Government proposal to Parliament for an Act on the Energy Performance of Buildings (12 March 2026)

MAIN CONTENT OF THE PROPOSAL

The proposal calls for the enactment of an Act on the energy performance of buildings. The Act would help implement the requirements of the recast Directive (EU) 2024/1275 on the energy performance of buildings (hereinafter referred to as the *Energy Performance of Buildings Directive*) regarding minimum energy performance standards for existing non-residential buildings and the requirements concerning solar energy in buildings. The purpose of the Act is to improve the energy performance of building stock and promote the use of renewable energy in buildings.

The proposal sets down, in accordance with Article 9 of the Energy Performance of Buildings Directive, minimum requirements for the energy performance of existing non-residential buildings, which must be met by certain deadlines specified in the proposal. The building owner should demonstrate compliance with the requirements by means of an energy performance certificate after the deadline, at the latest when presenting the certificate is legally required. The Act would also lay down the conditions under which individual non-residential buildings could be exempted from the requirements. The proposal also recommends that, in accordance with Article 10 of the Energy Performance of Buildings Directive, provisions be laid down regarding the installation of suitable solar energy systems in certain categories of buildings by specific deadlines, as well as the conditions for derogations from these requirements.

The Act is intended to enter into force as soon as possible. The proposed Act would include a number of starting dates for its application. The proposed provisions would apply in full by 31 December 2033 at the latest.

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EXPLANATORY NOTES

1 Background and preparatory work

1.1 Background

The Government proposal is based on Directive (EU) 2024/1275 of the European Parliament and of the Council 24 April 2024 on the energy performance of buildings (recast), (hereinafter referred to as the *Energy Performance of Buildings Directive*), which entered into force on 28 May 2024 and which must be transposed by Member States by 29 May 2026. The previous 2010 Energy Performance Directive and the amendments made thereto have been implemented in Finland by several legislative acts, including the Construction Act (751/2023), the Act on the Energy Performance Certificates of Buildings (50/2013), the Act on the Energy Performance Certificate Information System of Buildings (147/2015) and Act on equipping buildings with electric vehicle charging points and charging point capabilities and automation and control systems (733/2020). There are also national regulations on the Directive in a number of lower-level legislative acts.

The revision of the Energy Performance of Buildings Directive is part of the European Union's Fit for 55 package, which aims to reduce EU emissions by at least 55 percent from 1990 levels by 2030 and to achieve climate neutrality by 2050. Building on the 'Fit for 55' package, the REPowerEU plan included in the communication from the Commission of 18 May 2022 entitled 'REPowerEU Plan' presented additional measures to save energy, diversify supplies, and replace fossil fuels by accelerating Europe's transition to clean energy. Lower energy consumption and the use of energy from renewable sources will reduce the Union's dependence on fossil fuels and their imports, thereby also promoting the Union's energy independence.

Buildings play an important role in achieving targets, with buildings accounting for 40% of total energy consumption and 36% of energy-related greenhouse gas emissions at Union level. However, 75% of buildings in the EU are still energy inefficient. The recast Energy Performance of Buildings Directive requires Member States to take a number of measures to reach the targets for reducing greenhouse gas emissions from buildings and achieving climate neutrality. The key instruments of the Energy Performance of Buildings Directive for achieving its objectives are minimum energy performance requirements for buildings and the preparation of a national renovation plan. The Directive also obligates Member States to implement regulations concerning, for example, solar energy in buildings, charging points for electric vehicles and energy performance certificates.

The programme of Petteri Orpo's government states the following regarding the energy performance of buildings:

"*Energy consumption in construction will be reduced and the energy performance of buildings will be improved through cost-effective measures. Efforts will be made to ensure that the provisions of the EU Energy Performance of Buildings Directive allow for the broadest possible national flexibility. In implementing the EU Energy Performance of Buildings Directive, residents and property owners should not be subjected to unreasonable obligations. If new obligations are introduced, it will be ensured that all households have the ability to meet the requirements arising from the regulation*."[1]

[1]A strong and committed Finland: Programme of Prime Minister Petteri Orpo's Government, 20 June 2023, page 126.

1.2 Preparatory work

1.2.1 Preparation of the recast Energy Performance of Buildings Directive

On 15 December 2021, the European Commission adopted a proposal for a recast Directive of the European Parliament and of the Council on the energy performance of buildings.[2] The proposal complemented the European Commission's Fit for 55 package of 14 July 2021, through which the EU aims to reduce net greenhouse gas emissions by at least 55 percent by 2030. The proposal was accompanied by a Commission evaluation report on the recast of the Directive.[3] The Government submitted a memorandum to Parliament on the Commission's proposal for a Directive of the European Parliament and of the Council on the energy performance of buildings (recast).[4]

Finland actively participated in the negotiations concerning the revision of the Directive and stressed that improving the energy performance of building stock will result in significant environmental and health benefits as well as cost benefits for residents. During the negotiations, Finland emphasised that the changes should not impose unreasonable costs on households and businesses, and that energy-saving obligations should not apply to individual residential buildings; instead, monitoring should be carried out at national level. Finland also emphasised during the negotiations that mandating the renovation of individual buildings is not a sensible way to achieve the objectives; instead, it must be possible to repair buildings in a timely and cost-effective manner in line with their life cycle. The outcome of the negotiations on the Directive was broadly in line with Finland's objectives.

1.2.2 Drafting of the Government Proposal

In August 2024, the Ministry of the Environment established a monitoring group to support and monitor the national implementation of the Energy Performance of Buildings Directive (VN/14781/2024). The monitoring group will discuss and comment on draft legislation under preparation and support its preparation. The monitoring group will make suggestions on how to keep regulation, administrative burdens and bureaucracy to a minimum, despite the new and increased requirements in the Directive. The monitoring group is divided into three different preparatory groups, which are preparing in more detail the legislative amendments required by the Energy Performance of Buildings Directive. It is also the task of the monitoring group to increase cooperation in the field of real estate and construction and to ensure information exchange and interaction with the persons involved in the preparation of official acts. The draft Act concerning this proposal has also been discussed by the monitoring group and the preparatory group.

During the preparation of the proposal, the Ministry of the Environment commissioned a study from VTT Technical Research Centre of Finland regarding the maximum energy performance thresholds for buildings under Article 9 of the Energy Performance of Buildings Directive.

[2] COM(2021) 802 final.
[3] SWD(2021) 453 final.
[4] Government memorandum U 26/2022 vp.

The government proposal was drawn up by the Ministry of the Environment. The government proposal was open for consultation from x.x.2026 to x.x.2026. The proposal was subject to technical notification from x.x.2026 to x.x.2026.

2 Requirements of the Energy Performance of Buildings Directive

2.1 The recast Energy Performance of Buildings Directive

The objectives of the recast Energy Performance of Buildings Directive have been expanded. The key objectives of the directive include a reduction of greenhouse gas emissions and final energy consumption by 2030 and setting a long-term vision for buildings towards EU-wide climate neutrality by 2050. To achieve these objectives, a number of specific targets have also been set: increasing the volume and scope of renovations, improving information on the energy performance and sustainability of buildings, and ensuring compliance with the 2050 climate neutrality requirements. In addition to improving the energy performance of buildings, the Directive also aims to achieve a zero-emission building stock by 2050.

The Directive obligates Member States to establish a national definition of a zero-emission building for new construction and renovation projects. The definition of a zero-emission building shall take into account, inter alia, external climatic conditions, local conditions, indoor environmental quality standards and cost-effectiveness. Member States shall also establish minimum energy performance requirements for non-residential buildings and ensure the conditions for the deployment of solar energy in buildings. The directive also sets out new requirements for, among others, charging points for electric vehicles, technical systems in buildings, energy performance certificates for buildings and the deployment of solar energy in buildings. The Directive also obliges Member States to ensure the implementation of the requirements set out in the Directive through appropriate monitoring mechanisms and sanctions.

Due to the updates made to the Energy Performance of Buildings Directive, the necessary amendments also need to be made to the existing national legislation, in particular the Construction Act and the regulations adopted pursuant to it, as well as to the legislation on energy performance certificates of buildings and charging points for electric cars. The Directive also obliges each Member State to draw up a national building renovation plan to ensure the renovation of both public and private residential and non-residential buildings, with the aim of achieving a highly energy-efficient and decarbonised building stock by 2050. The Ministry of the Environment is preparing the national building renovation plan (YM037:00/2024). Furthermore, the national implementation of the Directive requires the enactment of a new Act on the energy performance of buildings in order to ensure that the regulation package remains clear.

