RECHT VOOR KLIMAAT

Collectief van groene juristen

18 August 2025

Recht voor Klimaat's contribution to the European Commission's consultation on the revision of State aid rules on services of general economic interest (SGEI) - affordable housing plan [link: State aid - revision of the rules on services of general economic interest]

Key points

- Affordable housing and energy are interrelated
- There should be strict(er) rules on the energy efficiency of the buildings subject to this affordable housing SGEI framework
- The revision of the SGEI framework should also take into account the possibility to include network-related energy efficiency conditions in the definition of the affordable housing SGEI. This should enable Member States to include in their definition of the affordable housing SGEI conditions that enable and incentivise investments in and coordination of technologies that enable climate neutrality in the planning and building of affordable housing without leading to (extra) congestion and potentially even reducing congestion.

1. Introduction

Recht voor Klimaat ("Law for Climate") is a non-profit foundation established under Dutch law that has the objective of encouraging lawyers and other legal practitioners to use legal means to promote the observance of our planetary limits, focusing on climate change.[1] We welcome the opportunity provided by the Commission to comment on its revision of State aid rules on services of general economic interest (SGEI) as part of the Commission's efforts to tackle the housing crisis, along with an upcoming European affordable housing plan. Although our submission is based on the situation in the Netherlands, *Recht voor Klimaat* believes that it is also relevant to the EU as a whole.

2. Affordable housing and energy costs

Housing and energy are intimately related. The residential sector accounts for over 25% of the EU final energy consumption.[2] Energy bills amounted to € 2 363 per year for the average Dutch household in 2024.[3] Energy costs, and for the Netherlands in particular, network tariffs are expected to increase significantly in view of the energy transition, creating an even greater impact on the affordability of housing.[4]

This means that energy related costs are highly relevant to the affordability of housing and should therefore form an integral part of the SGEI framework intended to provide the Member States with more possibilities to formulate SGEIs to enable affordable housing. A first port of call in this regard would be to have strict(er) rules on the energy efficiency of the buildings subject to this affordable housing SGEI framework.

Given that the EU already has in place a considerable acquis as regards the energy efficiency of buildings, we see no need for specific rules on the energy efficiency in this regard.[5]

3. Incorporate network-related investments

What we would, however, advocate is to enable the Member States to incorporate network-related investments in the definition of the affordable housing SGEI. This refers to the fact that housing-related energy consumption has a significant impact on, in particular, electricity network usage, with significant peaks that cause transport capacity shortages, notably on the distribution grids.[6] Such transport capacity shortages (congestion) can be reduced by means of flexibility enhancing technologies like energy storage, energy conversion and demand side management. Opting for district heating instead of electrification may also alleviate grid congestion. However, the implementation of such technologies is often costly and requires coordination between the users of such technology (i.e. the inhabitants of the houses in a certain district), the owners of the technology (housing associations, real estate developers, municipalities) and the (distribution) network operator. As regards retrofitting district heating there are also significant capital costs involved. These factors can lead to a funding gap, in particular when costs for households need to be low to ensure affordability, that in turn may necessitate state aid.

---

[1] https://rechtvoorklimaat.nl/

[2] More specifically: 26.2% in 2023 according to Eurostat, https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Energy_consumption_in_households#Context

[3] https://www.cbs.nl/nl-nl/longread/diversen/2024/de-energierekening-januari-2024?onepage=true

[4] PWC has estimated a 92% increase of total energy costs for the Netherlands by 2030, https://www.pwc.nl/nl/perscentrum/toename-integrale-energierekening-nederland-in-2030.html

[5] Notably Directive (EU) 2024/1275 of the European Parliament and of the Council of 24 April 2024 on the energy performance of buildings.

[6] Note that there may also be congestion at the higher voltage transmission network level as a result of this.

4. Conclusion

We therefore advocate that the revision of the SGEI framework also takes into account the possibility to include network-related energy efficiency conditions in the definition of the affordable housing SGEI. This should enable Member States to include in their definition of the affordable housing SGEI conditions that enable and incentivise investments in and coordination of technologies that enable climate neutrality in the planning and building of affordable housing without leading to (extra) congestion and potentially even reducing congestion.

Kind regards,

on behalf of *Recht voor Klimaat,*
the RvK Commission for Competition & Sustainability
info@rechtvoorklimaat.nl