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The 'EU Legislation in Progress' briefings are updated at key stages throughout the legislative procedure. Please note this document has been designed for on-line viewing.

Promoting renewable energy sources in the EU after 2020

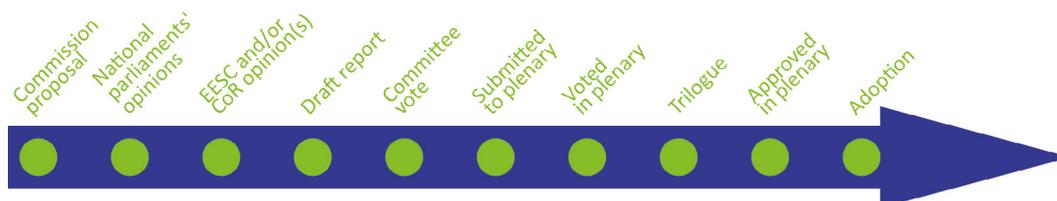
In November 2016, the European Commission launched the Clean Energy package, including a recast of the Directive on the promotion of renewable energy sources ('RES Directive'), with the objective of greatly increasing the share of RES in final energy consumption by 2030. The revised RES Directive aims to provide guiding principles on financial support schemes for RES, renewable energy self-consumption, energy communities and district heating. It seeks to enhance mechanisms for cross-border cooperation, simplify administrative processes, strengthen the sustainability and greenhouse gas emissions-savings criteria for biofuels, and mainstream the use of RES in the transport sector and in the heating and cooling sector.

Trilogue negotiations started in February 2018 and resulted in a provisional agreement on 14 June 2018. The final text was formally adopted by Parliament (13 November 2018) and Council (4 December 2018), published in the Official Journal on 21 December 2018 and entered into force three days later.

Proposal for a Directive of the European Parliament and the Council on the promotion of the use of energy from renewable sources (recast)

COM(2016) 767, 30.11.2016, 2016/0382 (COD), Ordinary legislative procedure (COD) (Parliament and Council on equal footing – formerly 'co-decision')

Committee responsible:	Industry, Research and Energy (ITRE)
Rapporteur:	José Blanco López (S&D, Spain)
Shadow rapporteurs:	Seán Kelly (EPP, Ireland) Hans-Olaf Henkel (ECR, Germany) Fredrick Federley (ALDE, Sweden) Paloma López Bermejo (GUE/NGL, Spain) Claude Turmes (Greens/EFA, Luxembourg) Dario Tamburrano (EFDD, Italy)
Procedure completed.	Directive (EU) 2018/2001 OJ L 328, 21.12.2018, pp. 82-209.



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Introduction

On 30 November 2016, the European Commission published a legislative package entitled '[Clean energy for all Europeans](#)', including a [recast of the Directive on the promotion of the use of energy from renewable sources](#) (originally approved in 2009, and revised in 2015). The legal basis for the recast directive is Article 194(2) of the Treaty on the Functioning of the European Union, which provides an explicit basis for the EU to legislate in the energy field and a particular role in supporting deployment of renewable energy sources (RES). The promotion of RES in the EU is the subject of an [EPRS In-depth Analysis](#).

Revising the Directive on promotion of RES forms part of the broader [Energy Union](#) strategy, proposed by the Commission (February 2015) and later [endorsed](#) by the European Council (March 2015). The revised RES Directive seeks to contribute towards the EU goal (set by the European Council in October 2014) of at least 27 % of EU energy from renewable sources in final consumption by 2030. The revised RES directive is closely linked to other parts of the clean energy package, in particular the regulation on energy union governance and the recast [regulation](#) and [directive](#) on electricity markets. The revised RES directive envisages that all monitoring and reporting obligations are transferred to the proposed regulation on [energy union governance](#), whereas existing provisions relating to grid access are transferred to the [regulation on electricity markets](#).