2.2 Energy Performance of buildings

Article 9 of the Energy Performance of Buildings Directive requires Member States to establish minimum energy performance requirements, i.e. maximum energy performance thresholds, for the entire building stock of existing non-residential buildings in national territory, or by type or category of building. According to the Directive, thresholds shall be set so that 16 per cent of the existing non-residential building stock in a Member State exceeds that threshold. Each Member State shall also set a maximum energy performance threshold so that 26 per cent of its national existing non-residential building stock exceeds that threshold. Minimum energy performance requirements must ensure, at a minimum, that all non-

residential buildings fall below the 16 per cent threshold by 2030 at the latest and the 26 per cent threshold by 2033 at the latest. The lower maximum energy performance thresholds for 2040 and 2050 must be set as part of the national building renovation plan, while also taking into account the objective of achieving a zero-emission building stock by 2050.

Pursuant to the requirements set out in the Directive, the maximum energy performance threshold shall be expressed by a numerical indicator of primary or final energy use (kWh/m^2/year). According to the Directive, the maximum energy performance thresholds for existing non-residential buildings must be based on data available on 1 January 2020; furthermore, statistical sampling may be used where necessary to determine these maximum thresholds. Compliance with the thresholds shall be verified in accordance with the requirements of the Directive, based on energy performance certificates or, where necessary, through other available means.

Under the Directive, Member States may choose not to apply the aforementioned minimum energy efficiency requirements to building categories listed in the Directive. The building categories in question are:

- buildings that are officially protected as part of a designated environment or due to their special architecture or historic value, or other cultural heritage buildings, insofar as compliance would alter their character or appearance in an unacceptable manner, or if their renovation is not technically or economically feasible;
- buildings used for worship or religious activities;
- temporary buildings in use for no more than two years, industrial installations, workshops and non-residential buildings with low energy consumption, non-residential farm buildings under a sectoral energy performance agreement;
- residential buildings intended to be in use for less than four months per year or, alternatively, for a limited period of time per year, with an estimated energy consumption of less than 25 percent of annual consumption;
- buildings with a useful floor area of less than 50 m^2; and
- buildings owned by the armed forces or central government and used for national defence, except for individual residential premises or office buildings used by personnel of the armed forces and other national defence authorities.

The Directive allows Member States the flexibility to establish and publish criteria under which exemptions from requirements may be granted for individual non-residential buildings, based on the building's expected future use, difficult circumstances or unfavourable cost-benefit analysis. However, the Directive requires that the criteria for exemptions from requirements be kept clear, precise and strict, and that non-residential buildings must be treated fairly. When establishing criteria, Member States must also be able to assess in advance the likely proportion of non-residential buildings exempted and ensure that a disproportionately large number of non-residential buildings are not exempted from the requirements. The Directive obliges Member States to communicate the criteria as part of the national building renovation plan submitted to the Commission in accordance with Article 3, including estimates of the number of buildings to be exempted, while also stating how equivalent energy savings will be achieved in the rest of the building stock of non-residential buildings.

If Member States establish criteria for exemptions under the Directive, when setting maximum energy performance thresholds, they may not count towards the baseline non-residential buildings that they have exempted from the requirements. When establishing the criteria for

exemptions, Member States must also achieve equivalent energy performance improvements in other parts of the non-residential building stock. Furthermore, under the Directive, Member States must require that, in the case of certain non-residential buildings, at least those individual renovation measures be carried out for which the cost-benefit analysis is favourable, provided that the building in question is exempted from the general renovation required to meet the energy performance thresholds on the basis of an unfavourable cost-benefit analysis.

2.3 Solar energy for buildings

Article 10 of the recast Energy Performance of Buildings Directive imposes obligations on Member States regarding solar energy in buildings. The obligations concern both building design and the deployment of solar energy installations in buildings. The Directive obliges Member States to ensure that all new buildings are designed in a way that optimises their solar energy production potential based on solar radiation at the site, allowing for the subsequent cost-effective installation of solar technologies in buildings. The Directive also requires that suitable solar energy installations be commissioned pursuant to the Directive by certain deadlines, provided that this is technically, economically and operationally feasible. The solar energy installation requirements set out in the Directive do not apply solely to rooftop installations, but also cover systems installed on building façades, balconies, terraces, covered parking spaces and similar structures, as well as, for example, solar power and solar thermal systems integrated into the building.

Installations must be commissioned in stages so that solar installations must be commissioned by 31 December 2026 in all new public buildings and new non-residential buildings with a useful floor area greater than 250 m^2, between 2027 and 2030 in all existing public buildings, incrementally and based on useful floor area, by 31 December 2027 in all existing non-residential buildings with a useful floor area greater than 500 m^2, if the building is undergoing extensive repairs or other actions requiring an administrative permit for building renovation, works on the roof or installation of a technical building system, and by 31 December 2029 at the latest in all new residential buildings and all new covered parking spaces located in the vicinity of buildings.

The Directive allows Member States the flexibility to choose to use the floor area of the ground floor of a building as a measure, rather than the building's useful floor area. A Member State may make this choice provided that it demonstrates that an equivalent number of suitable energy installations will be installed in buildings. The Directive also obliges Member States to include policies and measures for the deployment of solar energy installations in their national renovation plans.

The Directive also allows Member States the flexibility to grant exemptions from solar energy requirements for buildings at the national level. When exemption criteria are determined, the principle of technological neutrality shall be taken into account in the case of technologies that do not generate emissions on-site, along with the estimated technical and economic potential of solar energy systems, in accordance with the characteristics of the buildings subject to this obligation. Member States shall also, where appropriate, take into account structural integrity, green roofs and the insulation of attics and roofs. The Directive obliges Member States to establish and make publicly available at the national level both the criteria for the practical implementation of obligations relating to solar energy and the exemption criteria.

3 Current situation and its assessment

3.1 Non-residential buildings

At the time of the proposal's preparation, there are a total of 144,700 non-residential buildings in Finland, with a total floor area of 110 million square metres. Of non-residential buildings, 40 per cent (100,800; 46.7 million m ^{2}) are commercial and transport buildings, 20 per cent (10,800; 19.7 million m ^{2}) are office buildings, 30 per cent (18,500; 32.9 million m ^{2}) are healthcare buildings and educational buildings and 10 per cent (14,600; 10.6 million m ^{2}) are assembly buildings. The non-residential building stock includes many old healthcare and educational buildings constructed before the 1960s, whereas commercial buildings and transport buildings are significantly newer than public buildings.

In Finland, the energy performance of new buildings has been improved steadily since the energy crises of the 1970s, and average heating energy consumption has decreased significantly. When comparing the average heating energy consumption of buildings completed in the 1970s and 2010s, the average consumption of the latter is around half that of the former. New buildings constructed in the 2010s and old renovated buildings belong to energy classes A, B and C. They account for 54 per cent of non-residential buildings. According to energy performance certificates, 14 per cent of non-residential buildings have an energy class of F or G, which means that their energy performance is poor.

Non-residential buildings account for almost 40 % of the heating-related emissions of building stock. In total, approximately 18 TWh of purchased energy, such as wood, fossil fuels, electricity and district heating, as well as energy produced by heat pumps, is consumed in heating non-residential buildings. Most of the energy used for heating – 65 per cent – is supplied by district heating. However, oil and other fossil fuels also account for a significant share – approximately 20 per cent – in non-residential buildings. Carbon dioxide emissions from the heating of non-residential buildings total 2.9 million tonnes, with district heating accounting for the largest share.[5]

During the preparation of the proposal, the Ministry of the Environment commissioned a study from VTT Technical Research Centre of Finland regarding the maximum energy performance thresholds for buildings under Article 9 of the Energy Performance of Buildings Directive. The energy performance thresholds proposed in this proposal have been determined pursuant to the requirements of the Directive on the basis of data available on 1 January 2020 and through statistical sampling. On 1 January 2020, 8,546 energy performance certificates for non-residential buildings were available in the Energy Performance Certificate Register.

3.2 Solar energy in buildings

Solar energy means the utilisation of energy radiated by the sun as electrical or thermal energy. Generally speaking, the term ‘solar energy’ refers specifically to systems in which radiant energy is converted directly into electricity using solar cells or into thermal energy using solar thermal collectors. Other technological applications are being developed to harness direct and indirect solar energy, and the development of solar energy technologies is progressing rapidly.

