



LIFE Info Days 2022

20 May 2022

LIFE CET Session – Policy context

Supporting local, regional and national policy framework for the clean energy transition

**European Green Deal
Renovation Wave
Fit for 55 Package
EED – RED – EPBD
REPowerEU**

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Policy context – the European Green Deal

*New climate target: -55%
by 2030*



Recovery after COVID-19 crisis

Climate Target Plan

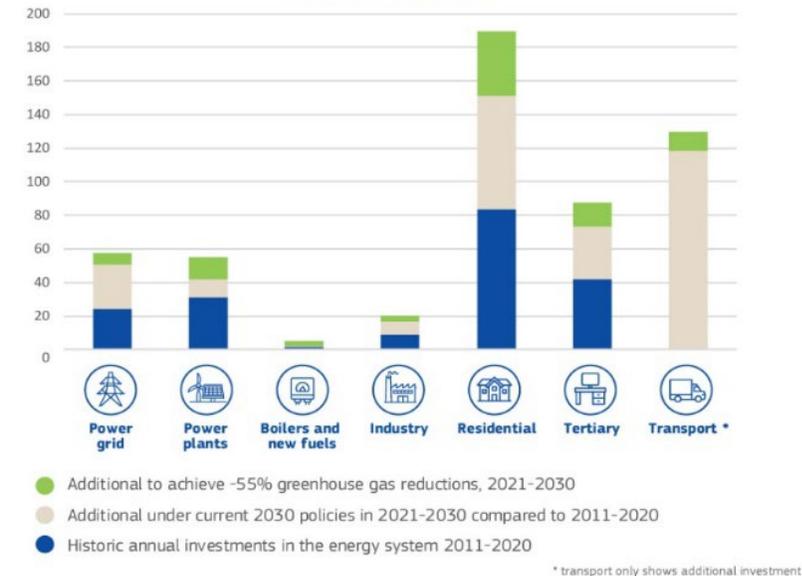
The **Climate Target Plan** published in September 2020 shows that “at least 55% target” by 2030:

- 1) is feasible;
- 2) will put us on the right trajectory towards climate neutrality;
- 3) requires more effort and contribution of all sectors of economy.

The Climate Target Plan prepared the ground for the **European Climate Law**, adopted by the European Parliament and the EU Council in June 2021:

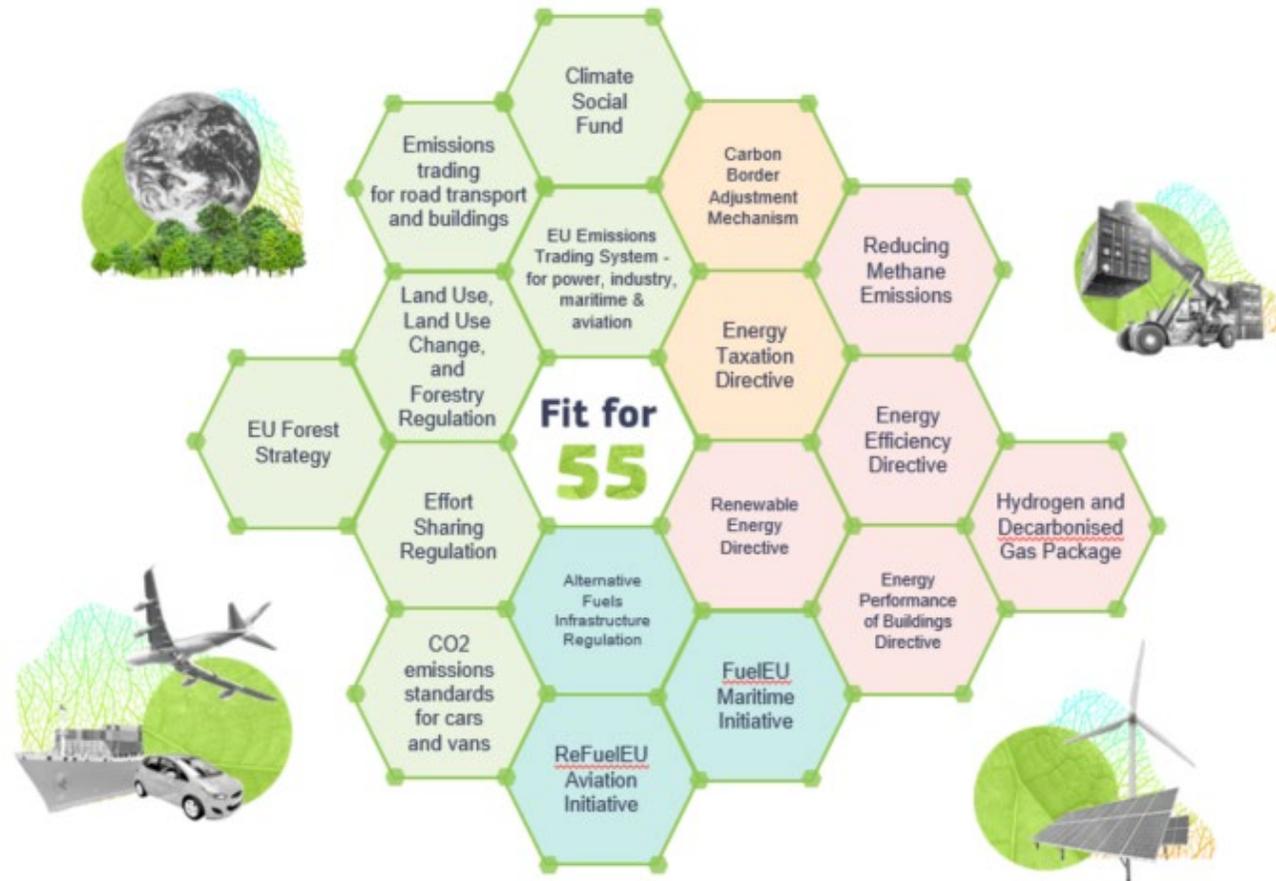
- binding 2030 target to achieve – 55% GHG emission reduction;
- Process for setting a 2040 climate target;
- Commitment to negative emissions by 2050.

Average annual investment 2011-2020 and additional investment 2021-30 under existing policies and to achieve -55% greenhouse gas emission reductions (in billion EUR 2015)



Climate Target Plan – Investment Challenge

The Fit for 55 Package – Overview



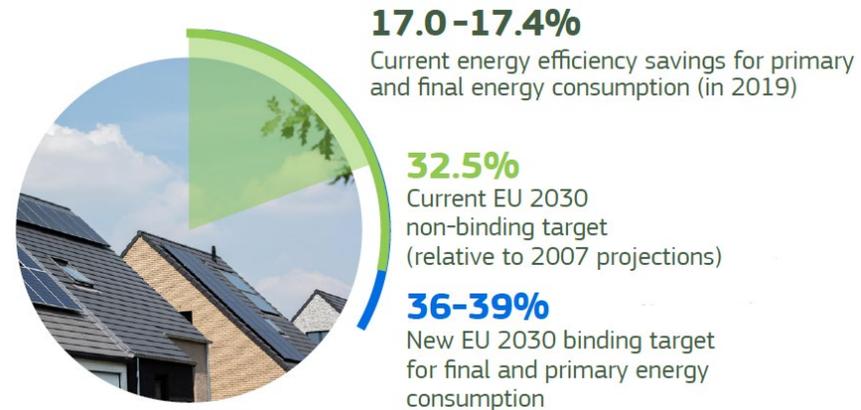
The package aims to make the EU 'fit for 55' and **deliver the transformational change** needed in a

- **fair,**
- **cost-efficient and**
- **competitive way.**

It cements the **EU's global leadership** by action and by example in the **fight against climate change.**

Revising the Energy Efficiency Directive

- Updated **binding EU energy efficiency target of 9% reduction** in primary and final energy consumption (against 2020 reference scenario)
- **Indicative Member State contributions** to the EU-level energy efficiency target
- Reinforcement of the **Energy Efficiency First Principle**, guidelines and recommendations for application
- Introducing measures to alleviate **energy poverty and boost consumer empowerment**
- Reinforces **provisions on financing** to leverage further private capitals in energy efficiency investments, and deployment of innovative financing schemes