Existing situation

The existing RES Directive ([Directive 2009/28/EC](#) as amended by [Directive \(EU\) 2015/1513](#)) sets binding targets for the share of RES in the final energy consumption of each EU Member State. These targets range from 10 % (Malta) to 49 % (Sweden) and amount to an EU share of at least 20 % RES in final energy consumption by 2020. The 20 % EU target was endorsed by the European Council (March 2007) as part of the [2020 EU climate and energy package](#). To achieve their targets, Member States are required to prepare and fully implement national renewable energy action plans. The Commission monitors implementation of the RES Directive and issues a progress report every two years. The [latest report](#) (June 2015) notes that the vast majority of Member States appear to be on track to meet their overall RES goals by 2020, although additional efforts are needed in some Member States to progress beyond their interim targets. Furthermore, the RES Directive sets the target of a 10 % share of RES in the transport sector by 2020 (limited progress so far in most Member States), introduces a series of cross-border cooperation mechanisms and joint projects to promote RES (low take-up so far in Member States), and sets out the EU sustainability criteria for biofuels.

In 2015 the RES Directive and the [Fuel Quality Directive](#) (FQD) were revised to recognise and mitigate the negative environmental impact that biofuels production can have in terms of indirect land-use change and related greenhouse gas (GHG) emissions. These revisions to the RES Directive and the FQD strengthened the sustainability criteria for biofuels, and imposed more stringent requirements in terms of reducing GHG emissions.¹

1 The FQD expires at the end of 2020. The Commission has not proposed to extend its application beyond this period.



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Since the RES Directive is designed to meet the EU's 2020 targets, it needs to be revised to meet the EU target of at least 27 % RES share in final energy consumption by 2030. The latter was endorsed by the European Council (October 2014) as part of the [2030 EU climate and energy framework](#). The European Council specified that the 27 % target should be binding on the EU as a whole, but should be achieved without setting legally binding national targets, in order to provide more flexibility for Member States.

European Parliament's starting position

The resolution of 5 February 2014 on a [2030 framework for climate and energy policies](#) called for a binding target of at least 30 % of final energy consumption from renewable sources in 2030, which should be implemented by means of individual national targets (see below for divergent position of **European Council**). This European Parliament position was reaffirmed in several resolutions passed under the current legislature, including the resolution of 14 October 2014, [Towards a new international climate change agreement in Paris](#), and the resolution of 15 December 2015, [Towards a European Energy Union](#). The latter asks EU countries to 'avoid retroactive changes in economic conditions of investments ... to contribute to a cost-efficient deployment of renewable energy across the EU regions (and) stresses the need for better coordination of support schemes ... in order to avoid potential market distortion'. Furthermore, it 'notes that the current EU biofuels policy has been widely criticised for not taking into account greenhouse gas emissions associated with indirect land-use change (ILUC), which can be triggered when existing agricultural production shifts to uncultivated land' and considers that the EU 'should not further expand the use of biofuels grown on land'.

The resolution of 23 June 2016 on the [Renewable energy progress report](#) highlights the importance of increased regional cooperation, and asks for the 'implementation of a European renewables-based model of energy production, consumption and self-consumption'. It 'calls on the Commission to present a more ambitious climate and energy package 2030, which increases the EU target for RES to at least 30 % to be implemented by means of individual national targets', and 'stresses that the targets already agreed for 2020 must be taken as the minimum baseline when revising the Renewable Energy Directive', while continued use of national benchmarks is necessary for effective monitoring by the Commission. The resolution also supports a Citizen and Community Energy chapter in the Renewables Directive to 'provide a more conducive investment environment for self-generation and self-consumption' and 'asks Member States to suppress administrative and market barriers to new self-generation capacity, to replace lengthy authorisation procedures with a simple notification requirement and to put in place efficient one-stop shops.'

The resolution of 13 September 2016, [Towards a New Energy Market Design](#), calls for a common understanding of the definition of prosumers at EU level and 'a new chapter on prosumers in the revised Renewable Energy Directive in order to address the main barriers and boost investment in self-generation and self-consumption of renewables.'



