The ecological transition as an opportunity to boost heat pumps

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During the years the market share of the HVAC sector (including all the supply chain) has grown to one third of the entire construction sector.
The objectives of the “Fit for 55” package

Buildings account for:

- 40% of energy consumed
- 36% of energy-related greenhouse gas emissions

- Set a new EU-level target of 40% renewables in the energy mix
- Set a benchmark of 49% of renewables in buildings
- Increase the use of renewable energy in heating and cooling by 1.1 percentage point every year

Set bolder targets for energy savings by 2030

(Source: MAKING OUR HOMES AND BUILDINGS FIT FOR A GREENER FUTURE from EU Commission)
The objectives of the “Fit for 55“ package

The decisive decade
The EU aims to reduce its net greenhouse gas emissions by at least 55% by 2030, compared to 1990 levels, as agreed in the EU Climate Law. This means a combination of interventions in several areas.
The importance of working on the existing stock

To match the climate goals it is necessary to act on the existing stock of old heating appliances (>120M fossil fuel appliances in EU)

Technologies are available on the market...

...EU manufacturers lead an industry of excellence but...

... the renovation rate is only at 4.2%

How many years would it will take us at this rate to achieve the objectives of the «FIT FOR 55» package?
The renovation rate

Our estimation

- Renovation rate at 4.2% **Far from EU energy target**
- Renovation rate at 5% **Close to 40% of CO2 reduction in 2030 but not in line with the new FIT for 55**
- Renovation rate at 6% **55% CO2 reduction compliant**
A key period for our future

extraordinary resources

great attention to environmental issues

extraordinary measures

house at the top of attention
The main drivers of change

- new standards and product requirements
- system requirements
- incentives and support schemes
Incentives and support schemes

Anticipated savings for tax deductions (Mtoe)

Integrated National Energy and Climate Plan (December 2019)
## Incentives and support schemes

<table>
<thead>
<tr>
<th>Name of the Program</th>
<th>Application</th>
<th>Contents</th>
<th>Min. Efficiency Requirements</th>
<th>Sector</th>
<th>Duration of the program</th>
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<tbody>
<tr>
<td>EcoBonus 65% tax deduction for energy-usage improvements</td>
<td>Renovated Buildings</td>
<td>Tax deduction for 65% spread in 10 years or immediate discount with refunding transfer to installer or supplier or bank of all the cost (product, installation, material, consultancy) paid for the installation of an heat pump or hybrid in replacement of an existing heating system. Max amount 30.000€</td>
<td>EER ≥ 3.23 COP ≥ 3.71</td>
<td>existing building company and private</td>
<td>First year: 2007 (tax deduction 55%, increased to 65% from 2013). Extended every year in Legge di Bilancio</td>
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<tr>
<td>SuperEcoBonus 110%</td>
<td>Renovated Buildings</td>
<td>Refunding spread over 5 years of 110% of investment, or immediate discount with refunding transfert to installer or supplier or bank, in new or fully refurbished space heating in single houses + condominiums. Owner needs to achieve +2 steps in energy level scoring. Max amount 30.000€ for single house, max 20.000 € (&lt; 8 apartment) or 15.000 (&gt; 8 apartment) per apartment in condominium</td>
<td>EER ≥ 3.23 COP ≥ 3.71</td>
<td>existing building residential only private and public housing</td>
<td>Jul/2020 to Jun/2022 (6 month extention to complete refurbishment in progress)</td>
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<tr>
<td>Bonus Casa 50% tax deduction for renovation</td>
<td>Renovated Buildings</td>
<td>Tax deduction for 50% spread in 10 years or immediate discount with refunding transfer to installer or supplier or bank of all the cost (product, installation, material, consultancy) paid for the installation of an heat pump or hybrid at same time of renovation (normally the incentive is used for split and multi split installation) Max amount 96.000€ (all refurbishment, not only HVAC)</td>
<td>Various</td>
<td>Existing building residential only private only</td>
<td>First year: 1987 (tax deduction 36%, increased to 50% from 2013). Extended every year in Legge di Bilancio.</td>
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<tr>
<td>ContoTermico</td>
<td>Replacement of heating system Incentive related to EED 2018/2022</td>
<td>Money back on bank account in 1 (in case of value above 5000Euro) or 2 years for the installation of an heat pump or hybrid in replacement of an existing heating system. Value is calculated on the basis of product performance (nominal COP and HC) and place of installation = proportional to usage renewable energy. (lower Euro/kW of the product and higher the value) Maximum amount = 65% of total cost.</td>
<td>Various</td>
<td>Existing building public and private</td>
<td>First year: 2013. No expiry date - review every 4 years.</td>
</tr>
</tbody>
</table>
The big challenge of the National Recovery Plans
2020 - 2030: The heat pump decade

(Source: EHPA)
What we need

- stability of incentives commensurate with their real effectiveness
- implementation of the Renovation Wave and integration of the 2030 objectives for heat pumps in the Italian strategy to 2050
- maintain the overcoming of the progressivity of electricity tariffs
- development of integration projects between network and devices
- training of installers and raising awareness of potential of heat pumps
A win-win technology

- Growth of a high potential market and leadership strengthening
- Greater sensitivity and new skills with more qualifying interventions
- Exploitation of a best performing option with a view to building efficiency
- Network integration of intelligent technologies
- Cost saving
- Achievement of environmental goals

Manufacturers
Installers
Designers
Energy companies
Consumers
Policy makers
Thank you for your attention

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