In recent years, the production capacity of photovoltaic energy has increased significantly in Finland. According to the Energy Authority, the production capacity of photovoltaic energy

[5] Long-term Renovation Strategy 2020–2050 (Finland), pp. 20–22.

increased by 24 per cent in 2024. At the end of 2024, the installed photovoltaic energy capacity in Finland was approximately 1,247 megawatts, with the total capacity increasing by approximately 240 megawatts during the year. In total, Finland had around 25 000 MW of electricity generation capacity connected to the electricity grid at the end of 2024. Photovoltaic energy accounted for around five per cent of the electricity generation capacity installed in the grid, which was one percentage point higher than the previous year. photovoltaic energy production thus accounted for around 1.4 per cent of Finland's total electricity production in 2024, whereas in 2023, the share was around 0.8 per cent.

In particular, the small-scale production of photovoltaic energy has increased sharply. The majority of installed photovoltaic energy production capacity, approximately 1,124 megawatts, consisted of small-scale production, which means production facilities with a capacity of less than one megawatt. During 2024, small-scale production capacity increased by 188 megawatts, which is an increase of around 20 per cent. The growth in small-scale production capacity in 2024 follows the trend seen in the previous year, as the small-scale production capacity of photovoltaic energy increased by 299 megawatts during 2023, representing a rise of around 47 per cent compared with 2022. Additionally, in 2024, an estimated 23 MW of photovoltaic energy capacity was not connected to the grid, including energy used in secondary residences.

According to the Energy Authority's estimate, nearly 30,000 detached houses were fitted with photovoltaic energy systems during 2023. The estimate is based on preliminary data collected from network companies on the number of contracts for network services for consumer generation on the low-voltage grid. The Energy Authority collects data annually on the small-scale production capacity connected to the electricity grid from electricity distribution network operators as part of the technical indicators for the electricity grid. Estimates on capacity not connected to the grid are based on data on heating energy in detached houses provided by Natural Resources Institute Finland and Statistics Finland, as well as other data on the small-scale production capacity. The capacity of industrial-scale solar power plants was around 100 megawatts in 2024, and this figure is set to increase in the coming years, as industrial-scale solar power plants are being planned and built across the country.

In Finland, there is considerable potential for solar energy on the roofs of buildings. The roof area of buildings theoretically enables a potential of more than 30 gigawatt peaks, and the actual peak production is more than 20 gigawatts. The roofs of residential buildings alone have a potential of around 12 gigawatts at peak capacity, which corresponds to an hourly peak output of around 7–8 gigawatts.[6] According to estimates by Suomen Aurinkoenergiayhdistys (Finnish Solar Energy Association), Finland could produce more than ten per cent of the electricity consumed and around a quarter of its heating energy cost-effectively by using current solar energy technology. As technologies are developed and the cost-effectiveness of photovoltaic energy improves, it is estimated that the production potential of solar energy will grow even further. Solar energy systems will therefore play a significant role in the low-carbon and renewable energy society of the future.

In particular, solar heat is used to heat domestic water and indoor air in buildings. With solar thermal collectors, solar radiation energy is recovered, transferred to the application site with the help of a transfer fluid, and stored in an accumulator for further use. The efficiency of solar heating can be significantly higher than that of photovoltaic energy, as up to 80 per cent of solar energy can be recovered as heat, whereas the current efficiency of photovoltaic energy

[6] Nationwide Photovoltaic Hosting Capacity in the Finnish Electricity Distribution System. Lappeenranta University of Technology, 2022.

is around 20 per cent at best. Despite this, the uptake of solar heating has progressed more slowly in Finland than that of photovoltaic energy.

Solar energy systems are inherently safe when properly designed, installed, used and maintained. As technology becomes more widespread, however, there is a growing need to ensure that systems are integrated into buildings safely and in a manner that supports the energy system as a whole.

4 The proposals and their impacts

4.1 Main proposals

The proposal calls for the enactment of a new Act on the energy efficiency of buildings. The implementation of the Energy Performance of Buildings Directive involves obligations and definitions that are difficult to incorporate into existing legislation without compromising the clarity of the regulation package. It is expected that in future, as part of the updates to the Directive, additional obligations will arise for Member States, the implementation of which will require this law. The purpose of the proposals is, in accordance with the obligations laid out in the Directive, to reduce emissions from building stock by improving the energy performance of buildings and by increasing solar energy's share of the total energy consumption of buildings. The proposals would simultaneously support the achievement of the emissions reduction and climate targets established in the Climate Act (423/2022) as well as the Union's energy independence.

The proposal sets down, in accordance with the requirements of Article 9 of the Energy Performance of Buildings Directive, minimum requirements for the energy performance of existing non-residential buildings, which means maximum thresholds for the energy performance of certain building categories. The maximum threshold values would be set as reference values for calculated energy efficiency, i.e. E-values, and they would have to be met by the deadlines specified in the directive. The building owner, or in certain cases the occupant, should demonstrate that the threshold value has not been exceeded by means of an energy performance certificate in accordance with the Energy Performance Certificate Act by the time the deadline expires; in practice, this should be done no later than when there is a legal requirement to present an energy performance certificate. The proposal proposes that, within the scope of the national flexibility permitted by the Directive, provisions should also be laid down regarding the conditions under which a local building control authority could exempt an individual building from full compliance with the requirements. However, individual energy performance improvements should be carried out in the building if a cost-benefit analysis deems them to be cost-effective, even if the energy performance requirements are not fully met.

The Act also proposes to establish requirements for the use of solar energy in buildings, in accordance with Article 10 of the Energy Performance of Buildings Directive. In certain categories of buildings, suitable solar installations should be commissioned by certain deadlines, if it is economically, technically and functionally feasible. The Act would also provide for the possibility for the building owner to be exempted from the requirements for the deployment of solar energy installations in a building if the conditions for deployment are not met. However, at the request of the municipal building supervisory authority, the building owner should provide the necessary evidence demonstrating that the conditions for the exemption are met.

To ensure compliance with the Act, provisions would also be introduced regarding the right of the local building control authority to intervene in cases of non-compliance. In cases where the Act has been breached, the provisions of section 147 of the Construction Act concerning penalty payments and enforcement orders would apply.

4.2 Principal impacts

4.2.1 Impact on building owners

Requirements related to the energy efficiency of buildings would have an impact on building owners. The recast Energy Performance of Buildings Directive obliges Member States to set minimum energy performance requirements for existing non-residential buildings, and buildings must meet these requirements by specific deadlines. The obligation to improve the energy performance of buildings in connection with renovations and alterations subject to a construction permit is already laid down in sections 37 and 42 of the Construction Act.

Meeting the energy performance requirements in the least energy-efficient buildings would require building owners to invest in improving energy performance. The size of the investment would depend, on a case-by-case basis, on what is needed to bring the building in question up to the required standard. However, the discretion granted by law to the municipal building control authority to exempt a building from full compliance with energy performance requirements in individual cases would mean that, if, upon objective assessment, the conditions for bringing the building fully into line with energy performance requirements do not exist, the building owner would only be required to make investments in the building that genuinely improve energy performance and are genuinely cost-effective.

Obligations to deploy solar energy installations also increase the investment needs of building owners. On the other hand, granting building owners the discretion to assess whether the conditions for installation are met from the perspective of economic, technical and operational feasibility would mean that the installation of solar energy systems would not be made mandatory if the technical, economic or operational prerequisites are not met.

However, improving the energy performance of a building and deploying suitable solar energy installations will also have a lot of positive effects for building owners. Measures improving energy performance, along with solar energy installations, will bring economic benefits to building owners over a longer period of time, when buildings consume less energy and some of it is generated on-site. Consequently, the benefits of these investments would translate into lower energy bills for building owners, greater predictability in energy consumption management, and protection against fluctuations in energy prices. In Finland, small-scale solar energy production is already on the rise, and efforts are constantly being made to improve the energy performance of buildings.

4.2.2 Environmental impacts

Both the improvement of the energy performance of existing non-residential buildings and the deployment of solar energy in buildings are estimated to have positive environmental impacts. At the EU level, buildings account for 40 per cent of total energy consumption and produce 36 per cent of energy-related greenhouse gas emissions. The objective of the obligations proposed to be laid down in this Act is to reduce emissions from building stock by improving the energy performance of buildings by reducing their energy demand and increasing the share of renewable energy generated on site in buildings.