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The [European Council of 23-24 October 2014](#) agreed the 2030 Climate and Energy Framework, which sets an EU goal of at least 27 % share of renewables in final energy consumption. This target is binding only at EU level. Individual Member States remain free to set more ambitious targets and support them in line with state aid guidelines.



Proposal

Preparation of the proposal

The Commission [proposal](#) was accompanied by a [REFIT evaluation](#) of the existing RES Directive (see [executive summary](#)) and a four-part [impact assessment](#) analysing the different reform options (see [executive summary](#)).

The REFIT **evaluation** concluded that the RES Directive was highly effective on the whole. As a result of its implementation, all but one Member State was on track to achieve its overall RES targets by 2020, although several countries remained far short of their 10 % target for RES in transport by 2020. However, the evaluation found scope for improvement, noting that the RES Directive had ‘delivered more impact in the electricity sector than in the heating and cooling sector’, while the biofuels sustainability scheme had failed to anticipate and address the risk of indirect land use change (the latter problem was to some extent addressed in the 2015 [revisions to the RES Directive and FQD](#)). Little use had been made of the RES Directive’s flexibility and support mechanisms for cross-border cooperation (including joint projects and statistical transfers), or its Guarantees of Origin scheme for consumer disclosure of RES-derived energy. The evaluation also noted that ‘many Member States have introduced support schemes which were not related to market signals ... in some cases adjustments were also made too abruptly, or even retroactively’. Whereas the existing directive had established the principle of preferential treatment (‘priority dispatch’) for RES to access the grid above other forms of energy generation (e.g. fossil fuels, nuclear), this principle had to be re-assessed in light of the rising share and very low prices of some RES-generated electricity. To overcome administrative obstacles and delays in integrating RES capacity in the electricity grid, one stop shops for permit granting and maximum delays would need to be introduced, alongside guiding principles on the right to self-consumption.

In a **public consultation** (November 2015-February 2016), the RES Directive was identified by respondents as the most important driver for renewable energy policies and investments in many Member States. The public consultation on the RES Directive received 614 replies, and a related public consultation on bioenergy sustainability (February-May 2016) received over 950 replies.

The **impact assessment** (IA) analysed many of the above issues and related ones in considerably more detail. However, the IA did not offer any preferred policy options, leaving this entirely as a political decision to be taken by the College of Commissioners. The Regulatory Scrutiny Board (RSB) delivered a [negative first opinion](#) of the impact assessment on 14 September 2016, as well as a [negative second opinion](#) of the resubmitted version on 4 November 2016. While acknowledging some improvements in the resubmitted version, the RSB maintained its negative opinion for several reasons. The RSB maintained that the Commission did not adequately consider the options for action at Member State level (‘subsidiarity’) or the ‘proportionality’ of its proposed actions. The RSB was unclear as to why the IA addressed the design of public support schemes for RES, since these already have to operate within the framework of existing EU state aid guidelines. Finally, the RSB felt the lack of preferred policy options in the IA made it difficult for the College to assess policy trade-offs and reach a political decision. Despite the second negative opinion, the Commission nevertheless published its legislative proposal after some revisions in response to the RSB feedback. It should also be noted that the RSB gave a [positive first opinion](#) of the impact assessment on Bioenergy sustainability policy, whose provisions were included in the recast RES directive.



The changes the proposal would bring

The Commission proposal would change many aspects of the existing RES Directive, and move some provisions to other legislation in the Clean Energy package. Obligations related to monitoring and reporting on RES are subsumed in the proposed regulation on [governance](#) of the energy union, while those relating to grid access and priority dispatch for RES generation are transferred to the [proposed regulation](#) on electricity markets.

The recast directive sets the **binding Union target of 27 % RES in final energy consumption by 2030**. However, the binding national targets in the existing RES Directive would remain in the revised directive as **baseline levels** below which Member States are not allowed to go, ensuring that Member States do not weaken their commitment to promoting RES after 2020 due to the lack of new binding targets. Annex 1 of the recast directive therefore includes the 2020 national targets as 2030 baseline levels.

