

## **CEFACD Response to the European Commission Call for Evidence on the Heating & Cooling Strategy**

### **Main recommendations**

- Establish a heating and cooling strategy that promotes technology neutrality and flexibility. All low-carbon options should be supported, without favouring one sustainable solution over another.
- Strengthen the competitiveness of European SME's, in line with the EU's Competitiveness Compass, by ensuring regulatory proportionality. This should be done by avoiding unrealistic regulatory standards, unvalidated test methods, and overregulation.
- Ensure affordable, fair choices for consumers by correctly assessing the environmental impact of heating technologies and avoiding energy poverty
- Incentivise the replacement of old heating devices by more modern and environmentally friendly ones.
- First finalise the Ecodesign Regulation, before proceeding with energy labelling, to ensure consistency, and a balanced treatment of all heating technologies, including LSHs.

Revised the 2022 VAT Directive to allow a reduced rate for sustainable wood again from 2030

CEFACD welcomes the European Commission's initiative to accelerate the decarbonisation of heating and cooling. With over 50 million appliances in use across Europe, local space heaters (LSH) are a cornerstone of household heating, particularly in regions requiring targeted support for affordable energy. We are committed to developing efficient and clean products that contribute significantly to the EU's energy transition.

### **A. Fossil fuel dependence and air quality**

As we strive to reduce fossil fuel dependency, it is important that this effort translates into a fair and effective transition towards low-carbon technologies. Renewable energy solutions must play a central role in this process, and among them, sustainable biomass is one of the most affordable and accessible options bringing flexibility and security to homes across Europe.

While the Commission raises concerns about fuelwood use, it is important to underline that particulate emissions are primarily linked to unseasoned fuelwood and outdated appliances. Modern, efficient Local Space Heaters (LSH), when combined with sustainable practices, can offer

a low-carbon, low-emission heat source. As studies from the SusWoodStoves programme show, there are significant emission reductions achieved through LSH innovation. Compared with stoves manufactured before 1998, modern clean-burning models cut PM<sub>2.5</sub> emissions by approximately 52% (and up to 80% and up to 90% compared to open fires), CO by 72%, CH<sub>4</sub> by 76%, NMVOCs by 77%, and condensables by 70%. LSH offer an affordable solution that complements other renewable technologies, particularly for vulnerable households and regions most exposed to high energy costs.

A [CEFACTD study](#) in seven European countries shows that domestic wood heating currently accounts for 388 TWh, or 18,3% of the heat consumed by households, with nearly 50 million appliances installed. This sector generates 200,000 direct jobs, €20 billion in revenue, and 95% of added value in Europe.

By 2035, the number of appliances could reach 53 million, while reducing biomass consumption by 22.5% (301 TWh) and particle emissions by more than 70%, thanks to the replacement of older appliances, better fuel quality, and professional maintenance. Despite the decline in biomass consumption, the final energy produced will remain the same thanks to improved fleet performance.

Ongoing research, coupled with the Ecodesign framework, has already delivered substantial improvements. Since the entry into force of the first Ecodesign Regulation in 2022, manufacturers have accelerated innovation to increase efficiency and further reduce emissions. These advances show that, with the right policies and technologies, wood-based heating can continue to evolve as a sustainable and socially inclusive part of Europe's energy transition.

## **B. Barriers to renewable technologies and energy efficiency**

LSH and sustainable biomass are among the most accessible renewable heating solutions, particularly in regions with limited energy infrastructure. They should not be seen in opposition to electrification, but rather as **complementary technologies that can work alongside electric appliances and other renewable systems**. Indeed recent papers from Norway have shown in cold snaps that a wood stove can reduce electrical consumption by electrical heating by up to 10W/m<sup>2</sup>.

For consumers, biomass (wood or pellets) is significantly more affordable than many traditional fossil fuels and local space heaters allow householders to heat only the space they are living in – an important consideration for many householders' heating strategy.

**By recognising the essential role of biomass heating**, the EU can harness its advantages to low energy costs for households. This is especially relevant in parts of Eastern Europe, where

dependency on costly or imported fuels remains high, and alternatives to mainstream renewables are urgently needed.

Moreover, LSH represent a practical, rapid-deployment tool to reduce reliance on unsustainable fuels. They can be installed at a significantly faster rate than other technologies, often with a lesser cost. In addition, non-electric LSH do not place additional strain on already overburdened electricity grids. They provide a decentralised and inclusive solution, ensuring reliable and affordable heating, even for citizens who are not connected to central grid systems.

The VAT Directive plan to stop reduced a rate for wood fuel by the 1<sup>st</sup> January 2030. Since REDIII has put criteria to allow biomass as sustainable energy. European Commission should consider allowing sustainable biomass to keep reduced VAT rate.

### **C. Energy poverty and competitiveness**

As highlighted by the European Commission, heating and cooling are not only central to citizens' comfort and health, but also to Europe's industrial competitiveness. Households dedicate over 60% of their energy use to heating and cooling. Similarly, process heat also represents 60% of all energy consumed by the EU industry. With fossil fuel costs regularly rising, addressing these needs through sustainable alternatives is essential.

The LSH industry plays a vital role in reducing energy vulnerability. In 2022, over 41 million Europeans were unable to keep their homes adequately warm. LSHs offer an affordable, accessible solution: with an average purchase and installation cost of around €2,000, they are inexpensive to install, easy to use, and efficient to run (up to 87% + of the energy contained in the wood is recovered to heat the home). Local space

heaters allow their users just to heat the space they are in and play a key role in householders heating strategy.

Solid Fuel LSHs also shield consumers from volatile global energy markets, by providing a locally generated, renewable heat source. By making optimal use of wood by-products and supporting the growth of sustainably managed European forests, LSHs contribute to both affordability for households, and Europe's broader goals of circularity, energy sovereignty and resilience.

### **D. Legislative impacts**

The industry is fully committed to effective and proportionate regulation, ensuring that only the most efficient and sustainable appliances are placed on the European market. To achieve this, whilst maintaining competitiveness, it is crucial that the European Commission stimulates innovation and reduces regulatory burden wherever possible by avoiding unnecessary regulatory overlaps, and unforeseen barriers to uptake and guarantee coherence between multiple pieces

of legislation and importantly that performance based legislative requirements are progressive not revolutionary

In summary CEFACD calls to adopt a balanced Heating & Cooling Strategy that accelerates decarbonisation while protecting consumers, supporting SMEs, and ensuring energy sovereignty and recognises the contribution that all low carbon heating technology can make.

LSH, especially those using sustainable biomass, are a vital component of the EU's transition to a clean, affordable, and secure heating and cooling system. By alleviating energy poverty, supporting the green transition, and enhancing energy sovereignty, LSH offer significant benefits to European citizens and the economy.

### **About CEFACD**

The Comité Européen des Fabricants d'Appareils de Chauffage et de Cuisine Domestique (CEFACD) represents the European manufacturers of individual heating and cooking appliances. We represent over 300 local companies generating € 5 billion in sales volume. Our members have a strong European footprint and contribute to wellbeing by providing local heating appliances to European households. More information: <https://www.cefacd.com>.