

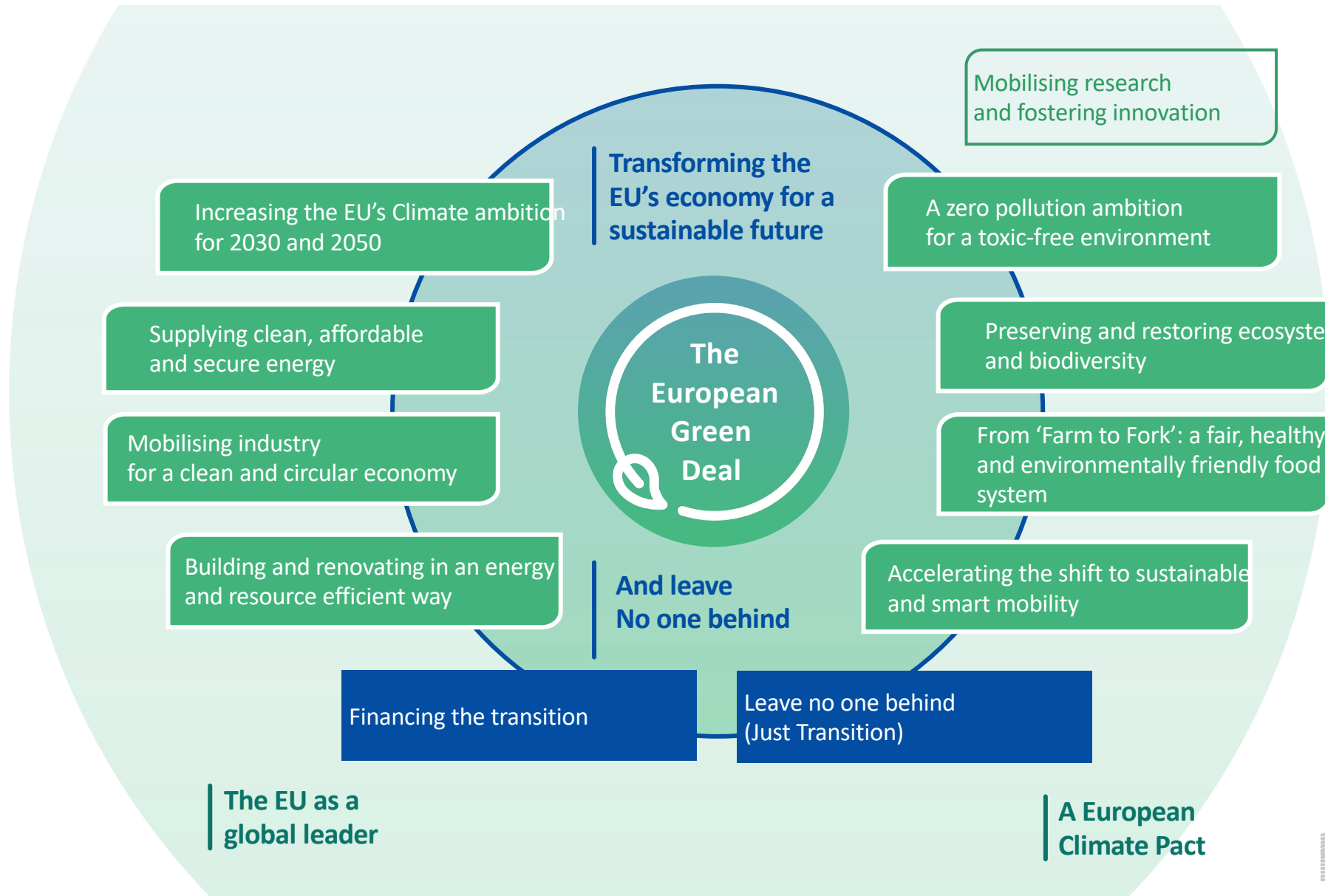


Implementing the European Green Deal in the Nordics and the Baltics. RePowerEU as a tool for transition.