Guiding principles concerning **financial support schemes** for RES-generated electricity are set out in the recast directive. These emphasise that Member States may apply support schemes so long as these avoid unnecessary distortions of electricity markets, take into account balancing and grid constraints, and respond to market signals through competitive tendering. Retroactive changes to RES support schemes are also forbidden. Each year Member States must open a minimum share of new support schemes to RES generated electricity from other Member States (10 % of new capacity 2021-2025, 15 % of new capacity 2026-2030). The energy produced under these support schemes counts towards the Member States funding the installation. To ensure a stable and transparent investment framework, Member States must publish a long-term schedule on their expected financial support schemes, covering at least the next three years, and including indicative timing, capacity sought and available budget.

The proposal requires Member States to set up **'one stop shops'** to coordinate the entire permit-granting process for new RES generation, transmission and distribution capacity. These must abide by a maximum permit-processing time of three years for new capacity and one year for requests related to repowering of existing renewable energy plants (only six months if such requests have no significant negative environmental and social impacts). Meanwhile a **simple notification procedure** would apply to all new RES projects and installations with a capacity of under 50 kW seeking connection to the grid.

The principles of **renewable self-consumption** and renewable **energy communities** are enshrined in specific articles of the revised directive, which provides some guidelines for their realisation. The proposal also enhances existing provisions on cross-border cooperation, in particular facilitating the application of **Guarantees of Origin schemes**.

The proposal seeks to **mainstream RES in the heating and cooling sector** (which accounts for 50 % of total energy demand in Europe), in particular by asking Member States to increase the share of renewable energy supplied for heating and cooling by at least 1 percentage point every year. Member States would be obliged to provide data on the energy supplied for heating and cooling, including the proportion obtained from different RES. Member States are also required to carry out a regular assessment of their use of RES and waste heat/cold in heating and cooling. The proposal also establishes guiding principles for district heating and cooling systems, including the right for consumers to disconnect from inefficient systems.



The proposal seeks to **mainstream RES in the transport sector**, which currently relies overwhelmingly (94 %) on oil-based products. In the recast directive, Member States would oblige their fuel suppliers to include a minimum share of energy derived from biofuels or biogas in the total transport fuels they supply for consumption or use on the market. This share must be at least equal to 1.5 % in 2021, increasing annually up to at least 6.8 % by 2030. Member States would be required to introduce national databases that allow the traceability of fuels and mitigate the risk of fraud. To ensure the sustainability of biofuels and prevent indirect land-use change, the proposal requires that at least 0.5 % of the fuel supply in transport must either come from advanced biofuels (also known as 'second generation' biofuels) produced from biomass, or from biogas produced from feedstock. This minimum share would increase annually up to at least 3.6 % in 2030. Furthermore, the proposed directive sets a ceiling of 7 % on the final energy consumption that is accounted for by biofuels produced from food or feed crops. This ceiling would be reduced annually to no more than 3.8 % in 2030. Although Member States would remain free to develop a higher share of such biofuels in their energy mix, anything above the ceiling would not contribute towards meeting their RES targets. The existing requirement for a 10 % share of biofuels in transport would be removed.

The recast directive explicitly recognises that gas can be produced from renewable sources, whether of biological origin ('biogas') or non-biological origin (e.g. hydrogen fuel). Such forms of **renewable gas** are considered an RES under the revised directive, so they would contribute towards calculating the share of RES in final energy consumption, as well as becoming eligible for EU schemes such as the Guarantees of Origin.

