



# The “Fit for 55” Package

with focus on Policies for Energy Efficiency  
and Renewable Energy Sources

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# Some key facts from the State of the Energy Union 2021

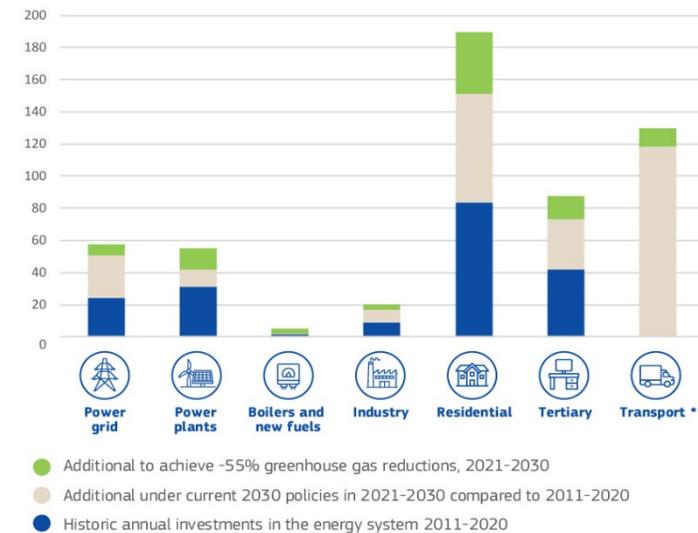
- In **2020**, EU GHG emissions are **-31%** compared to **1990** due to the impact of the Covid pandemic on energy consumption but also due to continued decarbonisation trends.
- In **2020**, for the first time, **renewables overtook fossil fuels** as the EU's main power source (38% of EU electricity, fossil fuels 37% and nuclear 25 %). The share of renewable energy sources in the overall EU energy mix is expected to have reached at least **22 %** although some Member States are at risk of failing to meet their national binding target;
- EU primary energy consumption declined by **1.9 %** and final energy consumption by **0.6 %** in **2019** compared to **2018**;
- EU **net energy import** dependency reached **60.6 % 2019** compared to 58.2% in 2018 and 56% in 2000; the highest level in the past 30 years;
- **Energy poverty** affects up to **31 million people** in the EU as of 2019. This underlines the importance of shielding the vulnerable from the current price spike and ensure a just transition towards climate neutrality.
- **Energy prices** rebounded in the post Covid period reaching very high levels.