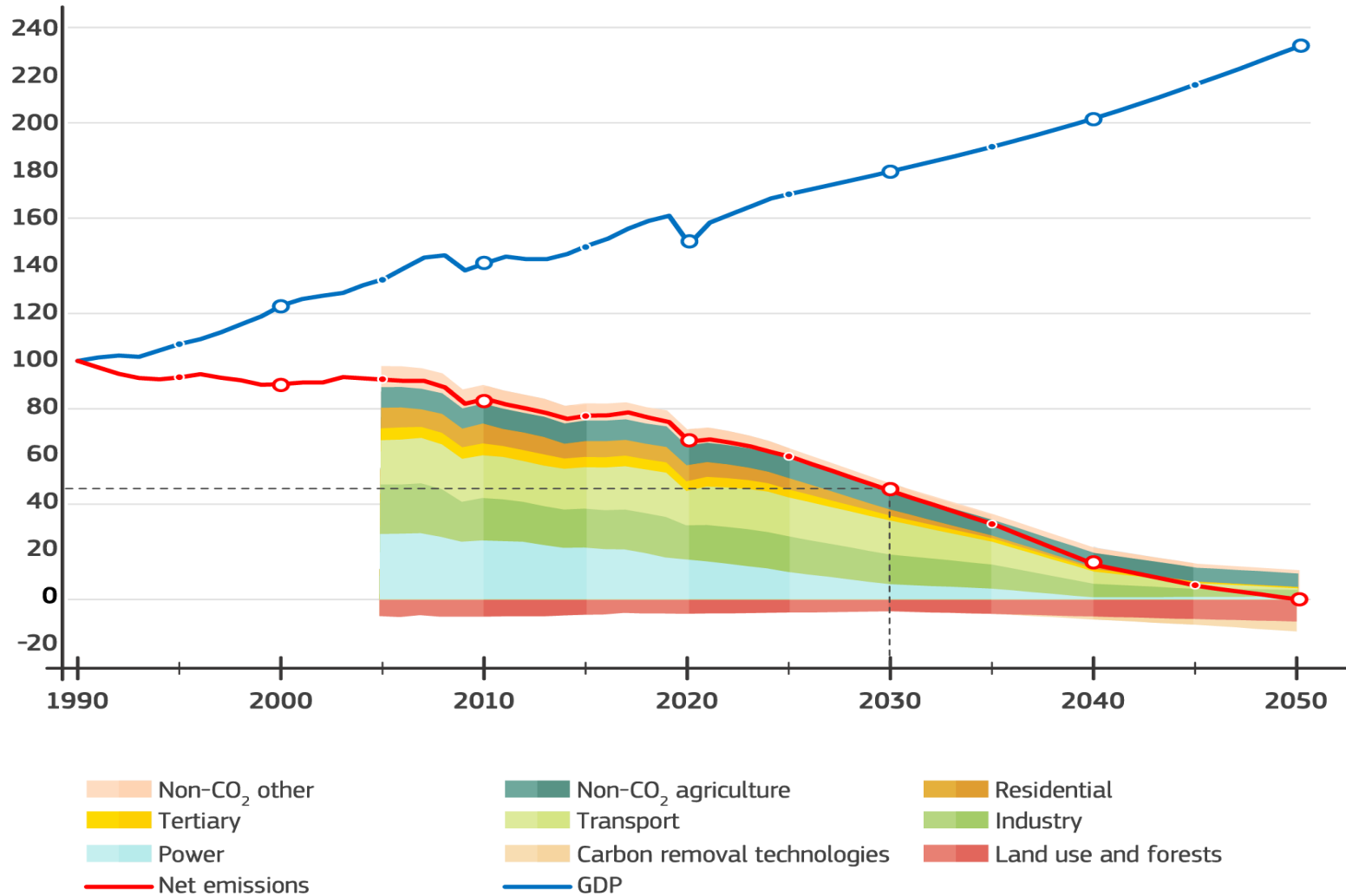
Nordic-Baltic Energy Conference

*Hans van Steen
Principal Advisor
European Commission
Directorate General for Energy*