The proposal contains detailed provisions to improve the **sustainability and greenhouse gas (GHG) emissions-saving criteria** for biofuels, bioliquids and biomass. These criteria would be aligned with the obligations of the EU and its Member States as signatories to the UNFCCC Paris Climate Change Agreement, and would reinforce the Commission's [legislative proposal](#) on land use, land use change and forestry (LULUCF) by introducing a new sustainability criterion for forest biomass. The required GHG emissions savings from biofuels and bioliquids would be increased to at least 70 % for installations starting operations from 2021 onwards, and at least 80 % for electricity, heating and cooling from biomass. The latter target would increase to 85 % for installations starting operations from 2026 onwards. However, existing or forthcoming installations would only need to meet the less stringent requirements of the existing RES Directive: at least 50 % for installations in operation before 5 October 2015; and at least 60 % for installations in operation from 5 October 2015.

The **recast directive would enter into force on 1 January 2021**, when the existing RES Directive would be repealed. The proposed transposition date for Member States is 30 June 2021. The recast directive asks the Commission to publish a legislative proposal in 2026 on the regulatory framework for promoting RES in the post-2030 period. It also provides for a Commission report reviewing application of the recast directive in 2032.

Under the proposal, the Commission would be empowered to adopt **delegated acts** in a range of specific areas. These would automatically enter into force, provided that no objection has been expressed by the Parliament or Council within a period of two months. The power to adopt delegated acts would be conferred for a period of five years starting on 1 January 2021, and could be revoked at any time by the Parliament or the Council.

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Views

Advisory committees

The European Economic and Social Committee (EESC) and the Committee of the Regions (CoR) have been consulted on the proposal and both bodies have delivered opinions.

[CoR Opinion ENVE-VI/020](#) of 12 July 2017 on 'Renewable energy and the internal market in electricity' agrees with the 27 % RES share proposed by the Commission, but argues that individual Member States could 'set their own binding targets providing for a higher share'. It regrets the fact that the Commission proposal is vague about the role of local and regional authorities, and does not provide sufficiently clear information on the use of EU financial instruments after 2020. Renewable energy production plants located in third countries included in joint projects should comply with environmental, social, labour and safety standards set by the EU and the relevant Member States. Finally, the CoR believes a 'more thorough examination may be needed of whether the principles of subsidiarity and proportionality have been upheld' in the revised directive.

[EESC Opinion TEN/622](#) of 26 April 2017 on 'Revision of the Renewable Energy Directive' regrets the absence of binding national targets in the Commission proposal, supports stronger measures to facilitate self-consumption/production by citizens and communities, and pushes for a level market playing field for RES production. According to the EESC, the Commission proposal fails to recognise the importance of active participation by local and regional stakeholders, while its approach towards biofuels is too rigid and should focus on reducing use of biofuels that impinge on food production.

National parliaments

National parliaments were [consulted](#) on the proposal. No reasoned opinions relating to the subsidiarity early warning mechanisms were received. However, eight legislatures entered into political dialogue with the Commission (Czech Chamber of Deputies, German Bundesrat, Italian Chamber of Deputies, Polish Senate, Portuguese Parliament, Romanian Chamber of Deputies and Senate, Slovak Parliament). The Czech Chamber of Deputies calls for national contributions to the European RES targets to remain strictly non-binding, likewise with any Commission recommendations or regional cooperation. The Polish Senate considers it unacceptable to impose a linear RES trajectory on Member States, arguing that opening support schemes to cross-border participation should only be done on a voluntary basis, and opposes any restrictions on biomass and biofuel. The Romanian Senate argues that binding targets should not be required at the level of Member States, instead each should be free to determine their own energy mix. In this light the proposed obligation to increase RES in heating and cooling by 1 % per annum limits the right of each Member State to choose the most appropriate strategy to meet the common (EU) goal.

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Stakeholders' views²

The Commission proposal received a mixed and at times critical response from stakeholders, who focused on particular aspects of the directive.

[Climate Action Network](#) (CAN) is critical that 'the Commission leaves it entirely up to Member States to ensure that their contributions add up to the EU target' of 27 % RES by 2030, a level it considers to be little more than business as usual. [Greenpeace](#) and [WWF](#) reiterate the same criticisms about the 27 % target and the phasing out of priority dispatch. WWF argues that Europe risks losing out to renewable energy investment in the USA and China, since the proposal 'fails to provide a strong signal to innovators and investors in the green economy'.

