

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

3 June 2021, 09.30 to 11.30, via Webex

The EU member states want to reduce their emissions by 55 percent by 2030. This target, agreed at the European Council in December 2020, is to be reflected in various recasts of existing directives in 2021. Paula Pinho, Director for Just Transition, Consumers, Energy Efficiency and Innovation in the European Commission's Directorate-General for Energy, explained to interested stakeholders from Germany how the European Commission intends to achieve these ambitious targets in the **Renewable Energy Directive** as well as in the **Energy Efficiency Directive**. The German stakeholder dialogue was the second of eight events on this topic planned across the EU. The proposals of the Commission are currently being finalised and will be presented by the Commission on 14th July 2021 as parts of the "Fit for 55" package. Further proposals will follow in December 2021, including the recast of the Building Efficiency Directive. Paula Pinho sees a particularly large potential for energy savings there.

Paula Pinho pointed out that the directives in their current form, which were only adopted in 2018, were not sufficient to achieve the higher reduction targets. She said the economic collapse caused by Covid-19 is a great opportunity to better rebuild the economy afterwards and accelerate the energy transition, as there are now huge financial resources available to rebuild the economy. The climate target plan from December 2020 is the common basis for the revision of the two directives.

The revision of the **Renewable Energy Directive** (RED III) aims to achieve a higher share of renewables in transport, sustainable bioenergy and heating/cooling. Their overall share would have to increase to 38 to 40 percent by 2030; the proposal provides for a particularly ambitious target increase in the transport sector (from 14 to 24 percent). Considerable investments are needed in the field of green hydrogen. Energy costs had to remain at an acceptable level and security of supply guaranteed.

In the **Energy Efficiency Directive** energy efficiency targets would have to be increased from 32 per cent to 36-37 per cent final energy consumption, or 39-41 per cent primary energy consumption in 2030. The new formulation of the directive contains proposals for the promotion of efficient heating and cooling systems, as well as ambitious energy saving obligations. In addition to the contribution to achieving the reduction targets, there would be social benefits (health, jobs), positive effects for the environment and for the economic and external resilience of the EU (less dependence on energy imports from third countries). The sectoral measures of these two directives would have to be closely coupled with market-based climate policy measures such as CO2 price taxation and emissions trading. The "Energy Efficiency First" principle had to be enforced throughout the EU.

Questions from stakeholders (summarised by way of example)

How is it ensured that the numerous guidelines in the Fit-for-55 package are consistent, i.e. do not contradict each other?

For more than a year all Commission services have been working closely together on the proposals for the recast directives and coordinating, to ensure that there are no contradictions. Their joint basis is the EU's climate target plan for 2030.

What tasks will municipalities face as a result of the recast of the two directives?

The EU urgently needs the municipalities and the citizens in the implementation. "If the rules are not embraced by individual citizens, then we will not succeed," Paula Pinho says. Municipalities can be pioneers in energy efficiency, for example in the renovation of administrative buildings. Municipalities can also play a decisive role in achieving the 55 per cent target when it comes to the vehicle fleet of municipal transport companies and the renovation of schools and hospitals.

How binding should the targets of the Energy Efficiency Directive be and how should the "Energy Efficiency First" principle be implemented?

The Commission's proposals currently still offer various options. How binding these will be will be decided at the political level, probably only shortly before publication on 14 July 2021. The 55 percent savings target is already binding at the European level. The voluntary contributions of the individual member states must add up in order to reach the target. Binding targets are proposed in the Energy Efficiency Directive for heating/cooling, transport/traffic and public administration, for example.

Will there be volume commitments for the share of green hydrogen, for example in industry?

The EU is not even near to where it wants to be when it comes to green hydrogen as an energy source. Quotas might have to be introduced. In general, the EU must send clear signals that it is worthwhile to move in this direction. However, the production of green hydrogen consumes a lot of renewable energy. It must be ensured that enough renewable energy remains available for other uses.

Are you optimistic that you will be able to enforce the targets? Even infringement proceedings do not seem to have been able to push some member towards implementation.

There are a lot of infringement cases, but that doesn't mean that the EU is not making good progress on renewables. The new directives are exerting positive pressure. When assessing progress, one must always take into account the starting points of the individual member states. Even countries like Poland are already making great progress from their starting point. The European Commission will support all member states in doing so.

How does the Renewable Energy Directive deal with the conflict in wind energy production between faster approval procedures on the one hand and the killing ban in nature conservation on the other?

Nature conservation aspects must of course be taken into account, for example in the Natura 2000 protected areas. In all EU countries one authority is to be the central point of contact for authorisation procedures ("one-stop shop"). A maximum duration for authorisation procedures is to be defined, as well as a simplified procedure for connecting renewable energy plants to the grid.

Will the Commission monitor lithium mining more critically in future?

The EU needs more lithium, for example for batteries or electric cars. However, mining must be done in a sustainable way. The Commission has developed an action plan on critical raw materials and is forming alliances with third countries that own these raw materials. Ensuring access to these raw materials will be part of the overall security of energy supply in the future.

When will the new regulations come into force?

The Commission expects the legislative negotiations to take about two years, followed by an implementation period of one year.