</p>
<b>Distribution of participants by sector</b>	<p>Number of participants per type</p> <ul style="list-style-type: none"> <li>- 3 Academia</li> <li>- 1 Civil Society.</li> <li>- 1 National Government.</li> </ul>
<b>Vision Statement</b>	The group did not discuss the vision statement.
<b>Role of the EU and the EGD with regard to the green transition</b>	<p>The group demonstrated to have a good knowledge of the EGD.</p> <p><b>Where Spain stands on the goals of the green transition</b></p> <p>Participants did not discuss the role of the EU and the EGD, nor the country's role in the green transition.</p> <p><b>Renovation and renewables</b></p> <p>Regarding the <b>existing policies</b>, participants mentioned the following:</p>

- There is no 100% financing because the government wants to involve the private sector, and 100% incentives cannot be given to all citizens because there is not enough budget. Moreover, especially in the case of clean energy generation, the investment is recovered through savings in a short period, so it does not make sense to finance 100% of the retrofitting.
- In the case of vulnerable populations, renovation projects can be financed at 100% (although only in certain situations). However, this 100% does not include some hidden costs such as taxes and building permits.

Regarding **aspects for improvement**, the stakeholders mentioned the following proposals:

- They differentiated between the measures oriented to producing clean energy (more affordable) and those oriented to reducing energy consumption (more expensive).  
The measures to reduce energy demand have a more significant impact and a higher cost, so the return on investment takes a long time. Here it would be interesting to introduce financing mechanisms. The government should identify different fiscal mechanisms and apply the most adequate to each case to support this transformation. Several options were mentioned, e.g. linking the Real Estate Tax to the energy certification, so those with a higher energy certification pay a reduced tax rate. Substantial control over the accreditation should be implemented to avoid fraud; there are already regulations that require an energy certificate to be able to rent a property, but the certification process is often not very rigorous. For the measures to produce clean energy, the cost is lower, and the return on investment is shorter, so high-class and middle-class families should be able to make this transformation with their resources and recover it through their energy bills.
- There should be a reserve fund for vulnerable families, both for producing clean energy and reducing consumption. Those families should also get clear information and support to apply for subsidies. For



citizens to obtain information on how to adapt their homes and on the existing financial aid, it would be convenient to create many information offices close to citizens distributed throughout the territory.

- Some ideas provided were establishing a minimum energy efficiency rating to rent a home or setting maximum rental prices for low energy ratings. However, this could mean taking many homes out of the rental market, increasing the remaining rent price and hurting the most vulnerable tenants. Providing incentives to landlords would enable them to limit rent increases.

#### **Skills in the workforce**

There are good qualifications for the professional design levels (architects, engineers, etc.) and easy access to them through professional associations. Still, there is a significant lack of competence among installers and the professionals executing the projects. The participants thought it would be difficult to suggest to the professionals that they need more training. In some cases, these expert fees are quite expensive. By promoting collective and community processes, it would be possible to facilitate access to high-level professionals that individuals could not afford. Also, subsidies could be allocated to encourage those consultations.

#### **Buildings (public and private)**

There is a renovation plan for public buildings, but the process may be slower, especially at the national level. In contrast, more buildings are being renovated at the local and regional levels. It is necessary to streamline processes to reach the 2030 goals. Even if the stakeholders understand the model role played by public buildings, they do not think it would have such an impact. There is also the perception of a large information gap among citizens. For example, when people think of energy efficiency, they think more about producing clean energy and less about refurbishing homes to reduce consumption; photovoltaic energy is often confused with thermal energy.

#### **Other points of discussion**



	<p>The stakeholders identified a significant problem in the lack of citizen information, and much more resources (technical and human) should be allocated to raise awareness. There are too few campaigns, usually digital, not reaching all groups of citizens. It is necessary to use the appropriate channels for each profile. An information program that was accomplished by going to food markets is mentioned as a successful example.</p> <p>The government is modifying how the National Energy Efficiency Fund is managed to make it more efficient so that the government can use the same money to increase the number of actions taken by reducing the bureaucracy costs involved in the current system.</p> <p>New business models based on energy efficiency (known in Spain as "el negavatio" (<i>the negative watt</i>)) should be promoted, following the line taken by energy services companies, so that companies can finance actions that are then recovered through reduced consumption bills.</p> <p>Refocusing the construction business on refurbishment rather than new housing construction would have a huge impact.</p>
<b>Barriers and roadblocks</b>	<p>The meeting sought to</p> <ul style="list-style-type: none"><li>- Identify barriers and roadblocks to implementing the EU Green Deal and the green transition.</li><li>- Rank the barriers in order of importance (from minor to major).</li></ul> <p>The participant identified the following barriers ranking their importance. They did not explicitly identify the origin of the barrier. Any distinction is the editor's.</p> <p><b>Political barriers</b></p> <ul style="list-style-type: none"><li>- Caused by the EU: none identified.</li><li>- Caused by other factors: none identified.</li></ul> <p><b>Legal barriers</b></p> <ul style="list-style-type: none"><li>- Caused by the EU:</li></ul>



- Minor roadblock: The strategies proposed by the EU to achieve the objectives sometimes do not make sense for Mediterranean countries. For example, Europe tends to focus more on heating than cooling, which makes less sense for southern countries.

