



“EED and RED directives in **Fit for 55**”

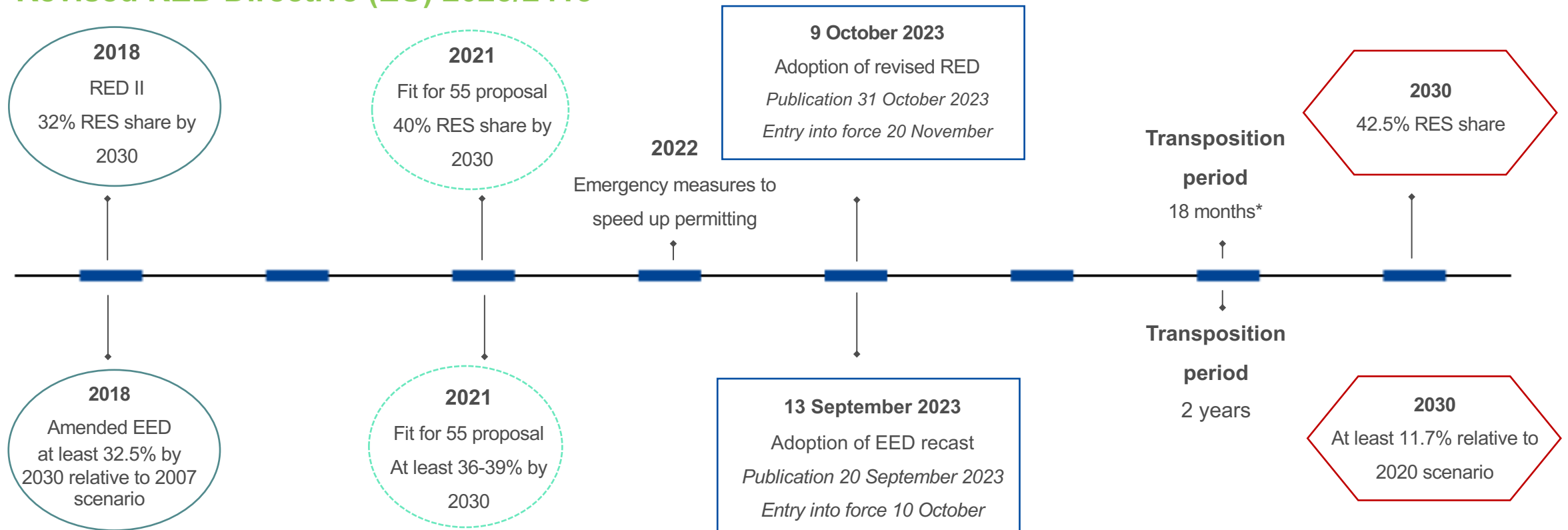
What is new? Are they realistic? What investments are needed?”