# 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.

**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)

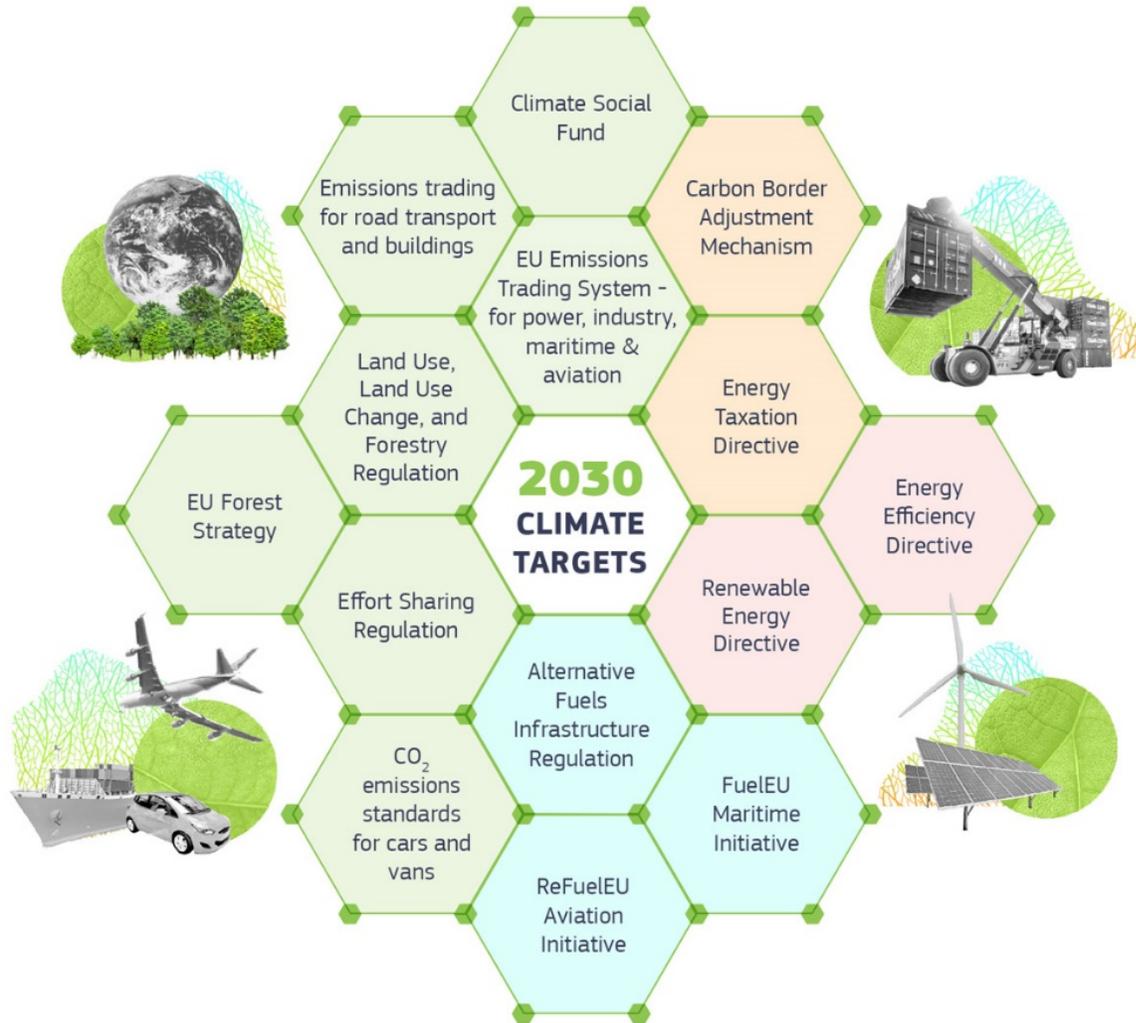


\* transport only shows additional investment

Climate Target Plan – Investment Challenge

The Climate Target Plan prepared the ground for the necessary transformation of policies for the decarbonisation of the European economy as set out in the European Climate Law

# 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**

# Policy mix at a glance

Pricing	Targets	Rules
<ul style="list-style-type: none"><li>• Stronger ETS including in aviation</li><li>• Extending the ETS to maritime, road transport, and buildings</li><li>• Updated Energy Taxation Directive</li><li>• Carbon Border Adjustment Mechanism</li></ul>	<ul style="list-style-type: none"><li>• Updated Effort Sharing Regulation</li><li>• Updated LULUCF Regulation</li><li>• Updated Renewable Energy Directive</li><li>• Updated Energy Efficiency Directive</li></ul>	<ul style="list-style-type: none"><li>• Stricter CO<sub>2</sub> performance for cars &amp; vans</li><li>• New infrastructure for alternative fuels</li><li>• ReFuelEU: More sustainable aviation fuels</li><li>• FuelEU: Cleaner maritime fuels</li></ul>
Support measures		
Using revenues and regulations to promote innovation, build solidarity and mitigate impacts for the vulnerable, notably through the new Social Climate Fund and enhanced Modernisation and Innovation Funds		

The Fit for 55 Package consists of a set of **inter-connected proposals that strike a careful balance** between pricing, targets, standards and support measures.

# EU ETS



## • Existing ETS

- Increase of **18 pp** of emissions reduction (from -43% to **-61%** by 2030)
- Remove free allowances for aviation
- Review of the **Market Stability Reserve**
- Will now include maritime transport

## • New ETS

- For road transport and buildings, operational as of 2025
- Emissions reduction of 43% by 2030
- Climate Social Fund to address possible social impacts

# ESR and LULUCF

- **ESR**

- Increase of 11 pp of emissions reduction (from -29% to -40% by 2030)
- Keep existing architecture and scope: will continue to cover road transport and buildings sectors, alongside their inclusion in the new ETS

- **LULUCF**

- More powerful incentives to grow and improve natural carbon sinks
- Binding targets to increase net carbon removals from 2026 to 2030
- Significant simplification of rules
- EU-wide target of climate neutrality in land use, forestry and agriculture sector by 2035



# Policy measures on transport

- Stronger CO2 emissions standards for cars and vans
- Alternative Fuels Infrastructure Regulation
- ReFuelEU Aviation Initiative
- FuelEU Maritime Initiative



# Policy measures on taxation and trade

- Revision of the **Energy Taxation Directive**:  
Shifting tax incentives away from fossil fuels and towards clean technologies
- New **Carbon Border Adjustment Mechanism**:  
Carbon price on imports of a targeted selection of products to prevent 'carbon leakage'



# Support measures for a fair transition

- The **Social Climate Fund**: 1) **support households, transport users, and micro-enterprises**; 2) **support investments** in energy efficiency, buildings renovation, clean heating and cooling, integration of renewable; 3) **provide direct income** support for vulnerable households; 4) **finance zero-and low-emission mobility**
- **Financed by the EU budget**, using an amount equivalent to **25% of the expected revenues ETS building and road transport**. It will provide **€72.2 billion** for the period **2025-2032**