Revising the Renewable Energy Directive

- Increased renewables ambition in key sectors: **heating and cooling** (mandatory annual increase of 1.1% RES share), transport, industry, **buildings** (indicative 49% RES share by 2030)
- Boosting the deployment of and the investment in renewable energy, including **small-scale RES in buildings**
- Sustainable **bioenergy** reinforced criteria in line with the EU Biodiversity Strategy
- Measures to foster Energy System Integration and consumer empowerment, including via **Renewable Energy Communities**

Renewables in the EU energy mix



Revision of the Energy Performance of Buildings Directive - Focus areas

Renovation

- Minimum Energy Performance Standards
- Energy Performance Certificates
- National Building Renovation Plans and renovation passports for individual buildings

Decarbonisation

- Introduction of zero-emission buildings as new standard for new buildings
- Consideration of whole life cycle carbon
- Phasing out incentives for fossil fuels and new legal basis for national bans

Financing

- Sustainable finance and energy poverty alleviation
- Deep renovation standard
- Renovation passports for individual buildings

Modernisation & system integration

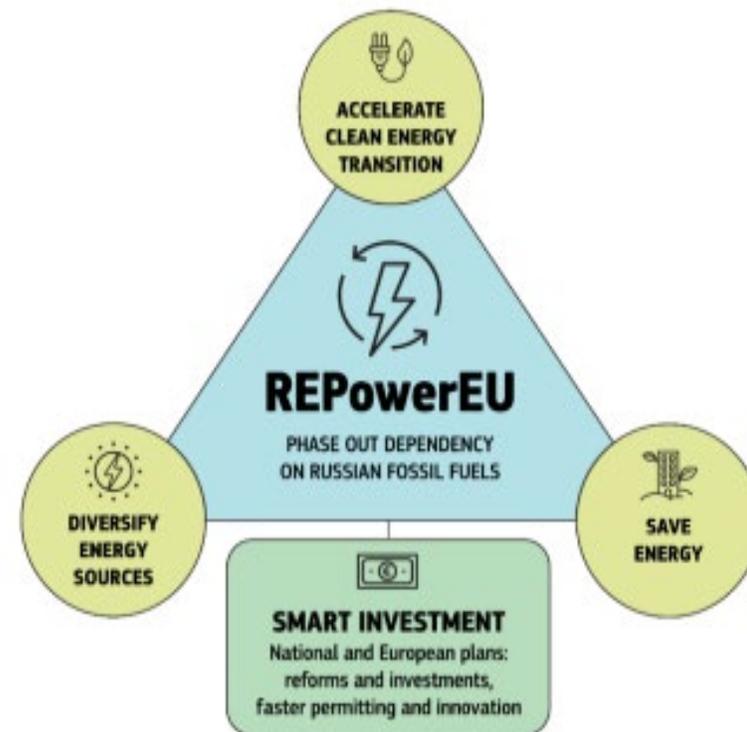
- Infrastructure for sustainable mobility
- Smart Readiness Indicator
- Indoor air quality: ventilation and other technical building systems

REPowerEU Communication – 18 May 2022

- Overall objectives: **phase-out EU dependence on Russia's fossil fuels** by 2027

Three axis **building on the Fit for 55 package**:

- 1. Save Energy** – short-term energy saving measures and medium-term energy efficiency structural improvements (EU-Save Energy Communication)
 - 2. Diversify supplies** – EU Energy Platform for the voluntary common purchase of gas, LNG and hydrogen
 - 3. Accelerate the clean energy transition** – boost renewable electricity, hydrogen, bio-methane, Solar strategy, accelerate energy efficiency improvements, heat-pumps roll-out
- **Smart investment Plan:** Investment need €210bn by the end of 2027 through anticipated ETS revenues – Innovation fund, RRF Loans, increase to 12.5% Cohesion policy and CAP transfer to RRP.