Nordic-Baltic Energy Conference

Hans van Steen, Principal Advisor DG
ENER - European Commission

EED recast and revised RED: two major achievements towards carbon neutrality

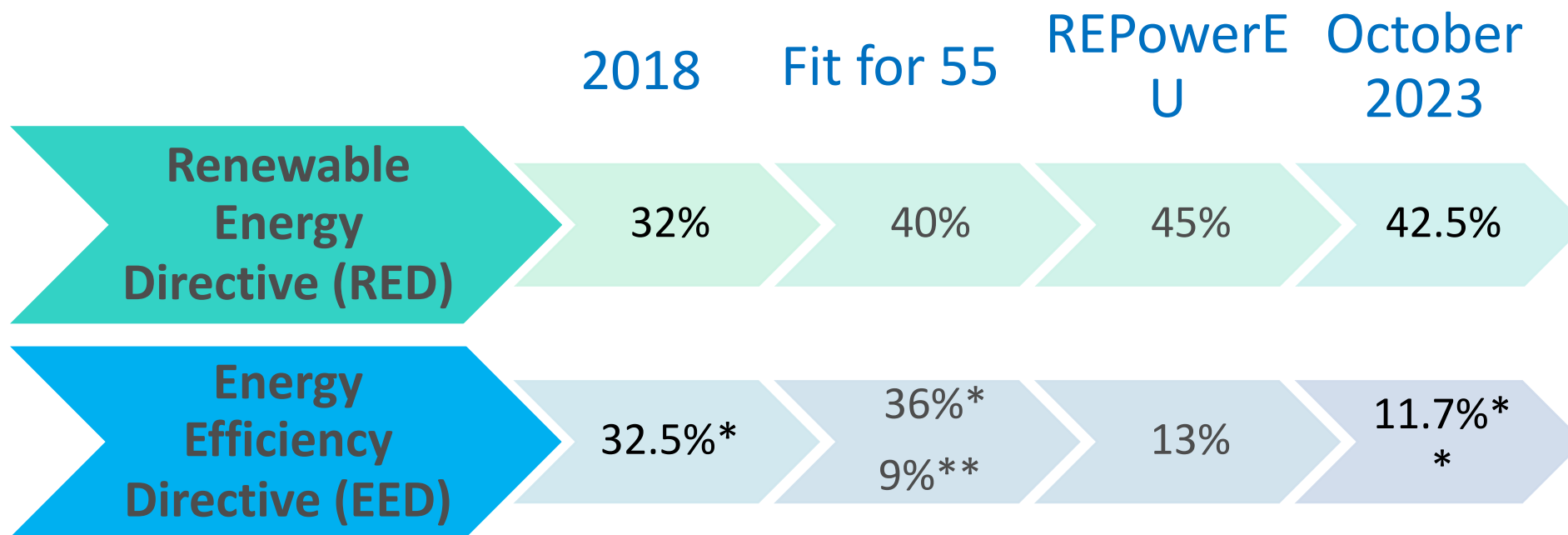
Revised RED Directive (EU) 2023/2413



EED recast Directive (EU) 2023/1791

*shorter deadline of July 2024 for some provisions related to permitting for renewables

EU Targets for 2030 under Fit for 55 and REPowerEU



* relative to 2007 reference scenario

** relative to 2020 reference scenario

EU Energy Efficiency Directive recast

Main elements of the EED revision

Binding and increased EU energy efficiency target & indicative national contributions

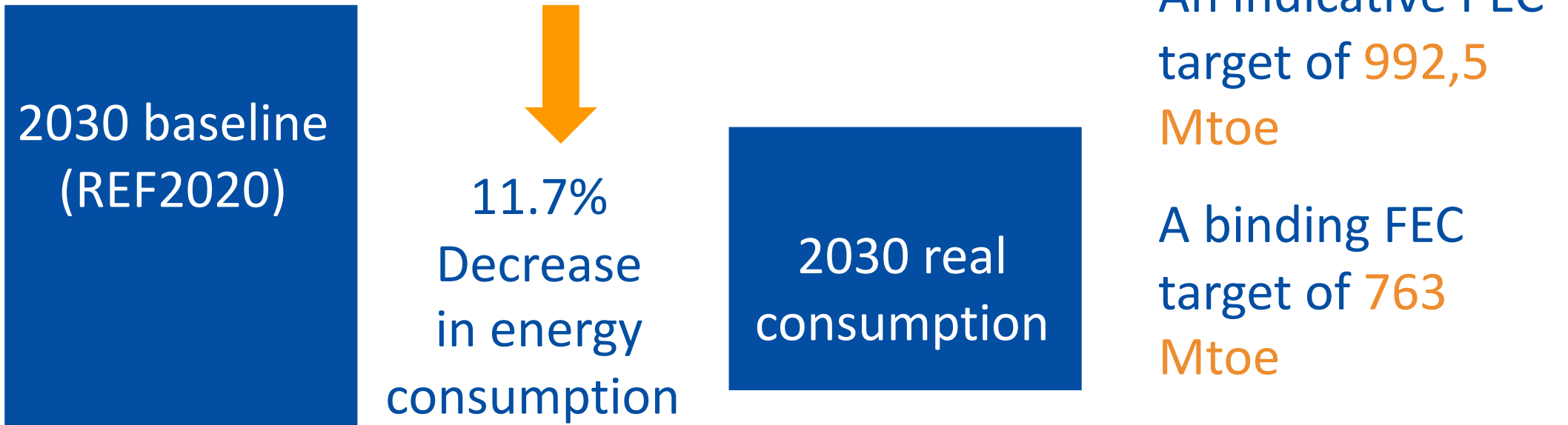
'Energy Efficiency First' Principle – making it an integral part of policy and investment decisions

Strengthened energy savings obligation in end-use

Stronger exemplary role of public sector

Increased focus on alleviating energy poverty and consumer empowerment

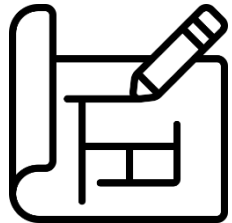
EU ambition & targets



Member States shall set indicative national targets (article 4)

An “ambition gap” mechanism will ensure that the national targets sum up to the EU targets

Energy Efficiency First Principle

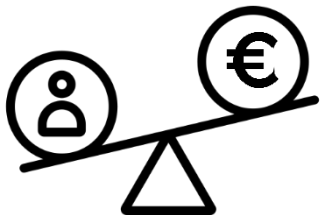


Apply EE1st in **planning, policy and major investment decisions*** in energy systems & non-energy sectors with significant impact on energy consumption (article 3)

* more than €100 million each and €175 million for transport infrastructure



Monitor the application of EE1st (identify a monitoring entity or entities)



Promote and apply **cost-benefit methodologies** (wider benefits of energy efficiency, societal perspective)