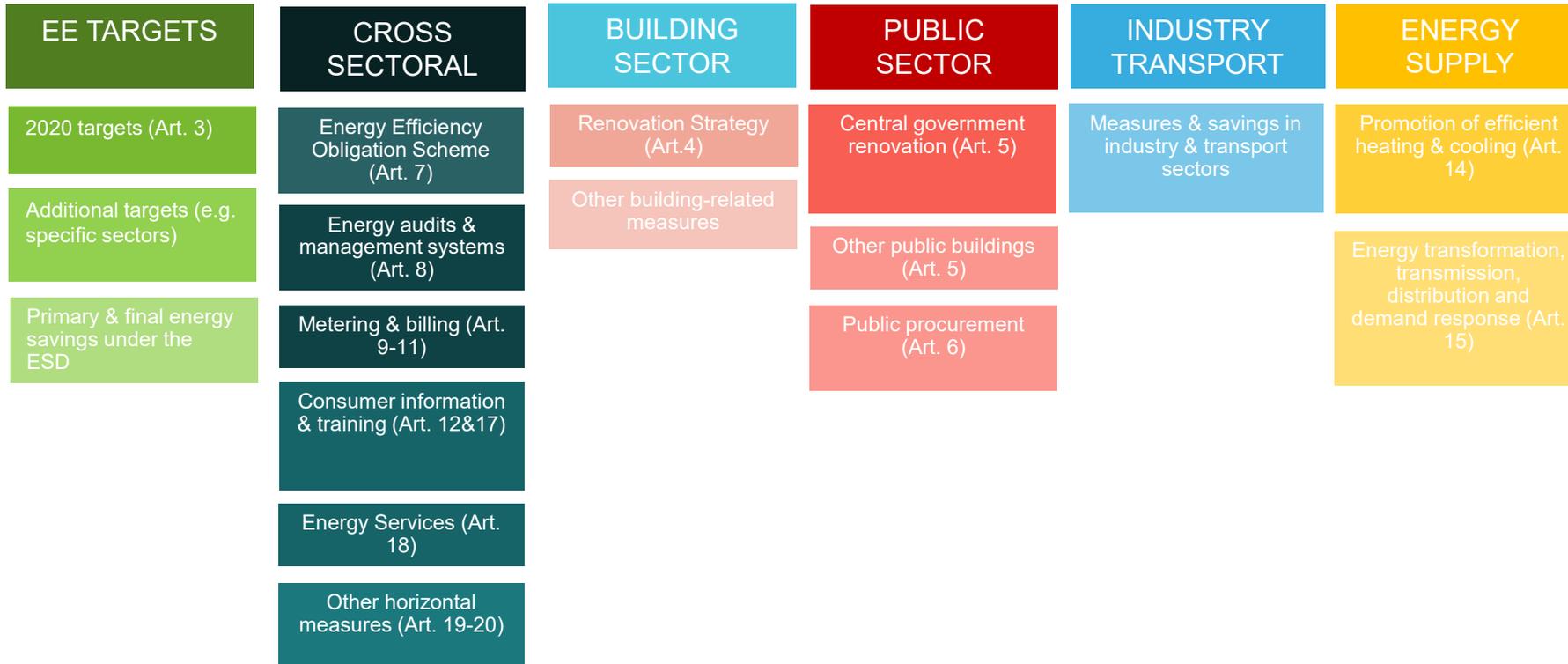


# The Energy Efficiency Directive

# Structure and Coverage of the EED

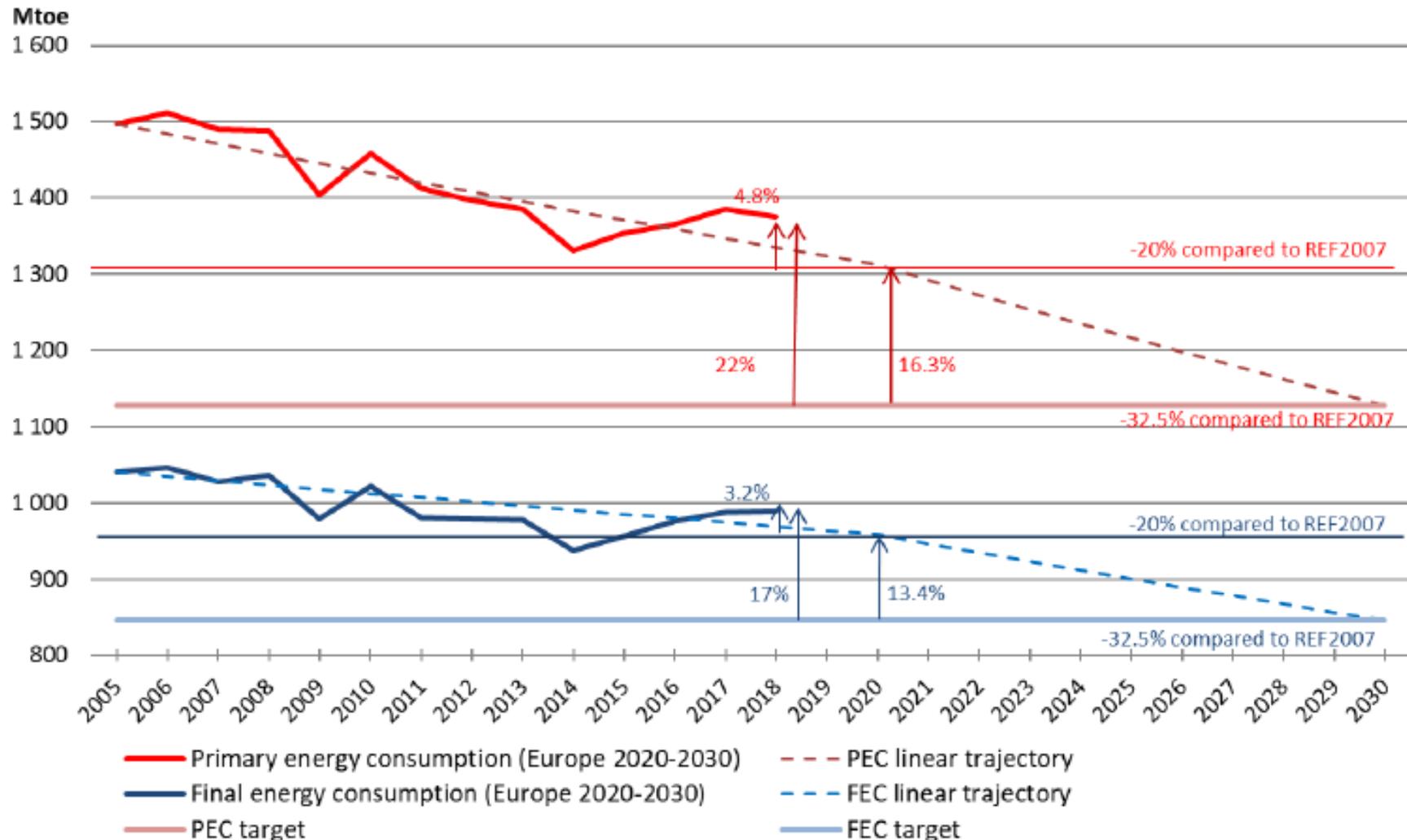
## 1. TARGETS

## 2. POLICY MEASURES



Art. refers to specific Articles of the EED 2012

# Progress towards 2030 targets at EU27 level



# The Recast EED -1

- The **Commission proposal** for a recasts the EED directive introduced a higher target for reducing **primary (39%)** and **final (36%)** energy consumption by 2030 now binding at EU level up from the current target of 32.5% (for both primary and final consumption).
- It introduces a **benchmarking system** for Member States to set their national indicative contributions to the binding EU target.
- The new directive also proposes to nearly double Member State annual **Energy Savings Obligations** in end use (ex Art.7) now set at **1.5 %** of energy sales.
- The proposal focuses on sectors with high energy-savings potential: heating and cooling, industry (including data centres).

