

Belgian national debate on carbon pricing

Building sector

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Financing the strategy

- How to set up a baseline? What do we start with? Low level building stock? Natural rate of 1%?
- Goals and means
 - Reduce green house gaz emissions
 - One of the means is to renovate the buiding stock in order to improve energy efficiency
 - But there is no direct link between goals and means, we need to define proxy

A renovation rate of 3%

- We approximate our natural renovation rate to 1%
- Our target requires a trend of 3%
- How do we stimulate this extra 2%?
- How shall we pay for it?

There is no « one size fits all »

- Define a reasonable, reachable objective
- Stay openminded, don't lock yourself in a « new roof isolation scheme »
- Define different profiles (lessors, lessees, owners...)
- Concentrate on specific segments (social housing...)
- Convince people, work with them
- Be smart in combining legal constraints and incentives

What do we know?

- We have a building stock of 1.5 M
- 3% rate implies 45 000 renovations/year
- Average cost: 40 000€ → 1.8 billion/year
- Leverage effect requested 1/20 → 90 M annual budget
- At this moment we have an average budget of 50 M/year, that's not it, but that's also not that far!

OK, what's the plan now?

- We can work on the average cost of one renovation (Energie Sprong)
- We can improve the leverage effect (GRE Liège)
- Consolidate the budget (EU and other external fundings, carbon pricing...)
- Include the citizen with fiscal incentives and others, start a movement with large building stock shares

The role of carbon pricing

- Gas emission is an negative externality, as such, not represented in energy cost
- Carbon pricing internalize the cost of pollution for society
- It makes better return to energy efficiency investments
- It brings to public authorities additional budgets for EE policies

Conclusion

We all share the same objective

We are looking for discussions, ideas sharing,
experience exchanges

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