The proposed regulation would reduce the need for primary energy production, which would also reduce the need for, for example, fossil fuels and biomass harvesting and peat production in conjunction with energy production. The measures would also reduce the amount of greenhouse gas emissions from building stock, which would have positive effects from the perspective of climate change mitigation. Lower energy demand in buildings, as well as decentralised energy production thanks to on-site renewable energy production, could also reduce the need for land use related to energy production and transmission in the future. This can be estimated to have at least indirect positive effects also in terms of the preservation of natural habitats.

4.2.3 Impact on public authorities

The proposal would have an impact on municipal building control authorities. The law would lay down minimum energy performance requirements for existing non-residential buildings, which would have to be met by certain deadlines. The local building control authority would be given the power to grant exemptions from full compliance with energy performance requirements for buildings in individual cases, provided that the building owner demonstrates, by means of an objectively verifiable report, that the energy performance requirements cannot be fully met in the building. The municipal building control authority would also have the power to request an appropriate explanation from a building owner who has decided, on technical, economic or operational grounds, to derogate from the obligation to commission solar installations in the building.

Under the legislation already in force, the municipal building control authorities are responsible for ensuring that technical requirements for buildings, such as energy performance requirements, are met. The tasks proposed to be laid down in this Act would also be closely related to the technical characteristics of buildings and situations requiring a permit, i.e. the processing of matters proposed to be laid down would mainly occur in the context of the construction permit process. A new procedure separate from the construction permit process would not arise for the construction control authority from the new regulation. In the event of a derogation, the obligation to prepare and submit a report would lie with the building owner. It is already the responsibility of the building control authority, where necessary during the building permit process, to assess whether granting an exemption from certain requirements is possible.

The municipal building control authority would be able to address violations of or non-compliance with the provisions of the Act by means of a conditional fine and a threat of a compulsory measure as provided for in section 147 of the Construction Act. The enforcement of coercive measures and sanctions is expected to increase the workload of the authorities when there are grounds for taking such action.

4.2.4 Impact on public finances

A large proportion of the buildings subject to the obligations proposed in this Act are owned by public bodies; consequently, the proposed regulations are also likely to have an impact on public finances in this respect. Investments in improving the energy performance of buildings and in the deployment of solar installations will involve costs, at least in the short term.

On the other hand, as improvements in energy performance would begin with the least efficient part of the building stock, these improvements would reduce the energy costs of buildings, which is expected to yield economic benefits when assessed over the longer term.

Increasing the use of renewable energy generated on-site in buildings would also reduce the energy costs associated with those buildings. Furthermore, the measures can be seen as providing predictability and security in the face of fluctuations in energy consumption and related costs. Despite the investments required to meet these obligations, the long-term impact is expected to be positive.

4.2.5 Impact on business

The regulation proposed in the proposal will have an impact on business, as the obligations will create investment needs for the companies that own buildings. On the other hand, the proposed legislation is also expected to have positive effects on businesses, as the regulations would require certain buildings to implement energy performance measures and install suitable solar energy systems, meaning that stakeholders in the construction and energy sectors in particular would benefit from an increased demand resulting from these obligations.

4.2.6 Impact on Åland

Sections 18 and 27 of the Act on the Autonomy of Åland (1144/1991) provide for the division of authority between the State and Åland. The legislative proposal on the minimum energy efficiency requirements for non-residential buildings and requirements relating to solar energy in buildings concerns matters which, pursuant to Section 18 of the Act on the Autonomy of Åland, fall within the legislative competence of the Province of Åland, as the proposal concerns building and planning activities and housing production referred to in paragraph 7 of that section. Consequently, Åland is responsible for the implementation of the Directive on its territory.

5 Other options for implementation

5.1 Alternatives and their impacts

The Directive on the energy performance of buildings allows flexibility at the national level in relation to the implementation of Articles 9 and 10 of the Directive. In accordance with the Programme of Prime Minister Petteri Orpo's Government, the proposal aims to use the national flexibility as widely as possible.

The provisions of Article 9 of the Directive allow Member States the flexibility to decide on certain aspects of the minimum energy performance scheme for non-residential buildings. Member States may, for example, decide how the maximum energy performance thresholds are expressed, i.e. whether to use final energy consumption or primary energy consumption as an indicator, whether to exclude certain building categories from the scope of application, and whether to set the threshold value for the entire non-residential building stock or a building category-by-category basis. In Finland, the energy performance reference value, or E-value ($kWhE/m^2/year$), would be used as a numerical indicator of energy performance, as its use is well established in Finland. Additionally, maximum energy performance thresholds would be set in Finland for non-residential buildings by category of use, and some buildings would be excluded from the scope of the obligations relating to the implementation of Article 9, utilising the flexibility permitted by the Directive.

The building stock in Finland is very diverse and, in particular, a large part of the publicly owned building stock is old. Setting energy performance requirements by building use category would be justified, as energy consumption can vary significantly between different

types of buildings; furthermore, the technical characteristics of different types of buildings can also differ considerably. A common threshold applied to the entire building stock would not produce comparable and reasonable obligations for building owners under Finnish conditions. It would be justified to make use of this flexibility by also excluding certain building categories from the scope of the energy performance requirements, as compliance with energy performance requirements would be demonstrated via an energy performance certificate, and, under the Energy Performance Certificate Act, there is no requirement in Finland for building categories excluded from the scope to obtain an energy performance certificate in the first place.

Member States may also, within the limits of their discretion, lay down criteria allowing individual buildings to be exempted from energy performance requirements, provided that certain conditions are met. In accordance with Article 9 of the Directive, the grounds for exemption should be fair, clear, precise and strict. The Act would lay down the criteria under which individual buildings could be exempted from full compliance with energy performance requirements, provided that it is objectively impossible to meet those requirements in full in the building in question. That the Act provides for an possible exemption from obligations in individual cases would be justified because, in certain situations, improving a building's energy performance is not cost-effective—for example, because the costs outweigh the benefits of the measures—or if it is known that the building's intended use is set to change in the future in such a way that the energy performance obligations would not apply under the new intended use.

Article 10 of the Directive on the Energy Performance of Buildings lays down deadlines relating to the obligation to commission solar installations. In practice, the deadlines for applying the obligations would be determined on the basis of the floor area of the building and the calculation method used to measure it. The Directive allows Member States the flexibility to use the *useful floor area* of a building or the *floor area of a ground floor* as a measure of floor area. The Directive requires Member States to demonstrate that, regardless of the method used to calculate the floor area, an equivalent number of suitable solar installations will be installed in buildings.

In Finland, the *useful floor area of the building's ground floor*, or the useful floor area of the building on the ground level, would be used to measure floor area. The definition of the useful floor area of the ground floor would take into account the building's useful floor area, which is used as a starting point in the Directive; this refers to the total heated floor areas in the building, calculated using the internal surfaces of the external walls surrounding the floor levels (heated net area A_{net} (m^2)), but in this context, the calculation method would be limited to apply only to the ground floor of the building.

On the basis of a study carried out during the preparation of the proposal, this method of calculating the floor area would not reduce the number of buildings subject to the obligations, but would, at most, postpone the deadlines for applying the implementation obligation in some buildings with a larger floor area. Determining the useful floor area of the ground floor using a similar calculation method, but limiting it to the ground floor of the building, would therefore be a comparable alternative to floor area measurement in relation to the total useful floor area of the building. The decision to utilise the useful floor area of the ground floor as a measure in this proposal was also reached because, with the implementation of the Directive, the concept of gross floor area calculated for the entire building will also be adopted in other national regulations governing the energy performance of buildings. Using the definition of useful

floor area in provisions dealing with the same subject matter would also be the most consistent and clear from the perspective of the building owner.

During the preparation of the proposal, consideration was also given to using the floor area of the ground floor as a measure of floor area for compliance purposes. However, this option was abandoned due to challenges associated with the concept. There is no generally accepted standard for calculating the floor area of the ground floor, which would have meant defining a new concept of floor area and its method of calculation in the Act. The definition of the floor area of the ground floor, as considered during the preparation of the proposal, would have covered, for example, both heated and unheated areas of the building – excluding, for example, terraces. However, in the Energy Performance of Buildings Directive, a *building* is defined as a covered structure with walls in which energy is used to maintain the indoor environment, and a similar definition of a building would also be laid down in this Act. The same definition of a building in the Directive also applies to the method of calculating a building's floor area; consequently, the floor area of the ground floor, which includes unheated spaces, would not be consistent with the definition of a building as set out in the Directive.