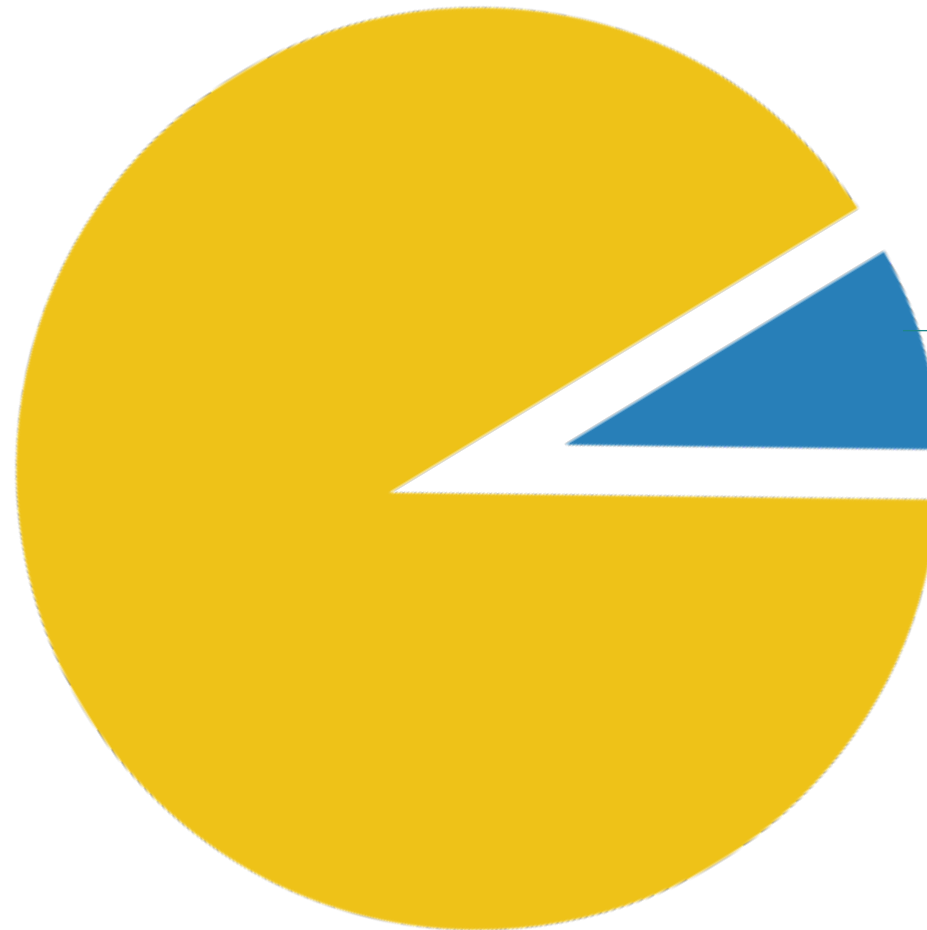
Energy savings obligation

Stepwise increase
in annual cumulative
energy savings
obligation in end use:

1.3% as of 2024

1.5% as of 2026

1.9% as of 2028



Just transition sub-target (art. 8):

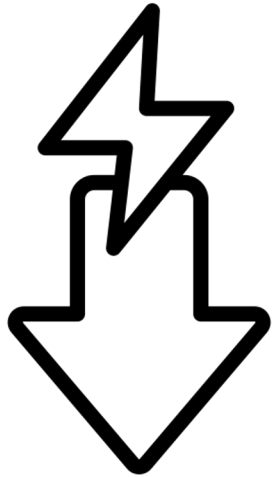
Achieve share of the total
amount of energy savings
among vulnerable
customers and energy
poor

