

Press release

Strengthening energy security in South-East Europe by investing in buildings

For immediate release

Brussels, September 7, 2016– An analysis of the vulnerability to gas supply disruptions concludes that Central and South East European (SEE) countries are facing a strategic choice. The latest BPIE report finds that Slovakia and Hungary face a severe risk, and Bulgaria a substantial risk to be unable to heat the national building stocks. The report presents a new Building Vulnerability Indicator and offers an alternative solution to mitigating supply risks through building renovation. A dedicated renovation programme could, within 20 years, address all gas-using buildings in the region and reduce the building stock gas consumption by as much as 8.2 bcm/a, or 70% of the current consumption.

International developments over the past few years have intensified the energy challenges facing Central and Southern European countries. The interruption of Russian gas supply via Ukraine, volatile global oil prices and divergent interests of State actors have renewed Europe's concerns about its energy dependency.

The report explores the vulnerability of the building sector to gas supply interruptions in specific countries of the region, through the prism of the Building stock Vulnerability Indicator (BVI). The BVI takes into account the size of gas consumption in the building sector, along with the dependence on imported gas and its import diversity.

The BPIE analysis considers an alternative approach to gas supply investments and instead proposes an “efficiency first” solution: Reducing gas demand through a dedicated building renovation programme could considerably improve energy security and reduce the need for investments in the supply infrastructure. Unlike supply-side solutions, which make the region more dependent on imported gas in the long term, demand-side solutions also bring a raft of other benefits – creating employment, boosting economic growth, cutting fuel poverty and improving the region's often very poor air quality.

BPIE estimated the potential impacts by modelling four scenarios that examine the evolution of a dedicated renovation programme focused on gas-consuming buildings.

The savings far outweigh the initial commitment. A renovation programme targeting gas-using buildings would require an investment of up to €81bn (present value) over 20 years from all countries in the region collectively. This investment would lead to financial returns in the form of reduced energy bills amounting to €106bn (present value), more than offsetting the investment. This benefit does not yet include the economic advantages of reducing financial flows to third countries and the benefit of stimulating the national economy.

The report puts forward a set of recommendations covering risk assessment and preventive measures, guidance on investment opportunities as well as on developing future EU and MS level strategies. Oliver Rapf, BPIE's Executive Director, concludes that “governments should consider viable alternatives to decrease energy supply risks and encourage investments for upgrading their national building stock. This would generate domestic growth, modernise the national building infrastructure and would improve inhabitants' living conditions.”



Find the analysis at:

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About BPIE

The Buildings Performance Institute Europe (BPIE) is a European not-for-profit think-tank with a focus on independent analysis and knowledge dissemination, supporting evidence-based policy making in the field of energy performance in buildings. It delivers policy analysis, policy advice and implementation support. www.bpie.eu and www.buildingsdata.eu