When implementing the requirements laid down in the Directive, it is justified to adopt a new legal Act and not to incorporate provisions into existing legal Acts, such as the Construction Act. The enactment of a new, separate piece of legislation is justified because the provisions concerning the energy performance of buildings and the use of solar energy would apply only in certain situations and building types proposed for regulation in this Act, whereas the Building Act applies, in principle, to all buildings and construction projects. The purpose of the new Act would be to clarify the regulation in this regard.

More detailed arrangements relating to the minimum energy performance requirements for buildings, such as the implications of granting individual exemptions, will be reported to the Commission at a later date as part of Finland's national renovation plan. Similarly, more detailed national measures relating to solar energy requirements for buildings, along with their implications, will be reported as part of the renovation plan.

5.2 Implementation of the Directive in other EU Member States

The deadline for implementing the Energy Performance of Buildings Directive is 29 May 2026, which means that implementation is still ongoing in most EU Member States at the time of drafting this proposal. However, preliminary information on solutions related to the implementation of the Directive in other Member States is available to some extent.

In Sweden, provisions on the national implementation of the Directive will be available for consultation during the late winter of 2026. According to the drafts, solar energy obligations in Sweden would be based on technical, economic and operational criteria. For example, in the case of existing buildings, the cost-effectiveness of installing solar energy systems should be assessed in relation to the remaining useful life of the building or one of its components. A similar approach has also been chosen in the Netherlands regarding the solar energy obligations of the Directive. In the Netherlands, it would be possible to be exempted from the obligation to install solar energy systems, for example, if there is no space on the roof of a building or if roof structures cannot withstand the load caused by solar energy systems. On the basis of preliminary data, in the Netherlands, the economic justification for deviating from the obligations would be linked to the repayment period for the costs related to the commissioning of the solar installations.

In Germany, as part of the preparations for the implementation of the Directive, a study was carried out concerning the relationship between the floor area of a building's ground floor and the building's useful floor area. Under Article 10 of the Directive, when using the floor area of the ground floor of a building as a measure, Member States must ensure that the method of calculating the building's floor area does not reduce the amount of solar energy installed in the buildings. The study examined 49 buildings where the floor area thresholds were compared in parallel on the basis of both the useful floor area and the floor area of the ground floor. As a result of the examination, it was found that the use of the floor area of the ground floor as a measure would, to some extent, reduce the number of buildings subject to the obligations in Germany. Based on the study, Germany introduced a factor which is used in calculating the floor area of the ground floor that triggers the obligation; as a result, the floor area triggering the obligation is reduced in square metres, whilst the number of buildings subject to the obligations remains unchanged.

6 Feedback

Written opinions on the draft Government Bill on the Energy Performance of Buildings were requested between xx.xx.20xx and xx.xx.202x. The consultation took place through the lausuntopalvelu.fi online consultation service. xx statements were issued on the draft proposal. Statements were sought from public authorities, key stakeholders, ministries, municipalities, well-being services counties and regional councils.

Statements were received...

The statements can be found in the Government's project window under the identifier YM0XX:00/20XX. For data protection reasons, statements from private individuals can only be found in the project window if the person has requested this in writing in connection with their statement or in the accompanying message. Only the statements delivered on the consultation service lausuntopalvelu.fi can be found in the consultation service.

The statements highlighted... *will be supplemented after the consultation*.

7 Provision-specific rationale

Section 1 *Scope*. This section would provide for the scope of the Act.

While Article 9 of the Energy Performance of Buildings Directive obliges Member States to introduce minimum energy performance requirements for existing non-residential buildings, the Energy Performance of Buildings Directive allows Member States the flexibility not to apply the minimum energy performance requirements laid down in that Article to certain categories of buildings. The provisions of this Act relating to energy performance would not apply to buildings referred to in paragraphs 1–7 of section 37(2) of the existing Construction Act (751/2023). The buildings referred to in that Act are:

- buildings with a floor area less than 50 m^2;[2];
- residential buildings for holiday accommodation intended for use for less than four months per year;
- temporary buildings with a service life of no more than two years;
- industrial or workshop buildings;
- non-residential farm buildings with low energy demand or that are used by a sector covered by a national sectoral energy performance contract;

- buildings used for worship or religious activities; and
- buildings protected by virtue of a conservation order issued in a plan under the Act on the Protection of the Built Heritage (498/2010) or by virtue of a World Heritage List under the Convention for the Protection of the World Cultural and Natural Heritage (Treaty Series of the Statute Book of Finland 19/1987) as part of a designated environment or because of their special architectural or historical merit, in so far as their nature or appearance would change in an unacceptable manner as a result of compliance with minimum energy performance requirements.

In addition, buildings used by the defence administration that contain or are associated with classified information would be excluded from the scope of the energy performance regulations.

The types of buildings listed above would also be excluded from the scope of the provisions on energy performance, because the energy performance certificate used to demonstrate compliance with the minimum energy performance requirements under the Act on the Energy Performance Certificates of Buildings (50/2013, hereinafter the *Energy Performance Certificate Act*) is not drawn up for those buildings, with the exception of protected buildings. The Directive will no longer allow listed buildings to be excluded from energy performance certificates; however, this category of buildings may be excluded from the scope of energy performance requirements under the discretion permitted by Article 9 of the Directive.

Section 2 *Definitions*. This section would set out the definitions of key concepts relevant to the application of the Act.

According to paragraph 1 of this section, *building* refers to a covered structure with walls, in which energy is used to maintain the indoor environment. The definition would match the definition in Article 2(1) of the Energy Performance of Buildings Directive.

According to paragraph 2 of the section *a public building* is defined as a building whose primary function is non-residential and which is owned by a national, regional or local authority, or by an entity directly funded and managed by such an authority, and which is not of an industrial or commercial nature. The definition would match the definition of a *public body* set out in Article 2(12) of Directive (EU) 2023/1791 of the European Parliament and of the Council on energy efficiency and amending Regulation (EU) 2023/955 . Therefore, for a building to be considered a public building under this Act, its owner should be a public body as described above. If the building has multiple owners, a building would be considered a public building if at least 50 percent of its ownership is held by a public entity. It is worth noting that, under this Act, the definition of a public building would not include buildings that are owned by public bodies and intended for residential use; instead, those buildings would be subject to obligations applicable to residential buildings.

According to paragraph 3, the *energy performance of a building* means the calculated or measured amount of energy required to meet the energy demand associated with the typical use of the building, including energy used for heating, cooling, ventilation, domestic hot water and lighting. The definition would natch the definition of the energy performance of a building in accordance with Article 2(8) of the Directive on the energy performance of buildings.

According to paragraph 4, the *minimum energy performance requirements* would mean the rules requiring existing buildings to meet an individual energy performance requirement as

part of a comprehensive renovation plan for the building stock by a certain date, which triggers the renovation of existing buildings. The definition would largely match the definition under Article 2(4) of the Energy Performance of Buildings Directive. An exception to the definition used in the Directive would be that the definition would not mention other possible market trigger points chosen by Member States where minimum energy performance requirements could be realised. In Finland, the requirements would be realised after the below deadlines established in the Act have been met.

According to paragraph 5 of the section, *technical feasibility* would mean that a solution or measure can be designed and implemented without the characteristics specified in sections 31–37 of the Construction Act or the requirements laid down pursuant thereto being compromised when compared to the existing design solution. A key consideration in assessing technical feasibility is that the solution or measure must not compromise the structural strength and stability, fire safety, health and safety, accessibility, noise control and acoustic conditions, or energy efficiency of the building. The reference point would be the existing design solution of the building, in which case the assessment would focus on whether it is possible to implement the planned solution or measure without impairing the implementation of the requirements.

According to paragraph 6 of the section, *economic feasibility* means that a solution or measure can be implemented in a cost-effective manner. The assessment should consider the cost-optimality of the solution or measure, i.e. whether the investment in residential and non-residential buildings over 30-year and 20-year reference periods will yield more benefits than the investment cost. If the normal service life of the building element or system under consideration, or a part thereof, is shorter than the specified 30- or 20-year reference period, the period for evaluation should be limited to that shorter service life. In the assessment of economic feasibility and cost-effectiveness, it would be essential that the measures are economically justified and reasonable for the building owner. Furthermore, the purpose of the assessment would be to encourage the comparison and selection of different options.