- Caused by other factors: none identified.

#### **Regulatory barriers**

- Caused by the EU: none identified.
- Caused by other factors:
  - Major roadblock: The application for receiving subsidies is usually very complex. It is a rather lengthy bureaucratic process that, in many cases, discourages citizens from applying, especially the most vulnerable, who are the ones who need it the most.

#### **Financial barriers**

- Caused by the EU: none identified.
- Caused by other factors:
  - Minor roadblock: To qualify for subsidies, it is necessary to reach a minimum level of improvement for which sometimes there is no budget. People undertake renovation as much as they can afford.
  - Medium roadblock: Some citizens have little confidence in the incentive plans. They complained that some schemes had been put in place and then abolished, leaving people without long-term support. The stakeholders consider that this perception is based on misinformation.

#### **Other barriers/roadblocks identified by the stakeholders:**


- Minor roadblock: Administration buildings have not implemented renovation.
- Medium roadblock: There is a lack of human support to people in the application process.



	<ul style="list-style-type: none"><li>● Medium roadblock: there is a lack of general information. For example, photovoltaic systems are often confused with thermal systems.</li><li>● Medium roadblock: There is a lot of ignorance among the public about the benefits of a renovation. There are too few campaigns, and they are usually digital, not reaching the grassroots citizens on the ground.</li><li>● Medium roadblock: When discussing more energy-efficient buildings, people tend to think of clean energy production rather than consumption-reducing actions, so people do not focus on improving insulation and taking advantage of sunlight.</li><li>● Major roadblock: There is a significant lack of knowledge and qualifications among the professionals undertaking these works/remodels/adaptations.</li><li>● Major roadblock: the Communities of Property Owners have difficulties reaching agreements among their members, and their requests to the energy service companies are often unrealistic.</li></ul>
<b>Fair Transition</b>	<p>Stakeholders recognised the problem of ensuring a just transition, especially with the renovation cost for the lower-middle classes and the most vulnerable groups. Renovation should be affordable for all, and the government should identify the best financial tools to cover 100% of the cost for those who need it.</p> <p>To tackle this issue, reserve funding should be established to produce clean energy and reduce demand. The most vulnerable families should receive clear information and close support to apply for subsidies.</p> <p>In many cases, it is necessary to analyse the property and the different existing options to carry out these renovations. These consultancies can have a high cost, and it would be helpful if they could be financed or incentivised to make them more economically accessible.</p>

	<p>In some areas, energy networks are being implemented, mainly for heating. These energy networks<sup>1</sup>, with a certain degree of self-management, are fascinating and should be promoted more to support low incomes groups.</p> <p>One element discussed was the citizens' proposal of creating different policies depending on the dwelling size. More significant buildings have less regulated use and potentially higher energy expenditure per square metre than smaller buildings. Stakeholders considered it more important to differentiate financial support by housing typology, based on the kW/hour/person consumption, the quality of the construction (rural dwellings are usually better insulated than small and medium urban dwellings due to the type of construction and materials used), and the different climatic zones.</p> <p>There was no discussion on the elements of just transition for the economy related to the private sector and/or smaller companies.</p>
<p><b>Areas of convergence/divergence with citizen meetings results</b></p>	<p>After examining the citizens' contributions, the stakeholders agreed that citizens were not well informed on energy efficiency matters. There were also a few citizens' proposals that the stakeholders found quite ambiguous and challenging to understand.</p> <p>The proposals discussed by the participants were the following:</p> <ul style="list-style-type: none"> <li>- The citizens' proposal to incentivise people who downsize or live in smaller houses was considered inadequate. If any measure like that should be implemented, it should be based on kW/hour/number of persons living in the house and not the square metres of the houses. It would also be essential to distinguish between the different types of housing. For example,</li> </ul>

<sup>1</sup> The most common plant is cogeneration. These facilities use fossil fuels, natural gas above all, but by jointly producing and using electricity and heat, they achieve considerable energy savings. However, more and more plants based on renewable energies are used, such as biomass, geothermal or solar, and even nuclear energy. In Barcelona, the company Districlima has set up a network for more than 50 buildings. For its part, Nova Energía has installed various equipment in Oviedo, in Bellver de Cerdanya (Lleida) or in Guadalajara. In Madrid, the Ministry of the Environment plans to launch a network within the eco-district of Puente de Vallecas. The system will pool heating and hot water for some 30 buildings. Cf. <https://www.consumer.es/medio-ambiente/calefaccion-de-distrito-ciudades-que-generan-su-propio-calor.html> (Accessed 22 November 2022)



rural housing is usually better insulated than small and medium-sized urban housing, usually made with worse materials. In addition, a distinction should also be made between the different climatic zones, as there are significant differences among them.

