

Press Kit for Press Seminar
“Climate crisis & energy dependency:
the ‘Fit for 55’ package to accelerate Europe’s green transition”

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European Parliament

[#FitFor55](#)

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BACKGROUND

Achieving climate neutrality by 2050 is the EU's long-term objective. In the shorter run, all focus is on the Fit for 55 package of legislation to revise and update current climate, energy and transport-related legislation to cut greenhouse gas emissions by at least 55 % by 2030 and to become independent from expensive and polluting fossil fuels from Russia well before 2030.

What is included in the package?

The legislation and policy initiatives included in the Fit for 55 package could be broadly into five areas:

- Revision of Emissions Trading System (ETS)
- Reducing CO2 emissions in other sectors
- Increasing energy efficiency
- Increasing energy security
- Social Climate Fund and Energy taxation

Emissions Trading

The **Emissions Trading System (ETS)** has been in place **since 2005 and currently covers around 41 % of EU greenhouse gas emissions**. It obliges more than 11,000 power plants and factories to hold a permit for each tonne of CO2 they emit. This should provide a financial incentive to pollute less: the less you pollute, the less you pay. Companies have to buy them through auctions and the price is affected by demand and supply. As the demand for permits and prices dropped, the Commission proposed a set of changes to the existing system that should result **in an overall emission reduction of 61% by 2030 compared with 2005 in sectors covered by ETS**. [The ENVI Committee wants more ambition](#).

The proposed actions on the Emissions Trading include:

- [Revision of the EU ETS](#) to extend it to maritime transport and create a separate new ETS for buildings and road transport.
- Phase out free allocation of emission allowances to aviation and to the sectors that are to be covered by [the carbon border adjustment mechanism](#) (CBAM).
- Implementation of **the global carbon offsetting and reduction scheme for international aviation** ([CORSIA](#)) through the EU ETS.

Reducing CO2 emissions in other sectors

On top of the proposals to update the ETS made by the Commission, the package includes several proposals to revise current CO2 targets.

The set of proposals includes:

- Reducing the [CO2 emissions of new cars and vans](#) by 55% and 50% respectively by 2030. In addition, by 2035 all new passenger cars and vans must produce zero emissions or emit no CO2. ENVI adopted their position in line with the Commission's proposal on 11th of May.
- Revision of the **Effort Sharing Regulation** ([ESR](#)) to reduce emissions under the ESR by at least 40%, compared to 2005 levels. ENVI adopted a [report](#) in May in which MEPs call for more transparency and less flexibility to borrow, bank and transfer emissions allowances.
- Revision of the **Regulation on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry** ([LULUCF](#)). The proposal aims at setting an EU-level target for net removals of greenhouse gases of at least 310 million tonnes of CO2 equivalent by 2030, which is distributed among the member states as binding targets, the inclusion of agriculture non-CO2 emissions and simplifying the rules on accounting and compliance and enhance monitoring. In the [report](#) adopted by the ENVI committee in May, MEPs are asking for sub-targets for cropland, grassland and wetlands both at the EU and at the member state level and carbon farming to deliver 50 million additional tonnes CO2-equivalent of net removals.

Energy efficiency

The further aim of the Fit for 55 package is to increase energy efficiency. It aims at doing so by revising the **Energy Efficiency Directive** ([EED](#)) and **Renewable Energy Directive** ([RED](#)) as well as increasing the use of alternative, more sustainable fuels in aviation and maritime transport ([ReFuelEU Aviation](#) and [Fuel EU Maritime](#)).

The revised EDD proposal aims at increasing the current EU-level target for energy efficiency, **36% for final and 39% for primary energy consumption**. It would focus on sectors with high energy-savings potential (heating and cooling, industry and energy services) and expect the public sector to lead by example.

Under the revised RED, Member States would be obliged to double the share of renewable energy sources in final energy consumption to **a minimum of 40 % by 2030**. All sectors of the economy are included in the directive with a particular focus on transport, buildings and industry, where the progress was slower.

The package also includes proposals to increase the use of alternative fuels in aviation and maritime transport ([ReFuelEU Aviation](#) and [Fuel EU Maritime](#)).