From an industry perspective, the [European Renewable Energies Federation](#) criticises the phasing out of priority dispatch and considers the 27 % RES target as too low. [Eurelectric](#) on the other hand supports phasing out priority dispatch because of the imbalances it creates in the functioning of the electricity market, and views the emphasis on cross-border cooperation in the revised directive as a positive development. Some industry associations such as [Orgalime](#), which represents the engineering industry, also support the proposal. [Eurogas](#), which represents the natural gas industry, welcomes the inclusion of biogas as a renewable energy source. Solar Power Europe is positive about the emphasis on consumers and renewable self-consumption in the Commission proposal. [Wind Energy Europe](#) is generally supportive of the Commission proposal for seeking to create a stable investment framework for the period until 2030, but argues that the Parliament and Council should show greater ambition in their climate change and energy goals, including by setting a higher target for renewables (30 %) as well as requiring more clarity from national plans. The [European Biomass Association](#) credits the Commission proposal for attempting to promote fuel switching in the heating and cooling sector, but maintains that it does little to promote different types of renewable energy sources such as geothermal, solar thermal, biomass and efficient heat pumps.

Several stakeholders focus on the biofuels dimension of the Commission proposal. Groups representing the biofuels industry, such as ePURE and the European Biodiesel Board, [criticise](#) the Commission decision to lower the ceiling on conventional biofuels as an overall share of renewables between 2021 and 2030, as well as the preference for promoting only advanced biofuels. On the other hand, environmental associations such as [Transport & Environment](#), [WWF](#) and [Fern](#) heavily criticise the Commission proposal for continuing to support the use of biofuels, which in their view have already led to significant environmental damage and will not contribute to reducing overall greenhouse gas emissions. [Birdlife International](#) is likewise critical that the Commission is not seeking to phase out the use of biofuels, given the potential damage from land-use change.

² This section aims to provide a flavour of the debate and is not intended to be an exhaustive account of all different views on the proposal. Additional information can be found in related publications listed under 'EP supporting analysis'.



Legislative process

On 27 February and 26 June 2017, the Council debated the Commission proposal. On 18 December 2017, the Council adopted a [general approach](#) on the proposed changes to the RES Directive, which generally supported the Commission proposal for a 27 % binding EU target by 2030, and for this to be achieved without additional binding national targets. The general approach also proposed a number of other revisions, including simplified notification procedures for small-scale installations and clearer rights and obligations for 'renewable self-consumers' and 'renewable energy communities'. The general approach retained the indicative 1 % annual increase in the use of RES in heating and cooling, but sought to make it more flexible for Member States, by taking into consideration the particular characteristics of national energy systems, geography and climate. The general approach set a 14 % RES target in the transport sector, to be met by every Member State, together with a sub-target of 3 % for 'advanced biofuels' (including an intermediate binding milestone of 1 % by 2025), for which double-counting would be allowed. Electromobility would be strongly encouraged, by introducing multipliers of 5x for renewable electricity used in road transport, and of 2x for rail transport. The proposed 7 % cap on first-generation biofuels was supported, but if a Member State were to set a lower cap, it would be rewarded with the option of lowering its overall target for renewables in transport. The general approach would give Member States greater discretion as to whether to open their national support schemes for renewables to cross-border capacity, and would seek to prevent any retroactive changes to such schemes.

In the European Parliament, the [file](#) was referred to the ITRE committee, where rapporteur José Blanco López (S&D, Spain) published a draft report in May 2017. Amendments were tabled and negotiated, with a final vote held on 28 November 2017 (43 votes in favour, 14 against, 7 abstentions). The provisions on biofuels were endorsed by the ENVI committee in its opinion of 13 November 2017, and then formally endorsed by the ITRE committee on 28 November 2017. After further amendments in plenary, the Parliament adopted its position on 17 January 2018 (492 votes in favour, 88 against, 107 abstentions), together with a mandate to start interinstitutional trilogue negotiations with the Council and the Commission.