- Participants disagreed with the citizen's proposal to create an expert renovation label for the whole EU, as they consider that, in a way, these figures already exist (architects, engineers, etc.) and have all the existing building regulations as a guide for action. In addition, the tremendous climatic variability in the different territories of the EU would make this homologation very difficult.
- They did not believe that visiting an energy-efficient building would be particularly useful to motivate people to retrofit their house/apartment because a short visit is not enough to experience the benefits of the renovation. However, informative campaigns would have a more significant impact by emphasising the concrete benefits of renovation, such as the reduced costs for energy consumption.
- Participants did not think it would be necessary or convenient to increase taxes but to reform them (green tax).
- Increasing investments in technology to improve solar panels and other renewable energy systems would not be helpful since these technologies have physical limits that make it difficult to improve them further. Investing in research and development in those elements that allow for reduced consumption would be much more effective.
- They did not consider necessary to devote efforts to recovering, using and adapting traditional construction methods to the 21st century, as these are already included in the Technical Building Code and other regulations governing the sector, which are updated every three years.
- The proposal of implementing more short-term measures at the macro level is unclear, as these measures are not defined.
- According to the participants, the citizens' proposal to support companies that work sustainably and more incentives for construction and materials companies was not clearly explained.



<p><b>Roadmap</b></p>	<p>The meeting sought to produce a roadmap that considered the following three elements:</p> <ul style="list-style-type: none"> <li>• The timeframe (short-term in the next two years; mid-term in the next five years; long-term by 2030)</li> <li>• The competent body (local, regional, national or EU level)</li> <li>• The difficulty vs impact ratio of each priority action<sup>2</sup>:             <ul style="list-style-type: none"> <li>○ Low difficulty, low impact: quick win</li> <li>○ Low difficulty, high impact: best bet</li> <li>○ High difficulty, low impact: luxury</li> <li>○ High difficulty, high impact: moonshot</li> </ul> </li> </ul> <p>Participants elaborated on the three elements above, although not consistently. They focused on the impact the measures would have in the short term, as they understand that the transformation process must be undertaken with determination and speed. Many of these measures would create synergies and feed back into the transition.</p> <p><b>Within the next two years,</b></p> <p>At the local level,</p> <ul style="list-style-type: none"> <li>• The IBI (Spanish Property Tax) or other taxes should be linked to the energy rating so that fewer taxes are paid by people living in a house with a better energy rating. Luxury.</li> <li>• Funding should be available to pay consultancies with qualified professionals to learn about the most appropriate improvements for each building/house. Moonshot</li> <li>• Energy networks should be promoted to enable cooperation, encourage more rational use of resources and promote self-management. Luxury</li> <li>• Visits to energy-efficient buildings should be promoted to motivate retrofitting, although the impact would be low. Quick win.</li> </ul>

<sup>2</sup> Editor's note: in the Mural, the four labels were assigned to the wrong sections in the cartesian chart - the classification below follows the labels



At the regional level, no action identified.

At the national level.

- The construction business should be focused on renovation rather than new housing construction. This would have a high impact, but it does not seem easy or quick to turn the sector around.
- The government should identify different tax mechanisms at the national and regional levels to support the green transition. Moonshot.
- The ongoing optimisation of mechanisms for the National Energy Efficiency Fund should be completed to make it more efficient, reducing the costs associated with the current bureaucracy and therefore being able to increase the number of actions with the same amount of money. Luxury
- Incentives should be introduced for landlords to allow them to limit rent increases, thus providing social safeguards to vulnerable families.

At the EU level, no action identified.

At all levels,

- More resources (technical and human) should be deployed to implement different information and dissemination strategies:
  - More offices that provide information and advice on refurbishment options to citizens. Moonshot
  - campaigns "on the street" using the appropriate channels for each profile. Quick win.
  - Campaigns that disseminate the experiences of people who have renovated their homes. Stressing the benefits obtained after the renovation. Luxury
- 100% renovation schemes should be available for the vulnerable population, and support should be provided during the application process.
- Governments must commit to long-term renewable energy plans.

- More short-term measures should be implemented at the macro level (citizens do not clearly define the actions in question).

**Within the next 3-4 years,**

At the local level,

- Collective processes to access consultancy with good professionals, which could not be afforded individually, should be promoted.

At regional level, no action identified.

At the national and the EU levels,

- The investment in technology and research for energy efficiency should be increased and steady in the long term. Moonshot

At all levels,

- Grants and subsidies should be extended so that citizens can address these improvements in retrofitting.
- Energy efficiency legislation should be communicated clearly.
- Administrations should lead by example concerning public policies on energy efficiency.
- The renovation should not only be affordable for all but information and support managing the bureaucracy should also be provided. Moonshot.
- New business models based on energy efficiency should be promoted at the national level, following the energy service companies model. Luxury.

**By the next 3-4 years and 2030,**

At the local level, no action identified.



	<p>At the regional level,</p> <ul style="list-style-type: none"><li>• School campaigns and outreach work should be continued. They are very effective when students share their learning with their families. Luxury</li></ul> <p>At the national level, no action identified.</p> <p>At the EU level, no action identified.</p>
--	--



**Annexes: Mural 1 (discussion) and Mural 2 (roadmap) in both original language and EN translation**