According to paragraph 7 of the section, *'functional feasibility* refers to the fact that a solution or measure can be designed and implemented without significantly impairing the building's ability to serve its intended purpose. The assessment of functional feasibility should consider the needs related to the use, functions and users of the building. The definition would emphasise that the solutions and measures must be coordinated with the implementation of the purpose of the building.

According to paragraph 8 of the section, *suitable solar energy installations* refer to technical systems intended for the generation of solar energy, consisting of installable photovoltaic energy systems or solar thermal collectors, as well as other components that are both necessary for energy production and capable of utilising the solar energy production potential as efficiently as possible, taking into account the space available in the building and the building's energy requirements. This definition would leave it to the building owner to assess, on a case-by-case basis, what type of solar energy systems would be appropriate to install in that particular building and on what scale, so that the benefits derived from the installation of the systems would be optimal in relation to the building's energy requirements.

Section 3. *Minimum energy performance requirements for non-residential buildings*. This provision would lay down minimum energy performance requirements – that is, maximum threshold values – for existing non-residential buildings, which must be met by 31 December 2030 and 31 December 2033. The section would also establish the grounds on which a non-

residential building could be partially exempted from the threshold requirements in an individual case. It would also provide for the obligation to implement individual measures to improve energy performance in a building under certain conditions.

Article 9 of the Energy Performance of Buildings Directive obliges Member States to set minimum energy performance requirements for non-residential buildings, i.e. maximum energy performance thresholds, with the aim of triggering a gradual renovation of the building stock in the Member State, with improvement of energy performance starting with the worst-performing part of the building stock. The aim of the section's provisions would be, on the one hand, to ensure that the requirements related to the energy performance of buildings are met by the deadlines and demonstrating compliance with the requirements where necessary, but also, on the other hand, to allow for appropriate flexibility for individual buildings where improvements in energy performance would not be fully possible.

The maximum threshold values for the energy performance of non-residential buildings have been determined in accordance with the requirements of the Directive, based on data available on 1 January 2020 and through statistical sampling. The Directive gives Member States the flexibility to choose the indicator for expressing the maximum energy performance thresholds. In Finland, the energy performance reference value, or E-value (kWhE/m^{2}^{2}/year), would be used as a numerical indicator of energy performance. This figure represents the annual consumption of purchased energy per heated net floor area, based on standardised usage and weighted by the coefficients of different energy forms. The E-value thus makes it possible to compare the energy performance of buildings on the basis of their standardised use. The E-value would be the most suitable indicator because its use is well established in Finland.

The Directive also allows Member States the flexibility to choose whether to set thresholds for the national non-residential building stock as a whole or by building type or category. In Finland, maximum energy efficiency thresholds would be set for non-residential buildings by use category. This would be justified because, due to the diversity of the existing national non-residential building stock in Finland, the energy consumption of different building types is varied, and the technical starting points may differ so significantly that a common threshold for the entire building stock would not create comparable and reasonable obligations for building owners.

Subsection 1 of the section would establish the maximum threshold values, by category of use, for non-residential buildings, which must be met by 31 December 2030. The maximum energy performance thresholds would be presented in table form for office buildings, commercial buildings, hospitality buildings, educational buildings, sports facilities and hospitals. Falling below the reference value for calculated energy performance would mean that the building's E-value (kWhE/m^{2}^{2}/year) could not exceed the value specified in the table by the deadline. By 31 December 2030, the E-value indicating the energy performance should be less than 215 for office buildings, less than 265 for commercial buildings, less than 380 for hospitality buildings, less than 230 for educational buildings, less than 265 for sports facilities and less than 585 for hospitals.

Subsection 2 of the section would, similarly to subsection 1, establish the maximum threshold values for the energy performance of non-residential buildings, which must be met by 31 December 2033. When examined by building categories, by the deadline, the E-value should be less than 210 for office buildings, less than 245 for commercial buildings, less than 375 for hospitality buildings, less than 220 for educational buildings, less than 265 for sports facilities and less than 555 for hospitals.

Subsection 3 of the section would stipulate that the building owner must demonstrate compliance with the maximum energy performance threshold with a valid energy performance certificate pursuant to the Energy Performance Certificate Act by the deadlines established in subsections 1 and 2, in cases where the law requires an energy performance certificate to be presented. In practice, this would mean that the energy performance requirements of a building would materialise for the owner after the deadline at the latest in a situation where the energy performance certificate must be presented in accordance with the Act on Energy Performance Certificates. According to the Act on Energy Performance Certificates, such situations include, for example, the sale and lease of a building, excluding certain situations specifically provided for by law. The subsection would also establish the building owner's obligation to demonstrate compliance with requirements by means of an energy performance certificate in certain circumstances. Typically, a building owner is responsible for obtaining an energy performance certificate, but if the responsibility for the maintenance of the building lies with the occupant of the building by law, contract or otherwise, the building occupant is also responsible for obtaining the energy performance certificate. It would therefore be appropriate that, in such a situation, the responsibility for presenting an energy performance certificate would also lie with the building occupant.

Furthermore, subsection 3 of the section would stipulate an obligation to demonstrate, by means of an energy performance certificate, that the building's energy efficiency falls below the maximum threshold value, at the request of the authorities, even after the deadline has passed. This provision would ensure that the authorities are able, where necessary, to monitor compliance with the requirements even in situations where uncertainties regarding a building's energy performance arise after the deadline has passed. There should be a justified reason for a request by the authorities to demonstrate that the maximum energy performance threshold has not been exceeded. A justified reason could be, for example, the fact that the energy performance certificate has not previously been presented within the time limit, in cases the Act on Energy Performance Certificates would have required it.

Subsection 4 of the section would establish the grounds on which a municipal building control authority could exempt an existing non-residential building from the energy performance requirements set out in subsections 1–3 of this section. Article 9 of the Energy Performance of Buildings Directive allows Member States the flexibility to establish and publish criteria under which exemptions from requirements may be granted, based on the building's expected future use, difficult circumstances or unfavourable cost-benefit analysis. However, the Directive obliges Member States to keep the criteria for exemptions from requirements be kept clear, precise and strict and to ensure the fair treatment of non-residential buildings.

The purpose of the provision on justifying exemptions from requirements is to take account of the diversity of the building stock of non-residential buildings in Finland and to allow for the appropriate flexibility in applying the requirements in individual cases where meeting the energy performance requirements would require unreasonable measures from the building owner, taking into account the building's technical characteristics, the costs of solutions and measures, or the building's functionality.

The request for and granting of an exemption would naturally relate to situations, such as the building permit process, where interaction with the municipal building control authority is required. The municipal building control authority could grant an exemption for a building if the building owner demonstrates that improving the energy performance of the building is not technically, economically or functionally feasible. Technical, economic or functional feasibility should be assessed in relation to the expected future use of the building, in the light

of the conclusions of the cost-benefit analysis or in relation to any other difficult situation. In accordance with the requirements of the Directive, the fulfilment of the conditions for exemption should be interpreted as permitting such exemptions in exceptional cases.

The expected future use of the building justifying a exemption from the energy performance requirements would relate to situations where the remaining lifespan of the building is short or where the end of use or change of use of the building is known. An unfavourable cost-benefit analysis would refer to an objectively verifiable economic assessment on the basis of which implementing measures to improve energy performance would not be cost-effective when considered over the 30- or 20-year reference period used in the assessment. Such a situation could arise, for example, if the repayment period for a solution or measure improving energy performance is longer than the building's life cycle or remaining useful life, in which case costs would not be proportionate to the benefits achieved through measures that improve energy performance. A difficult situation would refer to circumstances in which improving a building's energy performance would not be appropriate due to, for example, the building owner's bankruptcy, corporate restructuring or proceedings that significantly restrict their liquidity. In difficult situations, the exemption of the building would be justified for the duration of the difficult situation.

Subsection 5 of the section would provide, by way of derogation from subsection 4, that, notwithstanding paragraph 4, individual measures improving energy performance should nevertheless be implemented in the building if, on the basis of a cost-benefit analysis, they are assessed as being cost-effective, even if the minimum energy performance requirements laid down in subsections 1 and 2 would not be fully met. The provision would meet the obligations under Article 9 of the Energy Performance of Buildings Directive by ensuring that a gradual improvement of the building stock is progressing through appropriate means of improving energy performance, including in buildings where the requirements cannot be fully met.

