

protection activities. The low-interest loans to SMEs can be used to supplement the *European Recovery Programme's Environment and Energy Saving Programme*. Up to 100% of the capital cost of energy-saving measures can be funded with the combination of both programmes.

Promotion of energy performance contracting has been stepped up substantially in recent years, among other things with eco-tax exemptions to encourage its more widespread adoption. For example, block-type CHP units attract tax relief as a common application in industrial energy contracting. KfW also promotes energy contracting in its various programmes. Energy contractors can also apply for grants under the market incentives scheme operated by the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety.

### Public information and advice

In a sub-project under the *Initiative Energieeffizienz* (Energy Efficiency Initiative) campaign, DENA, the German Energy Agency, offers advice primarily to SMEs on efficient use of electricity in trade and industry. The aim is to tap the considerable energy efficiency potential in this sector, for example in electromechanical systems such as pumps and fans.

## RESIDENTIAL AND COMMERCIAL SECTORS

### Building sector policies

Germany's building stock is already relatively efficient, primarily because it is comparatively new. In addition, many buildings in the East have been abandoned or destroyed because of migration of population from the East to the West. Germany also has strong building codes – current codes exceed the EU directive's requirements for buildings larger than 1 000 m<sup>2</sup>, and will continue to significantly exceed them in future years. Building codes, which are set at the federal level, must be revised at least every five years. Nonetheless, an intensified effort to save energy in this sector is a major emphasis of the governing parties' coalition agreement and a central element of Germany's *National Climate Protection Programme*. Including the planned tax relief for home modernisation and maintenance and the provision of EUR 120 million a year for energy rehabilitation of government buildings, a total of EUR 1.4 billion a year is now available for energy rehabilitation in buildings.

### EU directive on the energy performance of buildings

Several key elements of the EU directive on the energy performance of buildings were transposed into German law at an early stage. In the case of energy performance, legislation was transposed into the

*Energieeinsparverordnung* (EnEV), enacted in 2002 and amended to take account of technical progress in 2004. Pollution control legislation was transposed into the *Erste Bundesimmissionsschutzverordnung*. The elements covered relate to energy standards for new buildings and major alterations to existing buildings, energy passports for new buildings and inspections of central heating boilers. Revisions to the Energy Performance Act (*Energieeinspargesetz*), which was enacted in September 2005, established the legal framework to transpose further elements of the directive into national law – in particular those regarding provision for air-conditioning systems and built-in lighting installation and the introduction of energy passports for certain existing buildings. Details of these elements will be finalised soon in revisions to the EnEV.

### Public information and consultations

Effective implementation of the measures for existing buildings continues to require additional advisory and financial support. To supplement the consulting services mostly provided by industry, architects and engineers, the German government plans to step up public relations activities on energy-saving construction via DENA.

The *Verbraucherzentrale Bundesverband* (VZBV), a consumer association working group, provides an energy advisory service in 400 major cities – mainly financed by the BMWi – on all questions related to economic and efficient energy use, including the use of renewable energy.

Working in co-operation with the Federal Office of Economics and Export Control (*Bundesamt für Wirtschaft und Ausfuhrkontrolle*, BAFA), the BMWi also provides, among other things, funding for in-depth on-the-spot consultations on individual buildings and heating systems. Under the consultation service, which is provided for existing buildings, a diagnostic survey and in-depth consultation partly paid for by the consumer lead to recommendations and a plan of action for improving energy efficiency in insulation and heating systems, including options for using renewables. The outcome is a comprehensive report that the energy consultant explains and leaves with the consumer. The energy consultant can be an architect or engineer with specific training and knowledge in energy consultancy, or a *Gebäudeenergieberater im Handwerk* – a member of the skilled crafts trade who has obtained accreditation to operate as a building energy consultant under the condition that he or she does not have a personal commercial interest in specific investments being made. The recommendations must be technically up-to-date, thus promoting the adoption of new energy-saving technologies. The resulting investment also helps promote the skilled crafts and retail trades.