The [plenary position](#) supported a **binding EU target of a 35 % RES share** in final energy consumption by 2030, including a **12 % RES share in transport in every Member State**. RES would need to comply with new sustainability and GHG emissions reductions criteria, in order to be included in the calculation of national and EU shares. Member States would need to set national targets that are collectively sufficient to meet the 2030 goal. If a Member State deviated from its national target by more than 10 %, and if this deviation put at risk the binding 35 % EU target, then the Commission and Member States would be empowered to adopt corrective measures to ensure the EU met its 2030 goal.

Member States would be required to publish a long-term schedule and regular reporting on national or local support schemes for renewables. Some exemptions from market requirements would be allowed, in particular for small installations and renewable energy communities. The EP position proposed to **lower the share of newly supported capacity that needed to be open to cross-border generation** to 8 % in each year between 2021 and 2025, and 13 % in each year between 2026 and 2030 (the Commission had proposed 10 % and 15 % respectively), and would have allowed some exemptions on the grounds of insufficient interconnection capacity, natural resources, or detrimental effects on energy security or to the smooth functioning of the energy market. The Parliament proposed a **2 % annual increase in the share of RES used for heating and cooling** (double the rate of increase proposed by the Commission), with Member States needing to provide justification in cases of non-compliance.



The Parliament did **not propose to lower the 7 % limit on biofuels in transport** (the Commission had proposed to reduce this from 7 % to 3.8 % between 2021 and 2030). However, it proposed instead to set at 0 % the contribution from biofuels and bioliquids produced from palm oil from 2021 onwards. This would have effectively **excluded palm oil from consideration as a RES** for the purposes of this directive, greatly discouraging its use as a transport fuel. In calculating the transport target to be met by every Member State, greater weight would be given to renewables used in the aviation and maritime sectors as well as renewable electricity supplied to road vehicles. Member States would additionally be required to ensure that 90 % of fuel stations along the roads of the core trans-European transport network are equipped with **recharging points for electric vehicles** by the end of 2022. Fuel suppliers in Member States would need to greatly increase the minimum share of biofuels in their supply from 1.5 % (2021) to 10 % (2030). The Commission had proposed a 6.8 % overall share to be achieved by 2030, including an increase from 0.5 % to 3.6 % of advanced biofuels. The latter target on advanced biofuels was retained in the Parliament's plenary position.

The Parliament proposed to **ease and accelerate the process of permit-granting for small-scale RES installations** (defined as an electricity capacity of between 50 kW and 1 MW). The permit-granting process could not exceed one year (in exceptional cases 15 months) for small-scale installations, as opposed to up to three years for larger installations. Furthermore, all applicants for grants of permits must have access to out-of-court resolution or simple and accessible judicial procedures to settle any disputes.

Member States would be required to carry out an assessment of the existing barriers to self-consumption and put in place an **enabling framework to facilitate renewable energy communities**. The Parliament voted to ease some of the proposed new sustainability and GHG emissions reductions criteria. Electricity, heating and cooling production from biomass would necessitate a 70 % GHG emissions reduction for installations starting operation after 1 January 2021, rising to 80 % for those operating after 1 January 2026 (the Commission proposal set higher levels of 80 % and 85 % respectively). Finally, the Commission would be required to prepare a report every two years on the impacts and benefits of biofuels in the Union as well as in third countries.

Trilogue negotiations started in February 2018 and concluded with a provisional agreement on 14 June 2018. The agreed text was subsequently endorsed by Coreper, on behalf of the Council (29 June) and by the ITRE committee, on behalf of the Parliament (10 July). The final text was formally adopted by the Parliament (13 November) and then Council (4 December). [Directive \(EU\) 2018/2001](#) was published in the Official Journal of the EU on 21 December 2018 and entered into force three days later. Member States are required to transpose the revised directive into their national legislation by 30 June 2021.