**Member
States to
define**

Savings coming from direct fossil fuel combustion progressively
excluded

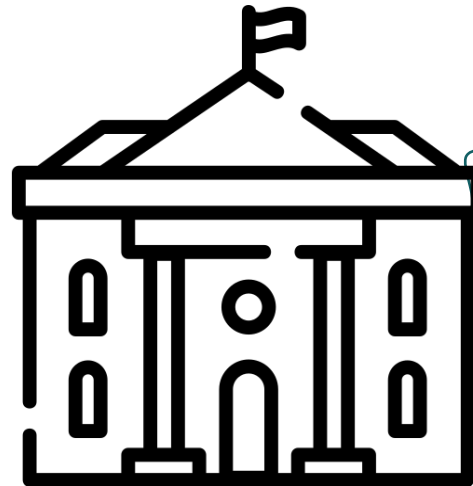
Exemplary role of public sector

Reduce total
final energy consumption
of all public bodies



1.9% each year

Renovate
heated / cooled buildings
owned by public bodies

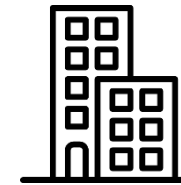


NZEB

Zero-emission

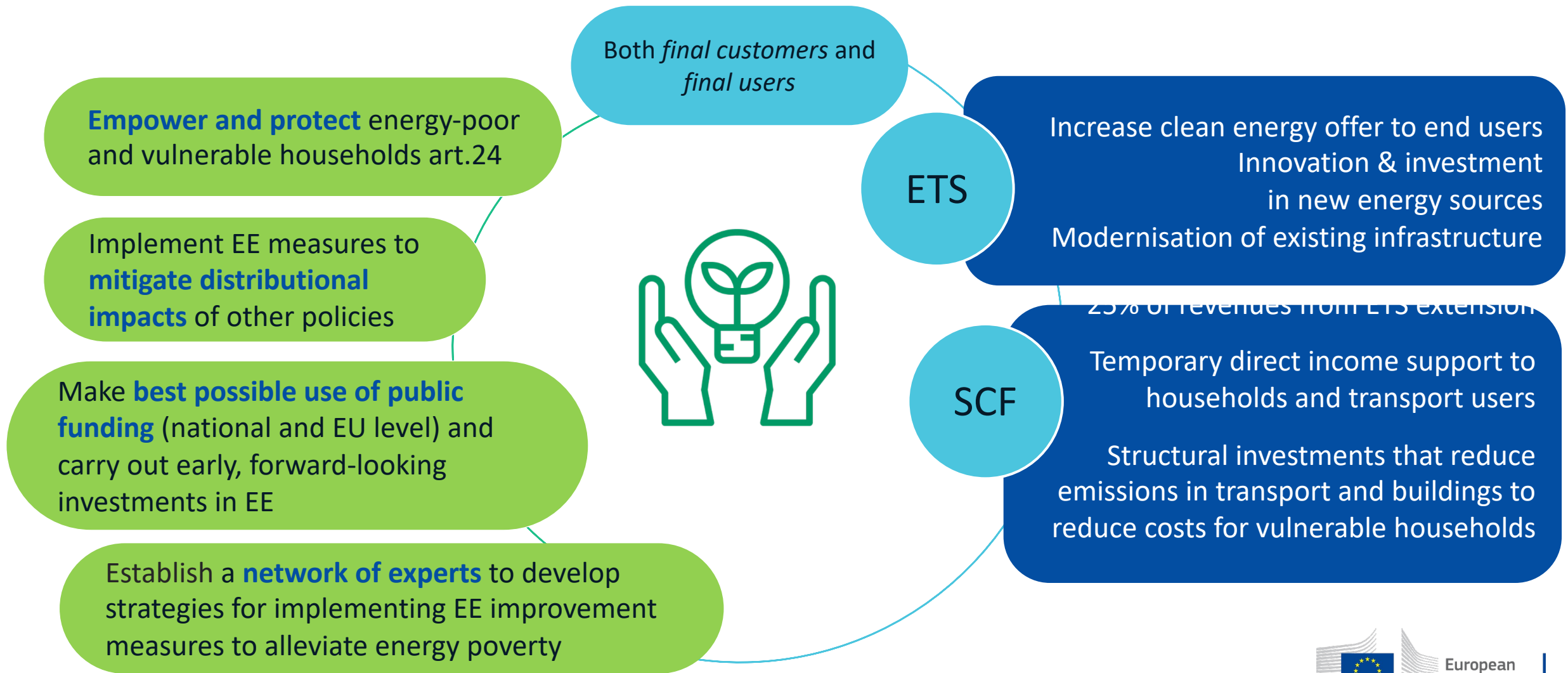
3% each year

Purchase



High energy efficiency
performance

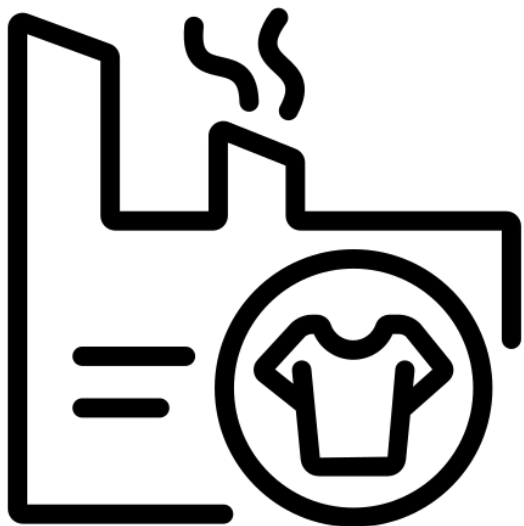
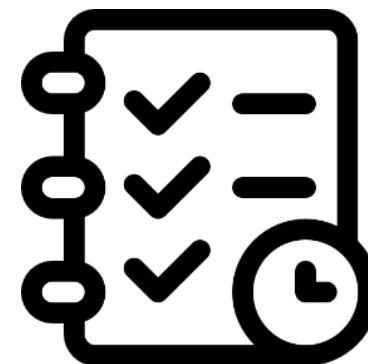
Empower and protect vulnerable groups



Heating and cooling

Comprehensive heating and cooling assessment in NECPs (art. 25 & 26)

Local heating and cooling plans (municipalities above **45.000 inhabitants**)

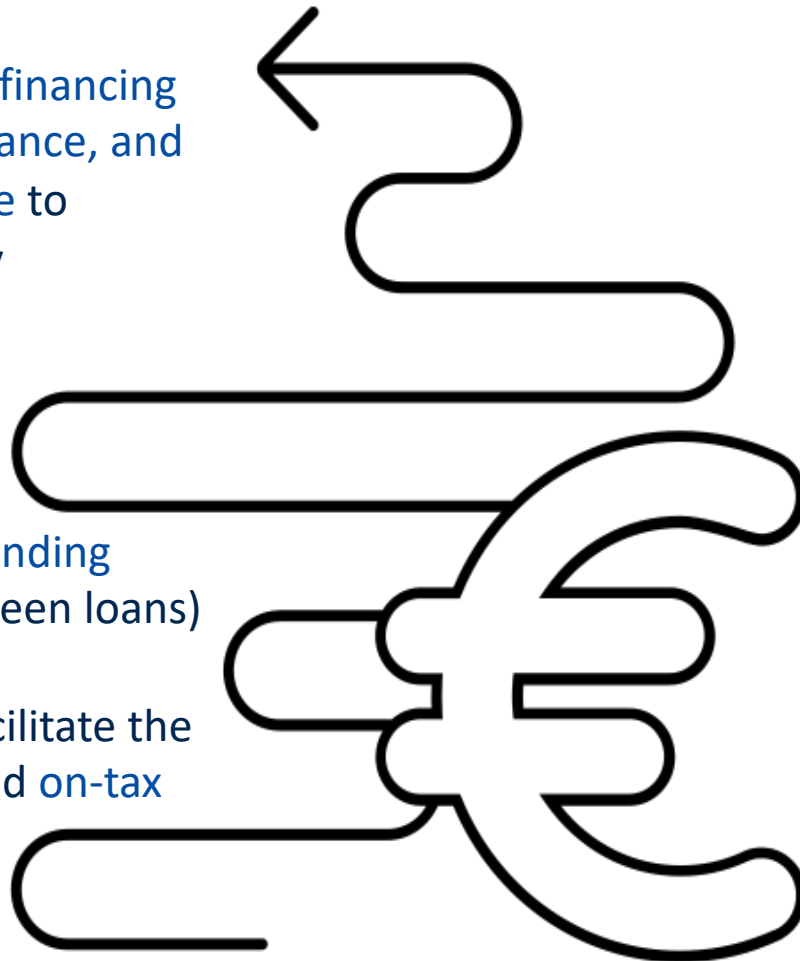


Progressive evolution of **efficient district heating and cooling definition** in view of the sector decarbonisation in 2050

Financing energy efficiency

- Facilitate the establishment of financing facilities, increase access to finance, and project development assistance to mobilise investments in energy efficiency in different sectors

- Promote energy efficiency lending products (EE mortgages & green loans) by ensuring a wide and non-discriminatory offer, and facilitate the implementation of on-bill and on-tax financing schemes



- Strengthen cooperation and dialogue with private and public financial institutions to mobilise private investments in energy efficiency measures and energy renovations

Regulate the voluntary National Energy Efficiency Fund set up by Member States (art. 30)

- Introduce reporting requirements on energy efficiency financing (volume, leverage factor, lending products)

The new Renewables Energy Directive

Main elements of the RED revision

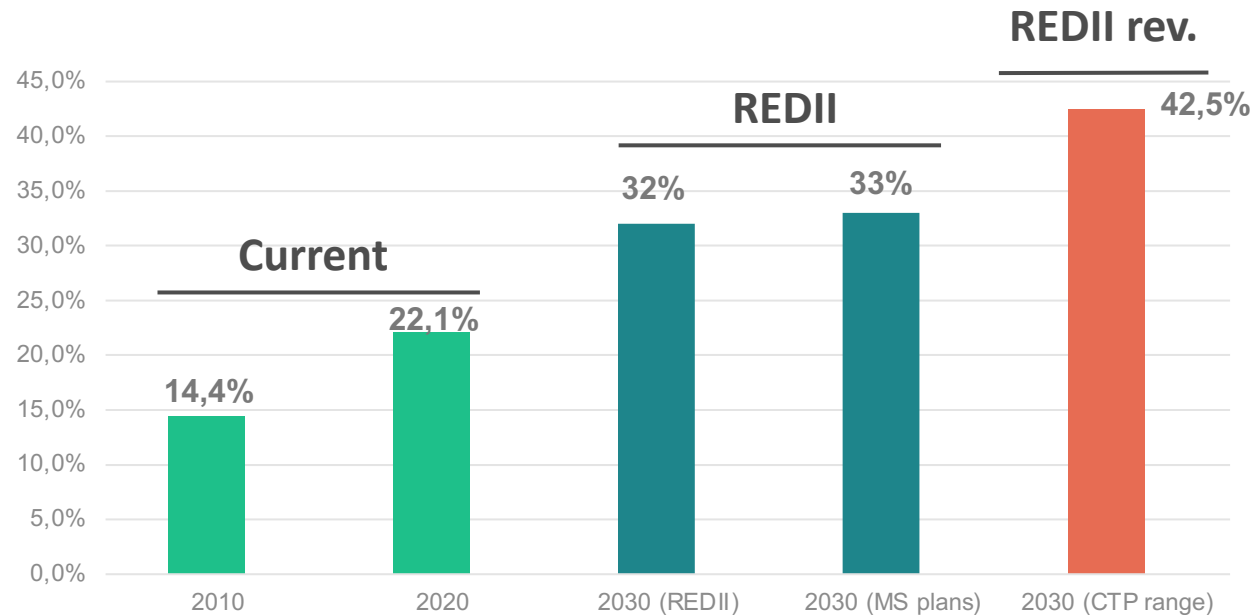
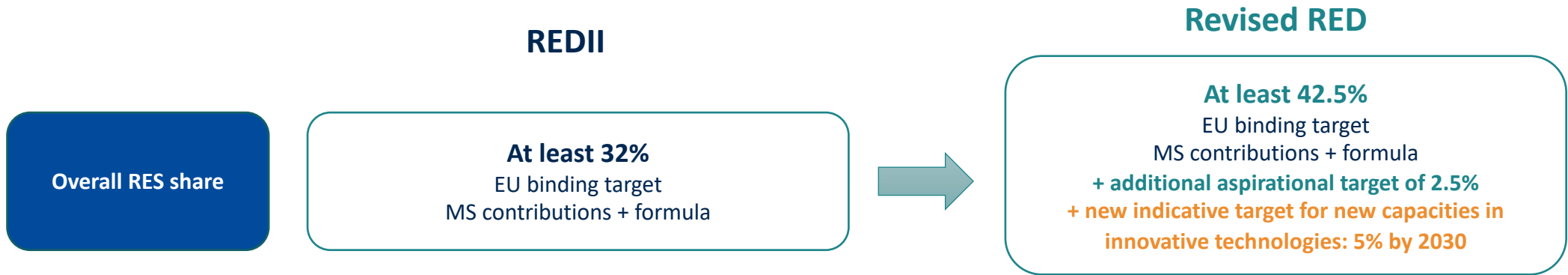
Binding renewable energy target for 2030 to a minimum of 42.5%

Foster renewables across relevant sectors of the economy, such as heating and cooling, buildings, industry and transport, with stronger targets and measures

Easier and faster permitting procedures both for renewable energy projects

Introduce and strengthen important horizontal and cross-cutting measures to promote the deployment of renewables

New renewable energy EU target for 2030

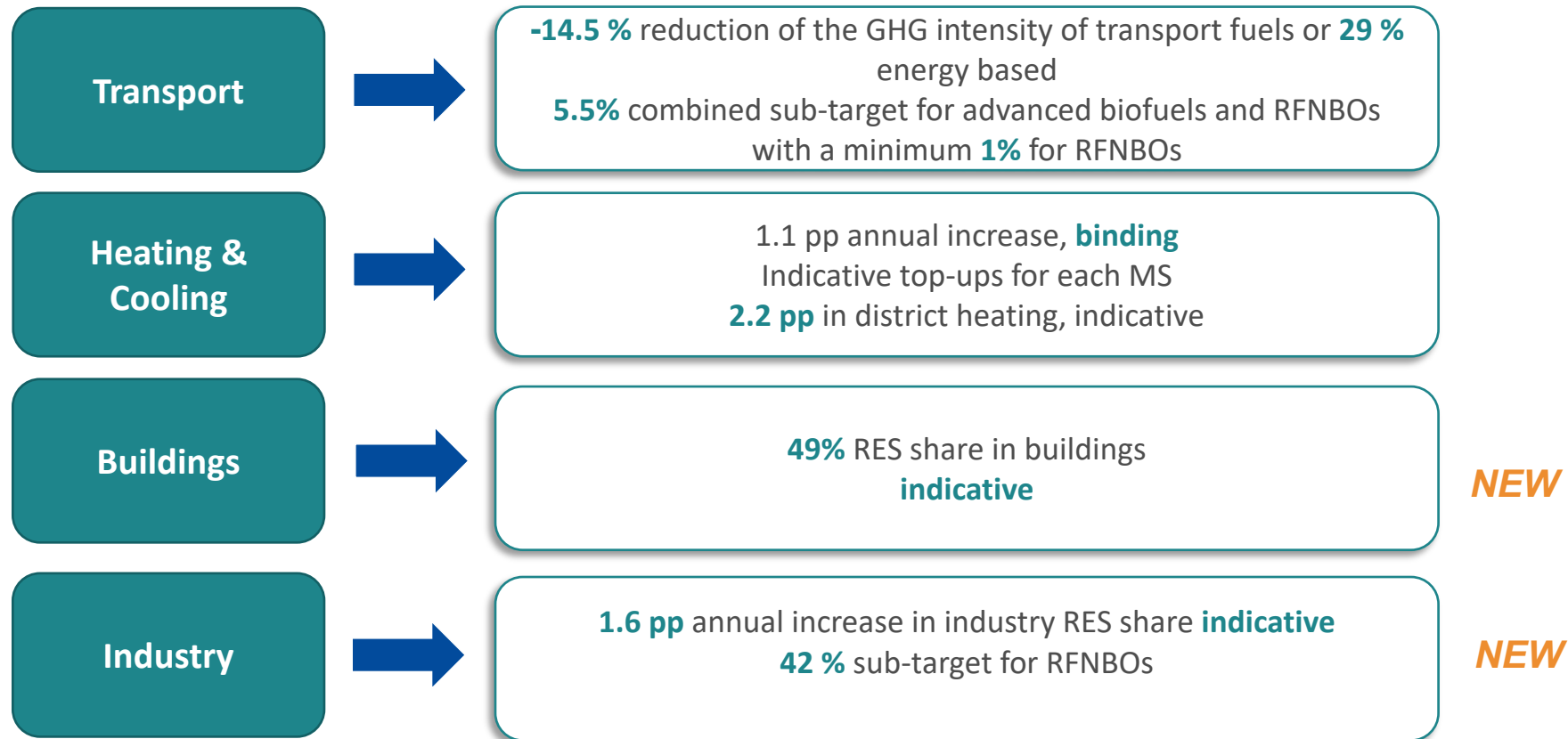


Indicative trajectory between 2021 and 2030 for national contributions to the EU target:

- 18% by 2022
- 43% by 2025
- 65% by 2027

Sectorial targets: overview

To achieve the EU binding target 42.5% by 2030, aspiring to reach 45%



Transport

REDII

At least **14% renewables** in transport (road and rail)

+

At least **3.5% advanced biofuels**

+

Incentives for advanced biofuels (double counting) + use of fuels in maritime and aviation (**1.2x multiplier**)



Revised RED

At least **29% renewables** in transport (all transport modes)

or

14.5% reduction of emission intensity of fuels

+

At least **5.5% advanced biofuels and RFNBOs** (combined target of which at least 1%-point RFNBOs)

+

Incentives for advanced biofuels and RFNBOs (double counting)

+

Incentives for their use in aviation and maritime (**1.2x or 1.5x multipliers** for advanced biofuels and RFNBO respectively)

New indicative target of **1.2%** in the maritime sector

RFNBO = Renewable Fuels of Non Biological Origin

District heating and cooling

Change of pace to align with REPowerEU ambition (article 24):

- Indicative target to increase by 2.2 percentage points by 2030 (share of RES)
- Possibility to count waste heat/cold and renewable electricity used for district heating and cooling
- Electricity TSOs and DSOs to take into account potential flexibility services by DHC

Skills: strengthened requirements in relation to certification and qualification schemes (article 18).

Buildings



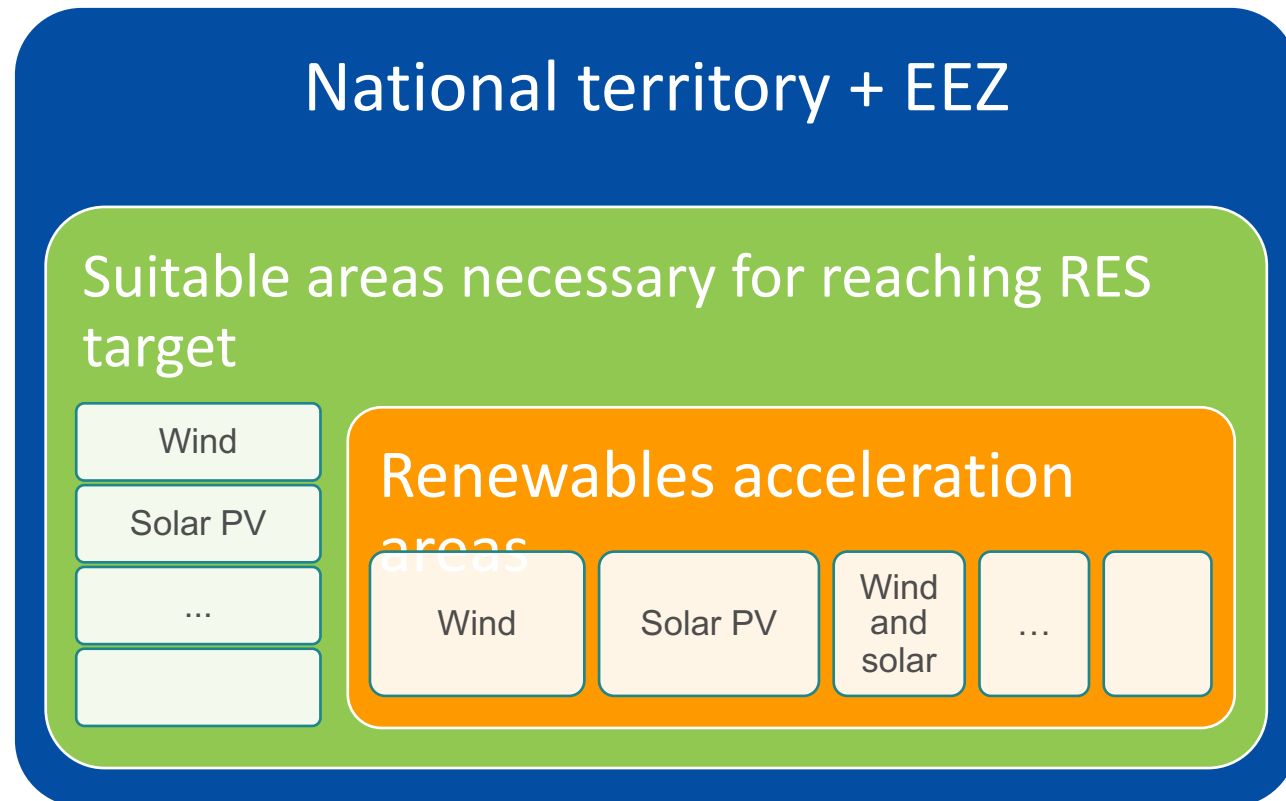
- **Indicative national share consistent with EU-wide 49% RES** in energy consumption in buildings sector by 2030 (new Article 15a)
- RES to be produced **on site or nearby** including from the grid
- **Waste heat may be used up to 20%**, resulting in target increase
- MS to introduce **new measures in national regulations and building codes** and require minimum use of RES in new buildings and existing buildings with major renovation or heating system renewal
- **Exemplary role of public sector**
- **Promotion of RES heating and cooling equipment, innovative and smart technologies**