# The Recast EED - 2

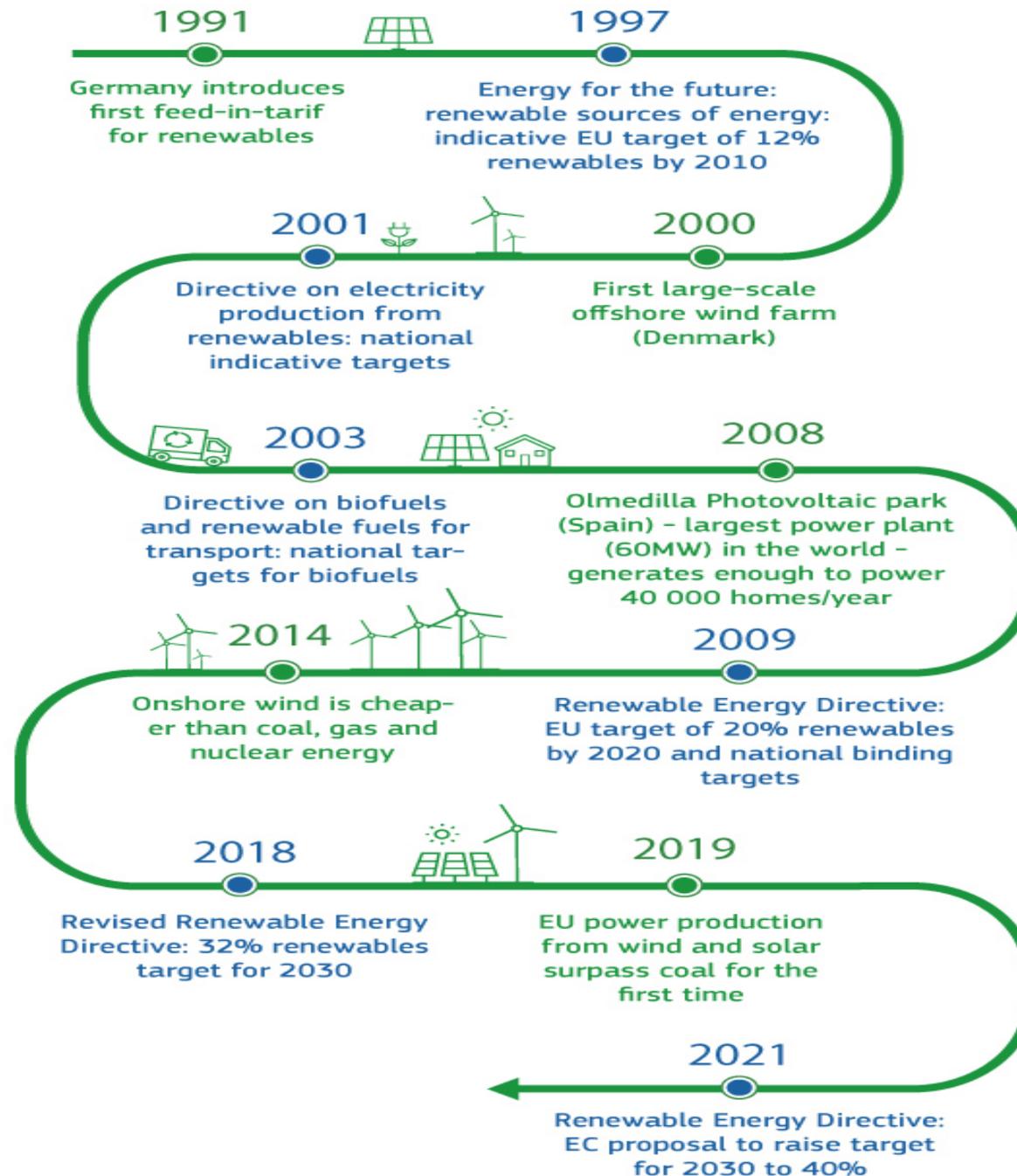
- The EED introduces a new requirement on Member States to take measures to implement energy efficiency improvements for **people affected by or in risk of energy poverty, vulnerable customers and people living in social housing**. Parts of these measures are expected to be financed via revenues from ETS allowances on building and transport or from the new Social Climate Fund.
- Member States will be required to address the **split incentives** between owners and tenants over renovation. Member States will be required to establish **one-stop shops** providing technical administrative and financial advice, for facilitating the uptake the energy performance contracting.
- The EED set a legal basis for the application of the “**energy efficiency first**” principle, to ensure its practical implementation and systematically assessing possible energy efficiency solutions in policy and investment decisions.

