

## Virtual stakeholder dialogue on renewable energies and energy efficiency in the European Commission's Fit for 55 Package (DG ENER and Commission Representation in Poland)

17 June 2021, 10.00 to 11.45, via Webex

The dialogue addressed energy efficiency, decarbonisation, sustainable energy sources, the European Green Deal and the National Recovery Plan in the context of the *Fit for 55* package.

In the first part of the dialogue, representatives of the European Commission discussed the proposed changes to the rules that will respond to global climate change. Action taken by the European Union is intended to reduce carbon dioxide in the atmosphere, which is one of the most important factors responsible for climate change.

The *Fit for 55* package will be announced on 14 July 2021 to reduce greenhouse gas emissions by at least 55%. The proposed legislative changes will affect every area of the economy. In the course of the dialogue, European Commission officials discussed proposals for financial support that will be available to all EU Member States for a green transformation of the economy. The actions taken by the European Union, as highlighted by officials, are intended to contribute to sustainable economic growth, to reduce the use of fossil fuels and to promote renewable energy sources that will enable the introduction of new technologies and the development of infrastructure.

As regards energy, 2 legislative proposals will be presented, i.e. a revision of the **Renewable Energy Directive** and a revision of the **Energy Efficiency Directive**. Funding has been set aside in the EU to bring about changes in national economies. In their **National Recovery Plans**, the Member States of the European Union are required, in order to benefit from EU funds, to devote at least 37 % of the resources of the **European Union Recovery Instrument** to investments related to climate change and the environment.

One of the important elements of the *Fit for 55* package will be the area of energy efficiency. The proposed changes aim to boost innovation and economic growth, make EU countries independent on energy imports, reduce energy poverty and improve air quality. The proposal to revise the **Energy Efficiency Directive** will strengthen the achievement of climate objectives, help develop energy efficiency principles and guidelines to set out how to implement these changes. The revision of the Directive will also strengthen the obligation to save final energy and enhance the role of the public sector in this area.

The revision of the **Renewable Energy Directive (RED II)** aims to better contribute to the implementation of the European Commission's plans. The planned target for the share of renewables in the EU energy mix will be raised from 32% to 38-40%. A framework for the certification of hydrogen will be defined. Moreover, the criteria for sustainable biomass will also be revised to adapt its energy use.

In the second part of the dialogue, representatives of the Polish economy presented their expectations and comments on the *Fit for 55* package. Attention was drawn to the reform of the **EU Emissions Trading System (EU ETS)**, which could result in very high carbon prices. This could influence on less investment in innovation by the energy sector. According to representatives of the Polish economy, the European Union should create new financial mechanisms such as The Modernisation Fund, which will support the efforts of countries, particularly in the Central and Eastern European region.

It will mitigate the social costs of the energy transition and will not directly pass on the costs of changes to the final consumption of electricity. An important aspect for the energy sector in Poland is also to maintain waste incineration and to earmark a higher percentage of revenues from the ETS to meet the objectives of the green transition.

Participants also pointed out that changes in the energy sector should be gradual and take into account the need for private capital financing, as public funds are only part of the transition and without additional measures, the transition will not succeed.

The Polish economic sector has also demonstrated the need to ensure demand for electricity as part of the successful transition. Irrespective of the investments made to decarbonise, customers need to be able to pay for low-carbon and expensive technologies. An example is the creation of a hydrogen market with the need of ensuring demand-side support, reducing investment risk and opening up to new low-carbon technologies.

The dialog has generated very high interest from Polish energy actors. The European Commission is grateful for their commitment and is looking forward to organising future fruitful dialogues.