

Enabling measures that allow for the diverse energy needs of rural consumers

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As the Energy Performance of Buildings Directive (EPBD) enters the closing stages of *Trilogues*, the signatories of this statement believe it is critical for Member States to **preserve the principle of technology neutrality in the EPBD to ensure that all options are available to all citizens, particularly in rural communities, to decarbonise their homes.**

The signatories below represent the distributors of off-grid fuel solutions in the form of renewable liquid gases. Our solutions consist of renewable and BioLPG, as well as renewable and recycled carbon Dimethyl Ether (DME).

In order to ensure that all households can continue to heat their homes affordably while contributing to the decarbonization of buildings, EU legislation should offer more options to enable consumers to decarbonize effectively. The EPBD is a method to encourage citizens to renovate their homes and increase its energy performance and is therefore not the right tool to mandate the installation of certain technologies or the banning of others.

The EU is home to roughly 150 million citizens living in rural areas across 49.2 million rural households. Energy security and affordability, the two top priorities of rural areas, are at particular risk with the proposed changes. Renewable liquid gas, such as BioLPG and renewable & recycled carbon DME, present an option to provide decentralized renewable energy to off-grid and rural communities.

These concerns are recognized in the recently adopted German heating law (GEG) and in the statements by French President Emmanuel Macron. In both instances, renewable fuels are seen as a pillar to contribute to the decarbonization of buildings, with President Macron expressing the importance of not leaving rural areas behind. In the case of Germany, renewable liquid gas is explicitly approved to comply with the carbon reduction targets of the Federal Government. The Italian Government's National Energy and Climate Plan from July 2023 has specifically foreseen the need to develop renewable liquid gases for off grid areas.

A one-size-fits-all approach based on electrification does not take into account the diversity of the EU building stock. Increasing electrification and penetration of intermittent renewable energy significantly increases the difficulty of operating a reliable electricity grid, particularly in off-grid areas which generally have the worst reliability. When renewable electricity generation drops during winter, when heat demand is at its highest, decarbonization can and should be achieved without limiting oneself to full electrification. There are also instances where it is not technically or economically feasible to fully electrify. In such instances, consumers must have alternative options, through increased insulation or combining a renewable boiler with solar power.

The best solution may be the simplest. Instead of focussing on elaborate funding mechanisms to prop-up electrification in a time of high inflation and fiscal conservatism, Member States can simply look towards enabling consumers to make the best decision for their current economic and energy needs. Renewable ready boilers, and hybrid boilers, represent lower-cost options to complete electrification. With the



current upfront costs associated with heat pumps, only 50% of the average EU population could afford the installation of a heat pump. Rather than mandating retrofits, Member States should instead encourage the evaluation of all options available to consumers in a manner that is technologically neutral and emphasizes economic feasibility.

For the reasons outlined above we strongly suggest that Member States adopt more enabling measures that allow for the diverse energy needs of rural consumers by avoiding a full ban of boilers. There is no doubt that “green electrons” will play a major role in the decarbonisation of buildings. However, without “green molecules” like renewable liquid gases, especially rural households in off-grid areas face the risk of being left behind.

List of Signatories:

