

## FEEDBACK ON THE ECODESIGN AND ENERGY LABELLING CONSULTATION FORUM

Hydrogen Europe welcomes the opportunity to share its views on the revision of the Eco-design and Energy Labelling regulations for space and water heaters.

The combination of these regulations together with other legislation such as the Energy Performance of Buildings Directive (EPBD) is a unique opportunity to cut CO<sub>2</sub> emissions from buildings with unprecedented speed while bolstering the nascent hydrogen economy.

While welcoming the overall efforts for a deep decarbonization of the buildings sector, we would like to raise concerns on the restrictions to the utilisation of renewable energy sources in heating introduced by the revised proposals. The introduction of an energy efficiency minimum threshold of 115% for any heater to be placed on the market as from 2029 will result in an exclusion from the market of a broad range of renewable-ready, European-made technologies.

Hydrogen-based heating technologies encompass a wide range of applications, including boilers that run on pure hydrogen or methane-hydrogen blends, fuel cells for combined heat and power, centralized systems for district heating and cooling networks, decentralized off-grid solutions, and hybrid and thermally driven heat pumps utilising hydrogen. They are proven and offer an affordable solution.

Today, standalone boilers represent the majority of central heating appliances. Only a multi-technology approach will allow Europe to significantly abate emissions at the speed and scale required, therefore it is important to recognize the benefits of hydrogen's integration with electricity, as it enables smoother incorporation of renewable energy sources and facilitates large-scale storage for different seasons.

Because of their flexibility and versatility, they should be part of the decarbonized heating sector landscape. Their outright ban will otherwise prevent this process from happening.

The potential consequences of an exclusion from the market of renewable-ready boilers can be summarised as follows:

- **Unduly limiting national and local choices of decarbonisation pathways** disregarding each country specific energy system, local circumstances and resources, characteristics of its building stock and heating needs;
- **Strongly limiting consumers' options to decarbonise their households;**

- **Hampering R&D efforts and investments in renewable fuels production and utilisation** by restrict access to one of the main end-use market, ultimately jeopardising REPowerEU objectives in terms of decarbonisation of the gas sector and security of supply.

Indeed, to decarbonize the complex and diverse buildings sector, a comprehensive approach is required, incorporating a range of measures that include both direct electrification and the use of hydrogen. The buildings across Europe exhibit tremendous heterogeneity, with varying heating profiles and seasonal demands, posing significant challenges for a one-fit-all approach. In regions where there is an extensive gas network and a large stock of old buildings, along with pronounced winter peak heat demand, opting for hydrogen-based solutions might be the most adequate way to proceed.

Consequently, in our view, the eco-design regulation should take a multi-technology approach, embrace innovation, and responds to different local heating and building needs by:

- 1) **Allow boilers certified to run on renewable hydrogen to be placed on the market**, in line with the European Parliament position on the EPBD acknowledging that renewable fuels would play a role to decarbonise heating alongside renewable electricity;
- 2) **Ensure consistency across the different pieces of legislation**, analogous to the current provisions of the Renewable Energy Directive (REDIII), which set an indicative target of at least a 49% renewable energy share in buildings in 2030, as well as with the current provisions of district heating and cooling in the Energy Efficiency Directive;

Hydrogen Europe believes that **Member States need flexibility for the decarbonization of their heating needs**, taking into account their specific circumstances and requirements. Implementing a blanket ban at the European level may not be conducive to addressing the unique challenges faced at the national level. **Member States should have to the possibility to decide on the most suitable approaches among a set of options and technologies** for solutions that align with their building stock, energy infrastructure, and socio-economic factors, facilitating an effective transition to a low-carbon future.