# Other EU initiatives for Energy Efficiency

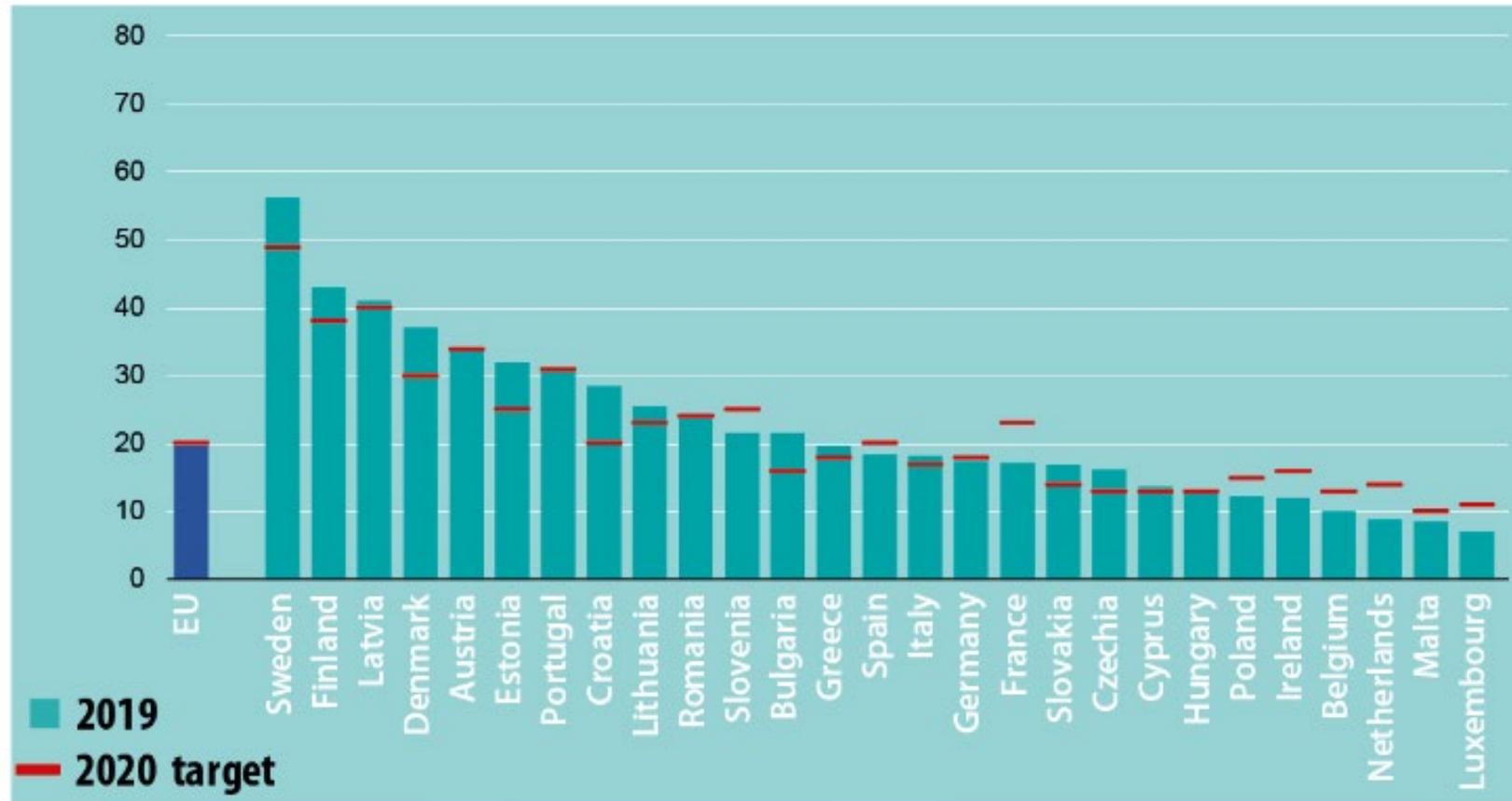
- Taking up a number of elements outlined in last year's **Renovation Wave strategy**, the proposal includes measures to **boost renovation up to 2%** in a way that also benefits society in terms of addressing energy poverty and strengthening consumer empowerment.
- Given the potential for renovation to act as a springboard for economic recovery following the Covid-19 pandemic and the emphasis given to the building sector in the **EU's Recovery and Resilience Facility** – the proposal also outlines a range of changes that should increase the uptake of energy efficiency investments.
- The new **Bauhause Initiative** to design buildings and public space coupling aesthetic, sustainability and social inclusions