Section 4. *Solar energy in buildings*. This section would implement the obligations set out in Article 10 of the Energy Performance of Buildings Directive regarding the installation of solar energy systems in buildings, which aim to increase on-site renewable energy production in buildings and reduce the building sector's dependence on fossil fuels by increasing the share of renewable energy in the total energy consumption of buildings. The roofs of both new and existing buildings have considerable potential for solar energy. In Finland, the uptake of solar energy in buildings has already increased significantly in recent years, and this positive trend is expected to continue in the future.

The Directive does not leave Member States any flexibility at national level as regards the deadlines for the deployment of suitable solar energy installations. However, the Directive allows Member States the flexibility to choose to use the floor area of the ground floor of a building as a measure rather than the useful floor area. In Finland, the useful floor area of the ground floor of a building would be used as a measure, with appropriate adjustments. "Useful floor area" refers to the sum of the heated floor areas of the building, calculated according to the internal surfaces of the outer walls surrounding the floor levels (heated net area A_{net} (m^2)), but in this context, the calculation method would be limited so that it only applies to the ground floor of the building.

Subsection 1 of the section would provide for an obligation to deploy suitable solar energy installations in buildings by deadlines linked to specific building types and the useful floor area of the ground floor. According to paragraph 1 of the subsection, all new public buildings with a useful floor area larger than 250 m^2, as well as all new non-residential buildings with a

useful floor area larger than 250 m^2 should be equipped with suitable solar energy installations by 31 December 2026.

For existing public buildings, the obligation to commission solar energy installations would enter into force gradually between 2027 and 2030, depending on the useful floor area of the building's ground floor. Subsection 1, paragraph 2 of the section would provide that the deadline for the obligation for commissioning the appropriate solar energy installations would be 31 December 2027 for all existing public buildings with a useful floor area of more than 2,000 m^2. By the 31 December 2027 deadline, appropriate solar installations should also be commissioned in all existing non-residential buildings with a useful floor area of more than 500 m^2, when a major repair or action requiring a building permit for the basic renovation of the building, roof works or the installation of a technical building system is carried out in the building. This obligation would apply to existing non-residential buildings owned by bodies other than public authorities.

The "major repair" referred to in the provision would mean repairs where the total cost of related to the building envelope or technical building systems exceeds 25 per cent of the value of the building, excluding the value of the land upon which the building is situated, as defined in Article 2(22) of the EPBD. The definition of 'major repair' is set out in the same terms in section 14(2) of the Construction Act. On the other hand, the other measures referred to in the provision would mean measures which do not meet the criteria for major repairs but still require a construction permit for other reasons. The situations requiring a permit would relate to renovation work carried out in the building, work carried out on the roof, and the installation of the building's technical systems.

All authorised work carried out on the roof or the installation of technical building systems should not be considered as justification for the realisation of the obligation to commission solar installations. The obligation to commission appropriate solar installations should not apply to situations where the activities to be performed on a building subject to authorisation are technically or functionally independent of the production of solar energy. For example, the installation of technical systems that do not affect the roof structure, such as the drilling of a geothermal borehole, should not, in principle, be regarded as an action that fulfils the obligation to commission appropriate solar energy systems. A key aspect of fulfilling this obligation would be that the proposed measure naturally paves the way for a cost-effective installation of solar energy systems, such as during large-scale roof renovations and major refurbishments of a building's technical systems.

Subsection 1, paragraph 3 of the section would lay down that the deadline for the commissioning of appropriate solar installations in existing public buildings with a useful floor area of more than 750 m^2 would be 31 December 2028. According to subsection 1, paragraph 4 of the section, the following deadline for commissioning solar installations would be 31 December 2029, at which time the appropriate installations would have to be commissioned in all new residential buildings and all new covered parking spaces located near the buildings. According to subsection 5, the final deadline for the commissioning of appropriate solar energy systems would be 31 December 2030, by which date the systems must be installed in all existing public buildings with a ground floor usable floor area exceeding 250 m^2.

Subsection 2 of the section would provide that the building owner could derogate from the obligations established in subsection 1 if the commissioning of solar energy installations would not be economically, technically or functionally feasible. However, if requested by the

municipal building control authority, the building owner would have to provide the necessary evidence of the fulfilment of the conditions for the exemption. The purpose of this exemption would be to ensure the necessary flexibility for buildings where the commissioning of solar energy systems would not be appropriate, taking into account the building's characteristics and use, or the costs associated with installing such systems.

In this context, "technical suitability" would mean that the solar energy system is compatible with the characteristics of the building's roof or façade, thereby enabling the system to be installed. Technical suitability would not exist if commissioning the solar energy equipment is technically impossible. This could be the case if there is no space on the roof of the building for solar energy installations or if the slope of the roof or the façades of the building are not suitable for installing the equipment. In terms of economic viability, it should be assessed whether the expected benefits of installing solar energy equipment are proportionate in view of the costs of the installation and the expected lifecycle of the equipment. On the other hand, the operational feasibility of commissioning solar energy installations would mean that the installations can be deployed without the deployment leading to a situation where the building cannot be used in a way that matches its intended purpose.

The fulfilment of the conditions for the commissioning of suitable solar energy installations may be case-specific, depending on the type of building and the individual building. In some types of buildings, the installation of solar energy systems may be restricted for technical or structural reasons. For example, in tall buildings, the roof area may be so small in relation to the rest of the building that the potential output of solar energy systems installed on the roof may, in practice, remain low. Furthermore, the wind conditions prevailing on the roofs and façades of tall buildings may complicate the installation of the equipment and lead to additional costs associated with securing it, meaning that the installation of solar energy systems may not necessarily be cost-effective. If a building is permanently in the shade, that may also lead to a situation where it would not be possible to achieve optimal benefits through commissioning a solar energy installation. Conversely, in buildings with a large horizontal area, for example, which also have a large roof area, the conditions for an extensive installation of appropriate systems may be met perfectly.

Section 5 *Coercive measures and penalties*. The provision would stipulate that, in cases where the Act has been breached, the provisions of section 147 of the Construction Act concerning penalty payments and enforcement orders would apply. The purpose of this provision would be to ensure compliance with the minimum energy performance requirements for buildings and the requirements concerning solar energy laid down in the Act, and to ensure that the competent authority has the power to intervene in the event of any breach of the Act. The Energy Performance of Buildings Directive obliges Member States to lay down penalties for infringements of its provisions in such a way that the penalties are effective, proportionate and dissuasive. In this respect, the administrative penalties established in section 147 of the Construction Act, i.e. periodic penalty payments and enforcement orders, would meet the requirements of the Directive.

Section 6. *Entry into force*. This section would provide for the entry into force of the Act. The Act is intended to enter into force as soon as possible.

Section 7. *Transitional provisions*. The section would lay down transitional provisions that are essential for the application of the Act. If an application for a building permit had been

submitted to a public authority before this Act enters into force, the legislation in force at the time when the application was submitted would apply to the processing of the application.

8 Entry into force

The Act is intended to enter into force as soon as possible. The substantive provisions of the Act concerning the energy efficiency of buildings and the commissioning of solar energy would apply from the date of entry into force, in accordance with the dates specified in the proposal.

9 Implementation and monitoring

The Ministry of the Environment monitors the effects of the proposed regulations and, if necessary, takes action. More detailed solutions relating to the minimum energy performance requirements of buildings, such as the implications of granting individual exemptions, as well as more detailed national solutions regarding the solar energy requirements of buildings, together with their impact assessments, will be reported at a later date as part of Finland's national renovation plan.

10 Relationship to other proposals

10.1 Dependence of the proposal on other proposals

The proposal is part of the national implementation of the Energy Performance of Buildings Directive, which also involves other legislative amendments and projects. The proposal is linked to the Government's proposal for an Act on the Provision of Electric Vehicle Charging Points and Charging Point Infrastructure in Buildings, as well as to the proposed amendment to the Act on Automation and Control Systems, the Government's proposal for an Act amending the Act on Energy Performance Certificates for Buildings and the Construction Act, and the Government's proposal for an Act amending the Building Act.[7] The proposal is intended to be considered together with these legislative amendments.

