

Overview of the Buildings Energy Act recast (GEG –Gebäudeenergiegesetz)

EPBD Expert Side Event 11th July 2023

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issues of energy for buildings

Coalition Contract calls for introduction of 65% RE in new heating systems

Proceedings

- Coalition contract and resolution of the Coalition committee of March 2022
- From 1.1.2024, as far as possible, every new heating system is to be operated on the basis of 65% renewable energies
- Central course set for decarbonization of heat supply in the building sector
- Target Climate Neutrality 2045
- Strong coupling with municipal heat planning

Fulfillment

- Individual proof or
- fulfillment options as simplification:
 - Heating network connection
 - Electric heat pump
 - Direct electric heating
 - Solar thermal
 - Hybrid heating (heat pump and solar thermal)
 - Hydrogen heating
 - Biomass heating

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Content and Classification

- GEG shall be better integrated with municipal heating planning. Against this background, there is more time for the switch to renewable energies for heating in the existing building stock, so that heat planning can take place in the municipalities beforehand in the next few years. In new constructions (unless built in a construction gap), the 65% RE requirement is to apply from January 1, 2024.
- The municipalities are to determine by 2028 at the latest where heating networks or even climate-neutral gas networks will be expanded in the next few years. This process will be promoted by a heat planning law with uniform federal requirements.
- In line with the deadlines for heat planning, fossil-fueled heating systems can still be installed in larger municipalities (> 100,000 inhabitants) until June 30, 2026, and in smaller municipalities (up to 100,000 inhabitants) until June 30, 2028.
- If neither a heat network nor a climate-neutral gas network is ensured after heat planning, heating systems installed during the transition phase must use gradually increasing proportions of biomethane or green/blue hydrogen: from January 1, 2029, at least 15 percent; from January 1, 2035, at least 30 percent; and from January 1, 2040, at least 60 percent.
- By the end of 2044 every heating system has to be supplied by 100 % renewable energies.

The parliamentary procedure is expected to be completed by the fall

State of proceedings

- Consultation of the concept paper in summer 2022, approx. 150 comments.
- Implementation/ draft law “2nd GEG recast”
 - Cabinet decision on April 19, 2023
 - Opinion of the Bundesrat on May 12, 2023
 - Following an application for interim relief by a member of the parliament; Federal Constitutional Court ruling of 05. July calls for parliamentary procedure to be observed and prohibits 2nd and 3rd readings before the parliamentary summer holidays
 - Completion of parl. Procedure app. by fall 2023
 - 2/3 reading in the Bundestag in September 2023
- Accompanying measures required: promotion, communication, consulting

Challenges

- Hydrogen networks
 - long periods of transition for heatings which can use fossil gas and hydrogen; at the latest 1.1.2035 heating has to use 65% hydrogen; transformation plan of the grid operator for the complete change until end 2034, 50% gas of biomass or green or blue hydrogen from 2030; guarantee that the hydrogen infrastructure is working at the latest 1.1.2035
- Heating networks are slowly decarbonized network
 - if user connects to existing heating network, the 65% rule is fulfilled (decarbonization of the network through other instruments); what happens if connecting to the heating network is not yet possible but foreseeable? 65% rule does not apply, operator has to guarantee that the network is operated at the end of 2034 and delivery from 1.1.2035
- Direct electrical heating has to be in line with tenant's rights
 - heat pump with annual performing factor 2,5 necessary to transfer part of modernization cost on tenant; direct electrical heating inefficient, only in well isolated buildings; hybrid heating (HP, solar thermal and gas boiler for peak load → HP has to have a certain performance factor)

Challenges

- Biomass and green and blue hydrogen
 - biomass availability is limited, higher costs in the future, tenant's rights (only equivalent costs of electricity price for a HP with annual performing factor of 2,5)
- Gas boiler damage (for example in winter)
 - transition period, during transition rental boiler possible
- Gas heating for every storey
 - one is defect (transition period)
 - condominium owners cooperation (transition periods)

Thank you very much!

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