# The Renewable Energy Directive – RED II

# Overview of the EU RES Directives and other policies



# EU MSs share of energy from renewables



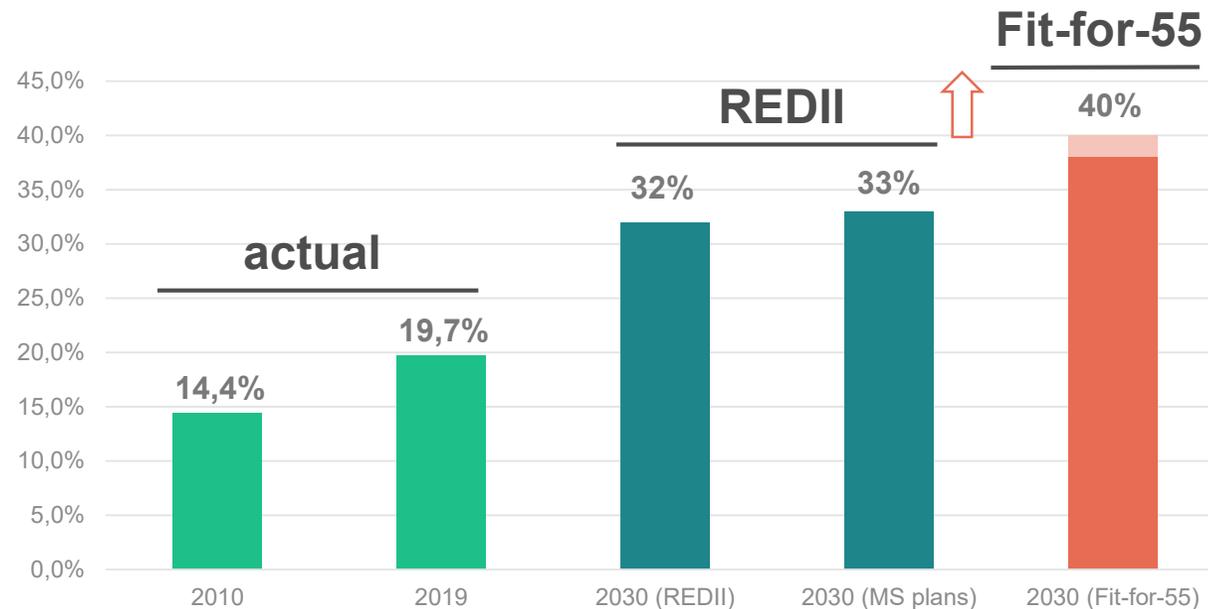
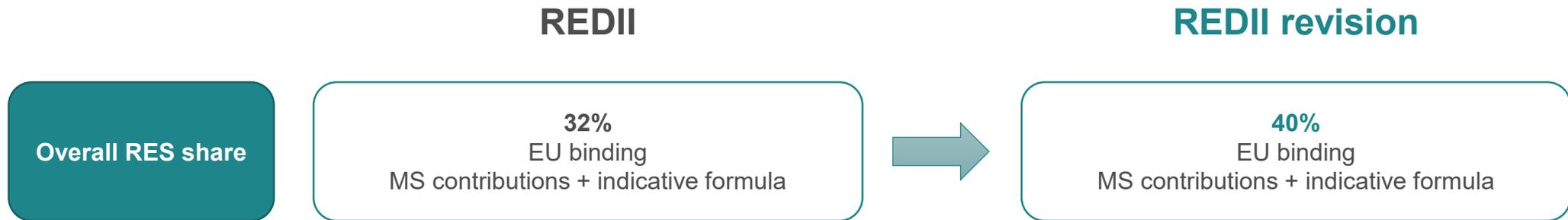
# The Revised Renewable Energy Directive 1

- The Commission proposed **RED II revision** raises the ambition of the existing legislation to align it with EU's increased climate ambition.
- It also seeks to introduce new measures to complement the already existing **building blocks established** by the **2009 and 2018 directives**, to ensure that all potentials for the development of renewable energy are optimally.
- It seeks to convert into EU law some of the concepts outlined in the **energy system integration** and **hydrogen strategies**, published in 2020. The strategies outlined ways of creating an **integrated energy system**, based on renewable energy and fit for climate neutrality, and turning **hydrogen** into a viable solution to help reach the objectives of the European Green Deal.