The revised directive sets a **32 % binding EU target for the share of RES in final energy consumption by 2030**, to be delivered by means of indicative national contributions. Individual Member States cannot however go below their national RES share for 2020, which now becomes a **baseline** and is listed in Annex I of the directive.³ Furthermore, the Commission is required to **re-evaluate the 32 % target by 2023**, and could then issue a new legislative proposal that increases the level of ambition. Such a proposal could be justified on the grounds of significant cost reductions in renewable technologies, in order to meet

³ Importantly, the 2020 national targets become the new baseline whether or not individual Member States actually meet their target by 2020. Most but not all Member States are on track to meet their 2020 targets.



international commitments on decarbonisation (in particular the Paris Agreement on Climate Change), or if EU energy consumption declines considerably.

The **corrective mechanisms** proposed by the Parliament were diluted and instead simply aligned with the rules agreed for the related Governance Regulation. These allow the Commission to make recommendations for Member States to revise their draft energy and climate plans. Yet the new directive includes many other initiatives introduced by the Parliament: exemptions for small-scale RES installations, long-term schedules of national RES support schemes and their reporting, and more detailed provisions on renewable energy communities and renewable self-consumption. To better activate the existing provisions for statistical transfers, the provisional agreement establishes an **EU Renewable Development Platform** that will include Member State data on RES contributions and may include prices for statistical transfers. The Commission would also have a more prominent role in facilitating joint projects and support schemes, provided for in the original RED but hitherto used only to a limited extent.

The revised directive makes the **opening of RES support schemes to cross-border capacity** a choice for Member States and sets only indicative targets of 5 % per annum (2023-2026) and 10 % per annum (2027-2030). The Commission had initially proposed more ambitious and binding targets that would take effect earlier in time. Nevertheless, the revised directive envisages the possibility of the Commission adopting a new legislative proposal in 2023 to introduce more binding obligations on cross-border capacity, should the indicative approach fall short of meeting its targets.

Member States would likewise be expected (but not obliged) to **increase their share of heating and cooling from RES** by 1.3 % per annum, with a lower target (1.1 %) set for Member States where waste heat or cold are not used in their energy systems.

The revised directive sets a **binding EU minimum target of a 14 % RES share in the transport sector**, calculated as a proportion of fuel supplies on the EU market. The share of conventional biofuels on road and rail will be capped at 7 % EU-wide, with additional caps on Member States where the share is already below this level. **Advanced biofuels** should rise from low levels to a minimum share of 3.5 % by 2030. Use of biofuels that rely on **high risk of indirect land-use-change crops** (including palm oil) will be capped at 2019 levels in each Member State, gradually reducing to 0 % by 2030. The Commission will adopt a delegated act in 2019 on **certification schemes** for biofuels, and apply these criteria to RES calculations over the ensuing decade. This is much less abrupt than the Parliament proposal to stop recognising palm oil as a RES from 2021, but does also encompass other crops used to produce biofuels.

The revised directive sets **higher GHG emissions savings criteria** for biofuels and bioliquids. New installations, from 2021, will need to reduce GHG emissions by 65 % (compared to equivalent fossil fuels), in order to be defined as a RES. Meanwhile, biomass for electricity, heating and cooling will need to reduce GHG emissions by 70 % from 2021, rising to 80 % reductions from 2026. These provisions apply only to new installations (older ones have less stringent criteria that remain unchanged). These targets are somewhat less ambitious than in the original Commission proposal (70 % for transport fuels; 80 % for biomass installations from 2021 and 85 % from 2026) and instead reflect the preferences expressed by both Parliament and Council in the negotiations.

Two committees of national experts, respectively covering Energy Union and the Sustainability of Biofuels, Bioliquids and Biomass, will be responsible for technical work relating to the regulation, including the



monitoring of any implementing and delegated acts approved by the Commission. The revised directive would need to be transposed by 30 June 2021 into national laws and reviewed by the Commission by 2032at the latest.



References

EP supporting analysis

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