

The GreenBuilding Programme

Synopsis (JRC - 21 Nov. 2003)

In its Green Paper on energy supply security, the European Commission (EC) called for concrete measures to reduce growth in energy demand, mainly by promoting energy saving in buildings and the transport sector.

According to the Green Paper, energy use in buildings could be reduced by at least a fifth by making greater use of available and economically viable energy-efficient technologies. This would represent about 20% of the EU's greenhouse gas reduction commitment. Such savings would also improve the energy supply security and the EU's competitiveness, while creating job and raising the quality of life in buildings.

Research has shown that there are several reasons why energy-efficient technologies remain overlooked despite their profitability: lack of appropriate information; low priority given by building owners to energy efficiency; requirements for short paybacks; insufficient capital; split incentives; etc.

The GreenBuilding Programme (GBP) is a new voluntary programme expected to start in early 2004. It is meant to help overcome some of the barriers to energy efficiency - in particular the lack of interest and information - by providing public recognition and information support to companies whose top management is ready to show actual commitment to adopting energy-efficient measures in buildings.

Participation in the GBP starts with the submittal by the top-manager of an action plan defining the scope and nature of the company's commitment. The company's action plan must be based on the results of an initial energy audit. This preliminary audit can either be performed by the company itself or by a third party. Not only is this audit necessary for identifying profitable energy-efficiency measures, but it provides also baseline data for independent ex-post evaluation of the actions carried out.

Based on the audit results, the company's action plan must define the buildings at which energy efficiency actions will be undertaken (eligible buildings are those owned or on long-term leases). It must also identify, within the chosen sites, the energy services (space heating, lighting, water heating, ventilation, air-conditioning, office equipment, etc.) and the specific measures to which the commitment applies.

While the GBP must be sufficiently flexible to accommodate diverse situations, general requirements will be enforced so that the Partners' commitments have meaning. For this reason, the GBP provides Modules defining the technical nature of an appropriate commitment for each energy service covered in the programme. The modules are complemented by a "Management Policies" Module containing general principles and proposing tools which can aid in making energy efficiency an element of management priorities, at every step of the life cycle of buildings: building design; choice of components; installation of systems; ongoing operation and maintenance.

If its action plan is accepted by the EC, the company is granted the status of Partner. Partners are expected to report annually on their progress; in return, the EC provides them with public recognition for their effort in protecting the environment. The programme must last at least 5 years to allow Partners to carry out their improvements.

The EC renews Partner status every year, upon review of the annual report. If the implementation of the company's action plan is notably weaker than agreed upon, or if the company does not honour its reporting commitments, the Commission reserves the right to terminate the company's participation in the GBP. Also, Partners on their side can withdraw from the programme at any time without penalty.

An implicit goal of the GBP is to transform the way organisations make decisions about investments in energy-efficiency. These decisions have traditionally been low priority, have not benefited from information and analysis, and have had low visibility within an organisation. A critical element of the GBP is to elevate decision-making about efficiency in buildings to senior corporate officials. Partners in the GBP are required to learn how to make profitable building upgrades a priority. They must make decisions based on up-to-date information and proper analysis, and advertise their accomplishment both within and outside their organisation.

The GBP encourages its Partners to tap a large reservoir of profitable investments without the need for specific incentives from the Commission. GBP investments use proven technology, products and services for which efficiency has been demonstrated. It makes good business sense for companies to join the GBP. They find opportunities that result in environmental improvements and increase profits (by reducing costs) at the same time.

GBP Partners have direct benefits by saving money and in most cases improving working conditions. They realise the major portion of technically and economically feasible energy savings in the end-uses covered, therefore increasing their competitiveness. They may be able to use their achievements in the GBP to gain credits or certificates in their national emission trading and energy efficiency certificates schemes.

GBP Partners have also indirect benefits resulting from the growing attention of consumers and investors, which increase their opportunities on the markets. Their ability to deal successfully with environmental issues may indeed be considered as a credible measure of management quality.

The Commission provides support to the Partners in the form of information resources and public recognition. Public recognition takes several forms: articles in the business press and technical magazines; presentation at various fairs and conferences across Europe; regular newsletter; brochure and catalog of success stories; GBP plaque to allow Partners to show their responsible entrepreneurship to their clients, European award for particularly progressive Partners; etc.

The GBP will be complementary to the Building Energy Performance Directive as it will stimulate additional savings in minor refurbishment, as well as anticipating the requirements of the Directive. Moreover the GBP will provide a useful platform for the diffusion of energy services and ESCO services, and important techniques and concepts such as M&V, energy audit, and energy management.

The GBP builds on the lessons learned in two previous EU voluntary schemes: GreenLight and Motor Challenge (<http://energyefficiency.jrc.cec.eu.int>). The GBP focuses on the existing stock of buildings as it represents the largest potential for improving energy performance in the short and medium term. It ought to be catalysed by the recent building directive, which will raise building owners' interest in energy efficiency. It is expected to start with 100 charter Partners in its first year and 30 more new companies every year as the programme gains public image.

The GreenBuilding programme aims at linking business to the efforts of society. It is designed to be flexible and open, so as to be applicable to the great variety of user situations. It is sufficiently precise to ensure that companies that carry out the commitment will achieve a significant part of potential energy savings. It is also adaptable to the large variety of national and European programmes.