REPowerEU – Energy Savings and Clean Energy Transition

- Legislative proposals **revising upward ambitions in the EED, RED and EPBD proposal 2021:**
 - Increase **Energy Efficiency 2030 Targets** from 9 to 13% primary and final energy consumption reduction (compared to 2020 reference scenario) in EED;
 - Increase **Renewable Energy 2030 Target** from 40 to 45% share of renewables in the energy mix (compared to 2007 reference scenario) + proposal to accelerate permitting: ‘Go-to areas’ and ‘Overriding public interest’ for renewables deployment in RED;
 - Introduce **provisions to ensure deployment of solar energy in buildings** (in public and commercial buildings with useful area larger than 250 sqm by 2027, and in new residential by 2029) in EPBD.
- Energy efficiency and local/on-site renewables in REPowerEU:
 - **Energy efficiency and behavioral energy savings measures** at the junction between energy security and clean energy transition;
 - **Accelerate roll-out of heat-pumps and energy efficiency expected to deliver 37 bcm of natural gas savings** for an investment need of 57 billion euro;
 - **Solar rooftop initiative** – 58 TWh of additional electricity generated at an estimated investment cost of 26 billion euro, estimates indicate that potentially 25% of the EU’s electricity consumption;
 - **Industry Alliances** for solar PVs and heat pumps and **large-scale Skills Partnerships**.

Ecodesign and energy labelling Working Plan

➤ Reduce energy consumptions for inefficient products and appliances is a **priority under REPowerEU and the Fit-for-55 package**

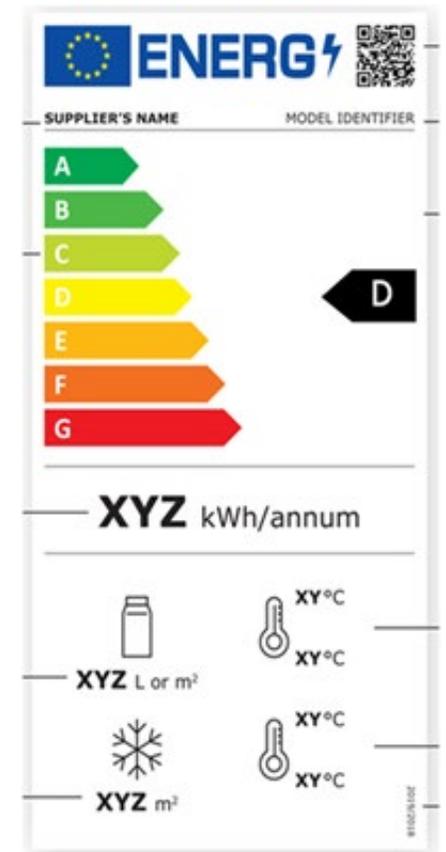
- **Current status:** 50 legal acts covering 31 product groups, representing about 50% of EU consumption. Regularly updated.
- Impact estimates (2020 vs BaU):
 - 10% cut in EU primary energy use and GHGs (for products in scope), growing !
 - € 60 bn/y in consumer expend. (€ 210/household, based on pre-2021 energy prices!)
- **Plan 2016-2019:** great achievements, but work far from completed (40% of items rolled over).

“a key lesson learned [...] is that harvesting the full benefits of this policy area will require a better match between ambition and resources, both for policy implementation at EU level and when it comes to Member States’ efforts in market surveillance.”

■ Plan 2022-2024:

- 38 reviews due by end 2024 incl. fans, water pumps, circulators, motors & VSDs
- New: Indicatively 5 new product groups + 3 horizontal aspects (e.g. recycled content) + 6 “new” carried over from previous plan
- Horizontal: Focus on Contributions to the circular economy, Market surveillance, Standardisation work, EPREL database, International aspects and cooperation.
- Discontinued work streams: e.g. compressors, water kettles ...

https://ec.europa.eu/info/news/ecodesign-and-energy-labelling-working-plan-2022-2024-2022-apr-06_en



Energy efficiency first principle in EED

New Article 3 in EED recast proposal providing the legal basis for application of the principle

Obligation for Member States to ensure that energy efficiency solutions are considered in **energy system** and **non-energy sectors** planning, policy and investment decisions

Verification of application in regulated areas

Requirements for Member States to develop and ensure application of appropriate cost-benefit assessment methodology

Monitoring by a dedicated entity

Reporting as part of the Governance Regulation

+ **Recommendation**
and **Guidelines** on the
application of the
principle
(September 2021)

Thank you

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