The European Green Deal

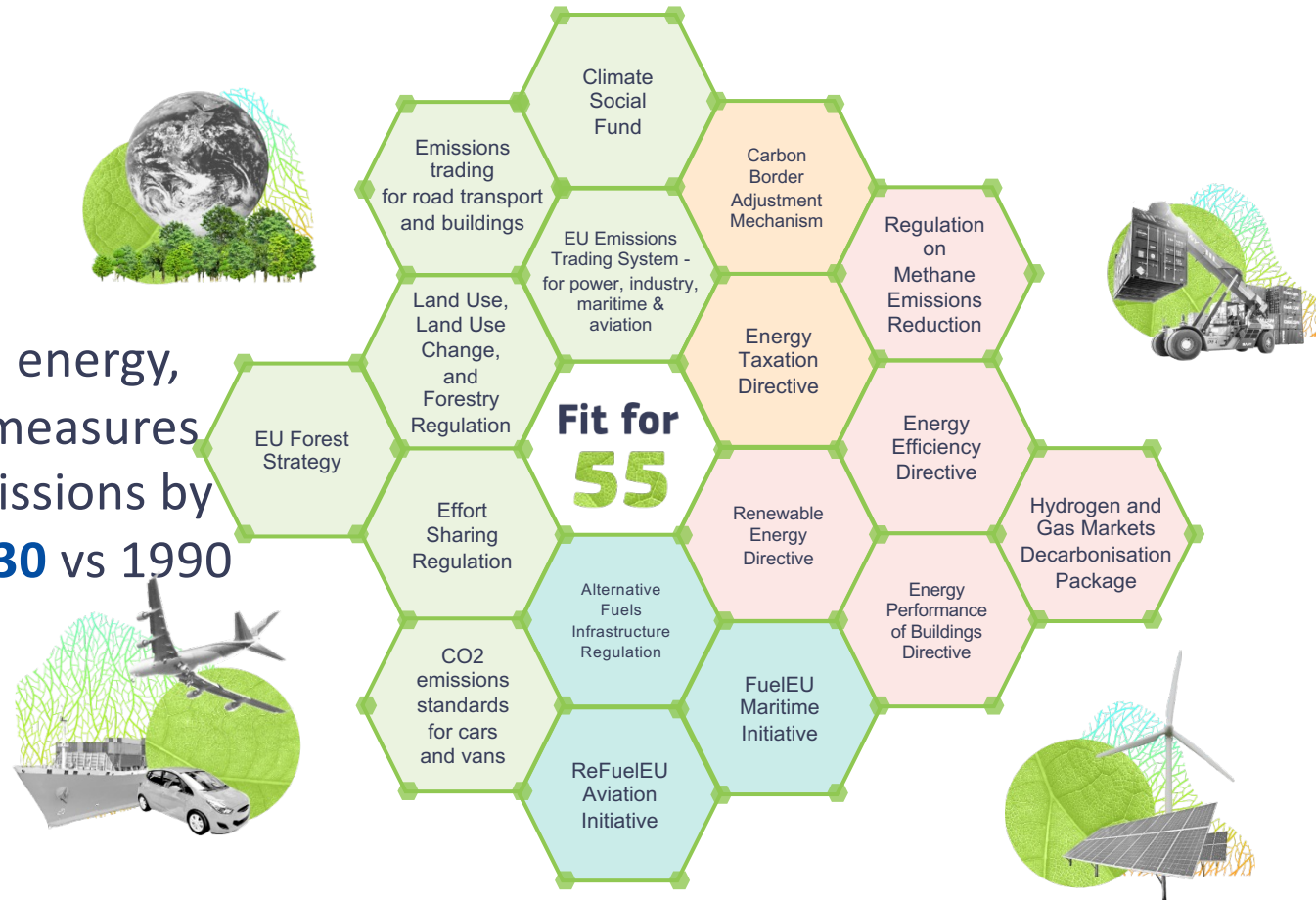


The road towards 2050

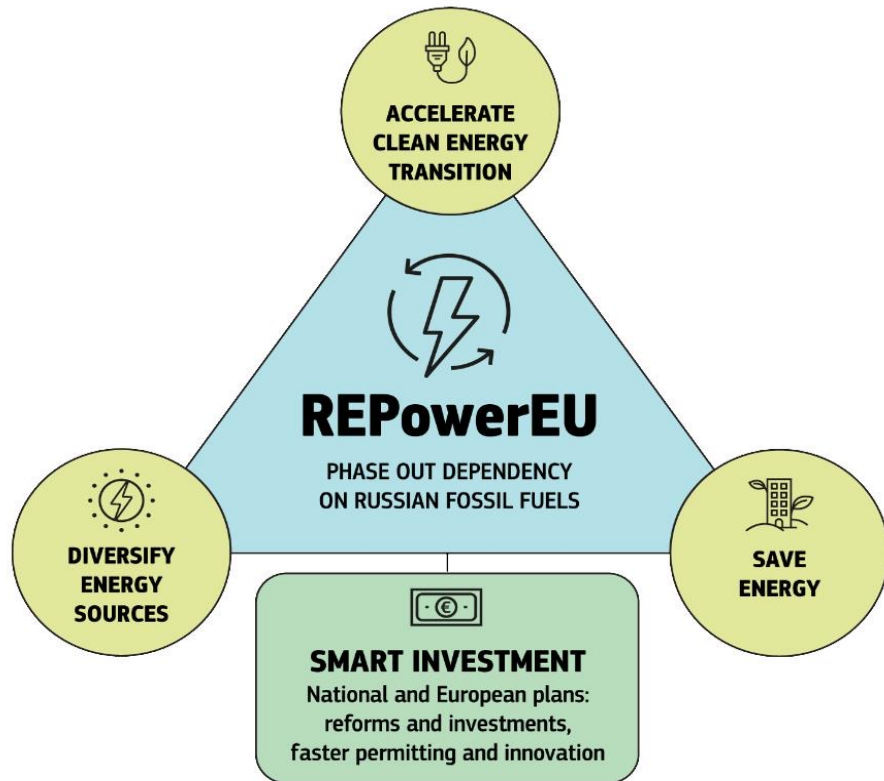


The Fit for 55 Package – implementing the Green Deal

Upgrading climate, energy, transport and tax measures to reduce GHG emissions by at least **55% by 2030** vs 1990



RePowerEU



OVERVIEW OF EU RESPONSE - TIMELINE



EU targets for 2030 under 'Fit for 55' and REPOWER EU

	Existing law (agreed in 2018)	'Fit for 55' proposal (July 2021)	REPOWER EU proposal (May 2022)	Politically agreed targets (2023)
Renewable energy	32%	40%	45%	42,5%
Energy efficiency	-32.5%*	-39%* / -9%**	-13%**	11,7%**

+/- €300 billion in funding, primarily through RRF

An up-dated and stronger policy framework at EU level

*relative to 2007 reference scenario;
 ** relative to 2020 reference scenario

Fit for 55 package

- Energy Efficiency Directive recast (EED)
 - Binding for EU countries to collectively ensure an additional 11.7% reduction in energy consumption by 2030, compared to the 2020 reference scenario projections.
- Revised Renewable Energy Directive (RED III)
 - Binding renewable energy target for 2030 to a minimum of 42.5%, up from the previous 32% target, with the aspiration to reach 45%.
 - It also provides measures to accelerate permitting for renewables.
- Energy Performance of Buildings Directive (EPBD) proposal

Electricity market design

Three main objectives:



**Boost renewable
energy investments**



**Better protect and
empower EU consumers**



**Enhance the
competitiveness of
EU industry**

EMD - Boosting renewables to deliver on the Green Deal

Currently

- Investors facing excessive **price uncertainty** (raises risk and costs)

- **Lack of power system flexibility:** insufficient fossil-free flexibility to integrate renewables (69% of all electricity by 2030)

- **Optimization of intraday market**
 - Difficult to integrate renewable generation into the market