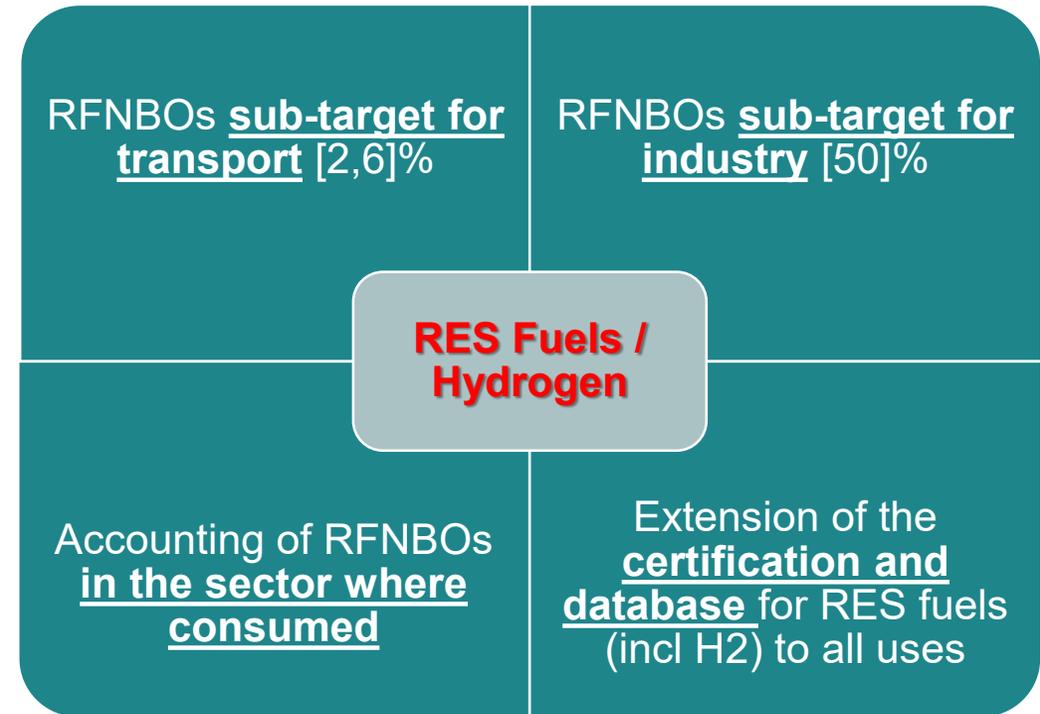
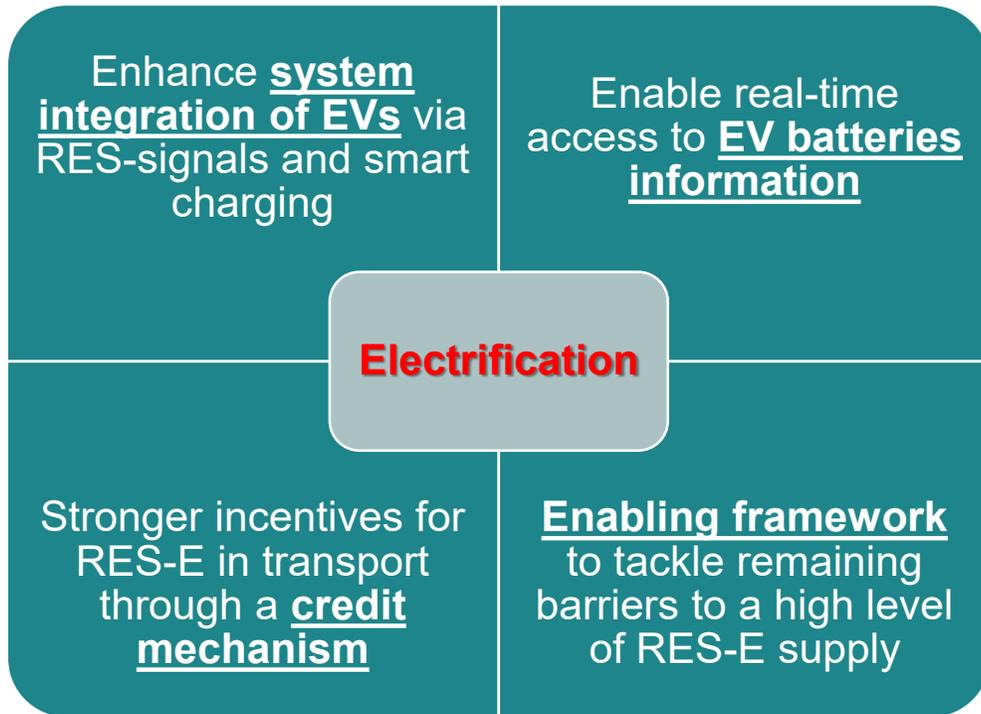
# The Revised Renewable Energy Directive 2

- The revised directive increases the overall renewables target (proposed to be increased to **40%**), but also strengthened measures for transport or heating and cooling.
- The Commission is also aiming at a more energy efficient and circular energy system that facilitates **renewables-based electrification**, and promotes the use of renewable and **low-carbon fuels**, including **hydrogen**, in sectors where electrification is not yet a feasible option, such as **transport**.

# Overall ambition – the EU-level target



# Facilitating Energy System Integration



- + Revised AFID, CO2 for cars (combined action to boost transport electrification)
- Fuel Aviation & Maritime (combined action to drive RES Hydrogen uptake in those sectors)

# Concluding remarks

# Conclusions

- Integrated policy packages with many measures covering all sectors.
- Energy Efficiency (EE) and Renewables Energies (RES) are key policy areas for the decarbonisation of the EU economy.
- Both EE and RES also contribute to the security of energy supply and can help in reducing the impact of the current energy prices.
- Energy Efficiency also contribute to reducing Energy Poverty and boost the local economy by creating local jobs, hence key role in RRP.
- EE and RES are fully aligned with the Green Deal goals of decarbonizing the EU economy, while having a prosperous economy and leaving no one behind.

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# Thank you

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# Presentation of proposals