The Government Proposal for an Act amending the Act on the Energy Performance Certificates of Buildings and the Construction Act proposes amendments to building categories subject to the obligation to obtain and use an energy performance certificate laid down in section 3 of the Act. Compliance with the energy performance requirements for buildings proposed to be established in this Act would be demonstrated by an energy performance certificate, and the limitations on the scope of the energy performance requirements would be consistent with the Act on Energy Performance Certificates. In the Government proposal for an Act amending the Construction Act, it is proposed that Section 37 of the Construction Act should, in future, provide for an obligation to design new buildings in such a way that they can be retrofitted with an optimal number of solar energy installations in a cost-effective manner. Instead, this Act proposes to lay down deadlines by which suitable solar energy systems should be commissioned in certain buildings, including new public buildings, new residential buildings and new non-residential buildings with a usable floor area of more than 250 m^2.

11 Relationship to the Constitution and the legislative procedure

The proposed legislation is relevant in the context of Articles 15 and 20 of the Constitution.

[7] ProjectsYM004:00/2025, YM005:00/2025 and YM002:00/2025.

Under section 20(1) of the Constitution, nature and its biodiversity, the environment and cultural heritage are the responsibility of everyone. This responsibility for the environment applies to both public authorities and private natural persons and legal entities. The responsibility referred to in the provision applies to both living nature and the non-living natural environment, such as the atmosphere. The aim of the proposed regulation would be, among other things, to mitigate climate change by improving the energy performance of buildings and increasing the share of renewable energy use in buildings, which would have a clear link to the fulfilment of environmental responsibility.

According to section 15, subsection 1 of the Constitution, everyone's property is protected. On the basis of that general clause on the right to property, various restrictions on the owner's rights of use and the owner's right to dispose of his property are assessed. This Act proposes to lay down minimum energy performance requirements for existing non-residential buildings and the commissioning of solar energy installations for certain building types. The majority of the obligations laid down in this Act would apply to legal persons and, in particular, to public bodies. In the Constitutional Law Committee's practice regarding opinions, the view held has been that where the obligations imposed by law concern, for example, listed companies or other legal persons with substantial assets, the legislature's scope for action from the perspective of the protection of property is, in principle, greater than when the effects of the regulation are directed immediately at the natural persons behind the legal entities.[8]

The fulfilment of these obligations would, in principle, require building owners to take technical measures to ensure the compliance of their buildings. However, the proposal would not impose any restrictions on the protection of property that would, for example, affect the owner's freedom to use their property. The position of the building owner would also be protected by the conditions proposed to be established in law, under which it would be possible, on certain grounds, to obtain partial exemption from obligations in cases where compliance with them would prove unreasonable from the building owner's perspective.

In its statements on the right to property, the Constitutional Law Committee has also assigned particular importance to the arguments relating to Article 20 of the Constitution. In its case law, the Committee has held that, for example, new requirements imposed on construction with the aim of mitigating climate change have been proportionate and do not therefore constitute restrictions on the use of property that are problematic from the perspective of the Constitution.[9] The proposal is therefore not expected to be problematic with regard to the protection of property.

Resolution

In view of the above, and given that the Energy Performance of Buildings Directive contains provisions that are proposed to be implemented by law, the following draft bill is submitted to Parliament for approval:

[8] see PeVL 9/2008 vp, PeVL 10/2007 vp, PeVL 54/2005 vp, PeVL 32/2004 vp, PeVL 61/2002 vp, PeVL 34/2000 vp.
[9] PeVL 64/2022 (vp)

Bill

Act

on the energy efficiency of buildings

By decision of Parliament, the following is enacted:

Section 1

Scope of the Act

The provisions of this Act concerning energy efficiency shall not apply to an existing building referred to in Section 37(2), points 1 to 7, of the Construction Act (751/2023) or to a building occupied by the defence administration, the use of which involves confidential information.

Section 2

Definitions

For the purposes of this Act:

1) Building refers to a construction with a roof and walls in which energy is used to regulate the internal climate.

2) Public building refers to a building owned by a national, regional or local authority, or by a body directly funded and managed by such an authority, which is not of an industrial or commercial nature and whose primary use is not residential;

3) Energy performance refers to the calculated or measured amount of energy required to meet the energy needs associated with the typical use of the building, including energy used for heating, cooling, ventilation, domestic hot water and lighting;

4) Minimum energy performance requirements refers to the rules requiring existing buildings to meet an individual energy performance requirement as part of a comprehensive renovation plan for the building stock by a specified date, thereby triggering the renovation of existing buildings;

5) Technical feasibility means the fact that a solution or measure can be designed and implemented without the characteristics specified in sections 31–37 of the Construction Act or the requirements laid down pursuant thereto being compromised when compared to the existing design solution;

6) Economic feasibility means the fact that a solution or measure can be implemented cost-effectively over a 30-year period in residential buildings and over a 20-year period in non-residential buildings, unless the normal service life of the building element or system under consideration, or part thereof, is shorter than this;

7) Operational feasibility means that the solution or measure can be designed and implemented without significantly impairing the use of the building for its intended purpose; and

8) Appropriate solar energy installations mean technical systems for the production of solar energy consisting of photovoltaic installations or solar collectors to be installed and other components necessary for their production of energy, capable of maximising the potential for the production of solar energy, taking into account the available space in the building and the energy demand of the building.

Section 3

Minimum energy performance requirements for non-residential buildings

By 31 December 2030, the calculated energy performance reference value (*E-value*) for an existing non-residential building shall be lower than:

Usage category	*E-value (kWhE/m²/a)*
Office buildings	215
Commercial buildings	265
Hospitality buildings	380
Educational buildings	230
Sports facilities	265
Hospitals	585

By 31 December 2033, the calculated energy performance reference value must be lower than:

Usage category	*E-value (kWhE/m²/a)*
Office buildings	210
Commercial buildings	245
Hospitality buildings	375
Educational buildings	220
Sports facilities	265
Hospitals	555

The building owner shall demonstrate that the maximum energy performance threshold has not been exceeded by means of a valid energy performance certificate pursuant to the Act on the Energy Performance Certificates of Buildings (50/2013) at the end of the periods laid down in subsections 1 and 2, where the energy performance certificate is required to be produced by law. The fact that the maximum energy performance threshold of a building has not been exceeded shall be demonstrated by an energy performance certificate after the deadline, including at the request of a public authority if there is a justified reason for such a request. If, by virtue of law, contract or otherwise, the responsibility for the maintenance of a building lies with the occupant, the occupant is responsible for providing the energy performance certificate.

The municipal building control authority may grant an exemption from the requirements laid down in subsections 1 to 3 if the owner of the building demonstrates that improvement of the energy performance of the building is not technically, economically or functionally feasible on the basis of the expected future use of the building, an unfavourable cost-benefit analysis or other difficult problem situation.

Notwithstanding the provisions of subsection 4, individual measures improving energy performance shall be implemented in the building which, on the basis of a cost-benefit analysis, are estimated to be feasible in a cost-effective manner, even if the minimum energy performance requirements are not fully achieved.

Section 4

Solar energy in buildings

Suitable solar energy installations shall be commissioned in buildings as follows:

1) by 31 December 2026 at the latest in all new public buildings and non-residential buildings with a useful floor area of more than 250 m^{2}[2];
2) by 31 December 2027 in all existing public buildings with a useful floor area greater than 2,000 m^2 and in all existing non-residential buildings with a useful floor area greater than 500 m^2, when a building undergoes a major repair or action requiring a building permit for the basic renovation of the building, for work on the roof or for the installation of a technical building system;
3) by 31 December 2028 at the latest in all existing public buildings with a useful floor area on the ground floor exceeding 750 m^2;
4) by 31 December 2029, in all new residential buildings and in all new enclosed parking spaces adjacent to buildings; and
5) by 31 December 2030 at the latest in all existing public buildings with a useful floor area on the ground floor exceeding 250 m^2.

The building may deviate from the requirements laid down in subsection 1 if the installation of solar energy systems is not economically, technically or operationally feasible. At the request of the municipal building control authority, the owner of the building shall provide the necessary proof that the conditions for exemption have been met.

Section 5

Coercive measures and penalties

The provisions of section 147 of the Construction Act on periodic penalty payments and notices of enforced compliance shall apply to cases relating to infringements of this Act.

Section 6

Entry into force

This Act enters into force on [day] [month] 20[year].

Section 7

Transitional provisions

If the application for a construction permit was submitted before this Act entered into force, the provisions in force before the entry into force of this Act shall apply.

This Act enters into force on [day] [month] 20[year].

Helsinki xx xx 20xx

Prime Minister

Etunimi Sukunimi

Minister Etunimi Sukunimi