

### REVISION OF THE RENEWABLE ENERGY DIRECTIVE

[ DEPARTURES ]

#### > FIT FOR 55 PACKAGE UNDER THE EUROPEAN GREEN DEAL



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The EU renewable energy directive (RED) was originally adopted in 2009 to deliver the EU goal of a minimum 20 % share of renewable energy sources (RES) in final energy consumption by 2020. The RED was substantially revised (recast) in 2018 to deliver the EU objective of a minimum 32 % share of RES in final energy consumption by 2030. As part of the European Green Deal, the EU has adopted even more ambitious climate goals, setting a target of -55 % greenhouse (GHG) emissions by 2030 and a long term goal of net zero GHG emissions by 2050. Both targets were enshrined in the new European Climate Law, agreed by the Council and the Parliament in May 2021. However, achieving these climate goals will require substantial changes to existing EU energy legislation, including a much higher share of RES in the energy mix of the EU and its Member States. As a result, the 'fit for 55' package adopted by the European Commission on 14 July 2021 included a significant revision of the RED.

The Commission's proposal for a revised RED would increase the binding EU minimum share of RES in final energy consumption to 40 % by 2030, in effect doubling the share of RES in the energy mix over the course of a single decade (2021-30). This 40 % goal is significantly higher than the 32 % target agreed by the EU in 2018. The Commission's proposal was accompanied by a detailed impact assessment, including the results of a public consultation held between November 2020 and February 2021.

The Commission's proposal would set a comprehensive framework for the deployment of RES across all sectors of the economy, with a particular focus on sectors where progress has been slow (transport, buildings and industry). The binding EU headline target of 40 % would be supported by a series of higher EU and national targets for 2030, namely:

- new target for 49 % of energy use in EU buildings to come from RES
- new target to increase RES use in industry by +1.1 % annually
- existing target of +1.1 % annual increase in the use of RES in heating and cooling would become binding
- modified target for an indicative +2.1 % increase in the use of RES in district heating and cooling (an increase from the current +1 % target)
  - new targets to decrease GHG intensity of transport fuels by 13 % and reach a minimum 2.2 % share of advanced biofuels in transport
  - new target for renewable fuels from non-biological origin (i.e. mainly hydrogen) in transport of 2.6 %
  - new target for a 50 % share of RES in hydrogen consumption in industry – including non-energy uses.

The Commission's proposal would also create a new credit mechanism aimed at boosting the use of renewable electricity in transport, and would remove barriers in permitting procedures for new RES installations. The revised RED would include new provisions to facilitate collective Power Purchase Agreements for renewable energy; introduce an EU labelling methodology for industrial products produced using renewable energy; and set up a cross-border pilot project to foster regional cooperation on renewables (e.g. offshore wind hub).

The Commission's proposal would also further strengthen the sustainability of biofuels, in particular by prohibiting the use of all biomass from primary and highly biodiverse forests (rather than just agricultural biomass, as in the 2018 directive) and the use of stumps and roots, and would oblige Member States to design RES support schemes in accordance with the biomass cascading principle. Furthermore, the revised RED would apply more ambitious GHG reduction criteria, agreed as part of the 2018 RED, to existing biomass-based installations and not just to new installations. Finally, it would lower the threshold for applying sustainability criteria for small-scale RES installations to 5 MW (rather than the 20MW level set out in the 2018 RED).

The Parliament has referred this file to the Committee on Industry, Research and Energy (ITRE), which appointed MEP Markus Pieper (Germany, EPP) as rapporteur to produce a draft report. The Committee on the Environment, Public Health and Food Safety (ENVI) will be an associated committee under Rule 57 (European Parliament Rules of Procedure) and will focus on provisions relating to the sustainability and GHG emissions saving criteria of biofuels. ENVI has appointed MEP Nils Torvalds (Finland, Renew) as its rapporteur to produce a draft opinion. The Commission presented its proposal to revise the RED to the ITRE committee on 14 October 2021.

The Council of the EU has discussed this file in the Working Party on Energy. The RED proposal was a focus of the informal Council meeting of EU energy ministers held on 22 September 2021.

## References:

- EP Legislative Observatory, [Renewable Energy Directive. 'Fit for 55 package', 2021/0218\(COD\)](#)
- European Commission, [Proposal for a Directive amending Directive \(EU\) 2018/2001, Regulation \(EU\) 2018/1999 and Directive 98/70/EC, as regards the promotion of energy from renewable sources, and repealing Council Directive \(EU\) 2015/652](#), COM (2021)557
- [Directive \(EU\) 2018/2001 of 11 December 2018 on the promotion of the use of energy from renewable sources](#)
- European Commission, [Communication on the European Green Deal](#), COM (2019) 640
- European Commission, [Commission proposes transformation of EU economy and society to meet climate ambitions](#), Press Release, 14 July 2021.

## Further Reading:

- European Parliament, EPRS, [Revision of the Renewable Energy Directive: Fit for 55 package](#), Briefing - Legislation in Progress,

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- European Parliament, EPRS, [Fit for 55 package: Energy from renewable sources, Briefing - Initial Appraisal of a Commission Impact Assessment](#), November 2021
- European Parliament, EPRS, [Renewable Energy Directive](#), Briefing - Implementation Appraisal, March 2021

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#### HYPERLINK REFERENCES

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