We propose

- **Long-term contracts:** measures improving PPAs and complementary CfDs provide long term certainty for investors

MS to:

- Assess their need for power system flexibility
- Establish objectives to increase flexibility
- Introduce new support schemes for fossil-free flexibility

- Obligation to open the market for trades closer to electricity delivery in line with better predictability of generation

EMD - Protecting and empowering consumers because they face high volatile prices and limited choices

Currently

- No obligation for suppliers to offer **fixed-price contract**
- No hedging requirements for suppliers

- **Limited choice** of types of contract, unclear offers
- Access to **renewable energy still limited**

- Risks of not having access to energy
- Difficulties paying energy bills

We propose

- **Hedging obligations for suppliers**
 - Right to choose a **fixed-price contract**
- These pass on more stable prices for consumers

- Right to have **multiple contracts**
 - **Better information** on offers before signing up
 - **Right to share renewable energy**
- More empowerment and more affordable prices

- Obligation to **establish supplier of last resort**
 - Obligation to **protect vulnerable consumers from disconnections.**
 - Access to regulated retail prices in a crisis
- More consumer protection

Conclusions

- The **energy sector** remain highly **strategic**; geopolitically and in terms of its contribution to climate change
- The key response to the challenges is to **accelerate the energy transition**
- A **system approach** with improved **energy efficiency** and **more renewables** are the key elements
- Efforts need to be made at all levels, but the EU has a **critical role to play**
- There is **progress** – but a lot of efforts remains to be done for more determined action

Thank you for listening



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