Industry

- **New measures to boost renewables uptake** in industry sector (32% of energy consumption - articles 22a et 22b)
 - Indicative annual increase of at least 1.6 percentage points by 2030 (share of RES in the energy sources used in industry)
 - New binding target for RFNBO (renewable fuels of non-biological origin):
 - ✓ **42% in 2030**
 - ✓ **60% in 2035**
 - ✓ *Possible discount of 20% in 2030 for Member States on track towards their expected national contribution to the binding overall Union target with a low share of hydrogen from fossil fuels consumed (no more than 23% in 2030 and 20% in 2035)*

Permitting: spatial planning

- **New provisions**
- Mapping of **NECP areas** (focus on RES potential) → 18 months after entry into force
- Designation of sub-set of “**renewable acceleration areas**” (RAA, focus on low env. impacts) → 27 months after entry into force
- Option for MS to designate **grid and storage infrastructure** areas to integrate RES into electricity system



Permitting: simpler and faster procedures

- For the **majority of the territory (outside RAAs)**, simpler and faster procedures; environmental impact assessment (EIA) remains
- **“Renewables acceleration areas”**: particularly short deadlines and streamlined environmental assessments:
 - Plan subject to SEA
 - EIA replaced by short environmental screening (45 days) for most projects:
 - If projects comply with the rules and measures identified by the MS and do not raise any unforeseen adverse effects, exemption from EIA.
 - If screening identifies that a project highly likely to give rise to unforeseen adverse effects, EIA is required. For wind and solar PV projects, MS may exempt them from EIA, provided that they adopt mitigation or if not available compensation measures to address negative effects
- **Targeted permitting procedures** for solar installations on artificial structures, heat pumps, repowering; overriding public interest presumption



New projects: 2 years (3 years for offshore)
Repowering: 1 year (2 offshore)



New projects: 1 year (2 years for offshore)
Repowering: 6 months (1 year offshore)

Positive silence

Strengthening EU sustainability criteria

REDII

(enhanced sustainability criteria)

Revised RED

(targeted strengthening)

Sustainability criteria (“no-go areas”)

Land criteria for agricultural biomass



Extension of the “no go areas” set in RED II for agricultural biomass to **forest biomass**, with a risk-based approach for so-called a-level countries



New “no-go areas” (old growth forests, heathland)

Application of EU sustainability & GHG emission savings criteria

For solid biomass fuels applicable to heat and power installations > **20 MW** For biomass fuels **GHG emissions savings criteria** apply to new installations



For solid biomass fuels applicable to installations > **7.5 MW**. Gradual phasing-in of requirements for **GHG emission savings** to be made by existing installations



Extension of existing **derogation** under RED II for **outermost regions** to apply specific sustainability criteria for biomass fuels to also cover **biofuels and bioliquids**

Cascading principle

MS required to design support schemes with the aim of **avoiding undue distortions** of the raw material market



Cascading principle, with derogations



No direct financial support to the energy use of veneer logs, saw logs and other roundwood of industrial grade, as well as of stumps and roots;
Phase-out of subsidies for the production of electricity from forest biomass in **electricity-only installations**, with limited exceptions

+ Consistency with revised LULUCF Regulation (2030 EU and national targets and budgets)
Specification of sustainable harvesting practices

Joint Projects and offshore renewables

REDII

Voluntary cross-border cooperation, with little progress so far



Revised RED

- Obligation for Member States to set a **mandatory cooperation framework** on joint projects for the production of renewable energy, by 31 December 2025
- Timelines for **voluntary joint projects**:
 - Two joint projects by 2030
 - Third project by 2033 for Member States with an annual electricity consumption of more than 100 TWh **2030 by each Member State**
- Obligation for Member States to publish information on the offshore volumes they plan to achieve through tenders



EED recast and revised RED: two major achievements towards carbon-neutrality

Timeline	EED recast Directive (EU) 2023/1791	Revised RED Directive (EU) 2023/2413
Adoption of the final text	13 September 2023	9 October 2023
Publication in the Official Journal	20 September 2023	31 October 2023
Entry into force	10 October 2023	20 November 2023
Transposition period	2 years	18 months for most of the provisions shorter deadline of July 2024 for some provisions related to permitting for renewables

Thank you