Energy security and infrastructure

Last month, MEPs and EU Ministers agreed upon [new emergency rules to restock gas reserves before next winter](#), in the wake of the disruption of supply caused by the Russian aggression of Ukraine. The new law sets mandatory minimum level of gas in storage facilities to 80% by 1 November 2022. Gas storage capacities will also become critical infrastructure: all storage operators will have to undergo new mandatory certification to avoid risks of outside interference. The text will be voted in plenary session on 23rd of June.

The Parliament adopted proposals in April to increase energy security by investing in [Trans-European energy infrastructure](#). In addition, funding of projects related to the development of hydrogen infrastructure and carbon capture and storage.

The legislation sets criteria and the methodology for choosing energy projects of common interest (PCIs), such as high-voltage transmission lines, pipelines, energy storage facilities and smart grids, which would benefit from fast-track administrative procedures and be eligible to receive EU funds.

The Commission has also presented a proposal for the revision of existing legislation aiming to accelerate the deployment of infrastructure for recharging or refuelling vehicles with alternative fuels and to provide alternative power supply for ships in ports and stationary aircraft.

The Commission in December 2021 adopted a proposal to reform the gas and hydrogen market to decarbonise the EU gas market and promote hydrogen. The reform consist of the [Gas and hydrogen markets directive](#) and [Gas and hydrogen markets regulation](#). The aim is to change current legislation to facilitate an easier transition from natural gas to renewable, low-carbon gases and hydrogen. The proposed measures would require Member State to invest in the storage infrastructure on their own or through joint ventures. It also proposes a creation of the governing structure called 'European Network of Network Operators for Hydrogen' (ENNOH) to oversee and promote the development of hydrogen infrastructure and network.

Social Climate Fund and Energy taxation

The [Social Climate Fund](#) is being introduced to address any social and economic impacts that arise from the new ETS. Upon European Commission figures, a **total of up to 72.2 billion EUR** (in current prices) could be allocated to the fund **over the 2025-32 period** to help member states support measures and investments to **increase the energy efficiency**. ENVI and EMPL backed the proposal in May to create the SCF, although being aware that the amount of money expected by the Commission might not reach this level. With the money allocated to the fund, investment are going to be made to support sustainable transport buildings, decarbonisation of heating and cooling of buildings, including the integration of energy from renewable sources, and granting improved access to zero and low-emission mobility and transport.

The revision of the [Energy Taxation Directive](#) proposal includes taxation of fuels according to their energy content and environmental performance rather than their volume and simplification of product categories to ensure that fuels most harmful to the environment are taxed the most. The exemptions for certain products and home heating will be phased out and fossil fuels used as fuel for intra-EU air transport, maritime transport and fishing should no longer be fully exempt from energy taxation in the EU. The European Parliament is only consulted on issues related to tax.

USEFUL LINKS

ETS At Glance

- [Revision of the EU Emissions Trading System](#) (Procedure file)
- [Legislative train on the Revision of the EU emission trading system \(ETS\)](#)
- [The EU Emissions Trading Scheme \(ETS\) and its reform in brief](#)
- [Fit for 55 in 2030: MEPs put forward demands on Emissions Trading System reform](#) (Press release, 17 may 2022)

CBAM At Glance

- [Carbon Border Adjustment Mechanism](#) (Procedure file)
- [Legislative train on Carbon Border Adjustment Mechanism \(CBAM\)](#)
- [EU carbon border adjustment mechanism: Implications for climate and competitiveness](#) (EPRS Briefing, February 2022)
- [MEPs: Put a carbon price on certain EU imports to raise global climate ambition](#) (Press release, 10 March 2021)
- [CBAM: MEPs push for higher ambition in new carbon leakage instrument](#) (Press release 17 may 2022)

SCF At Glance

- [Social Climate Fund](#) (Procedure file)
- [Legislative train on Social Climate Fund \(SCF\)](#)
- [Social climate fund: Fit for 55 package](#) (EPRS Briefing, November 2021)

RED At Glance

- [Renewable Energy Directive](#) (Procedure file)
- [Legislative train on Renewable Energy Directive \(RED\)](#)
- [Revision of the Renewable Energy Directive: Fit for 55 package](#) (EPRS Briefing - Legislation in Progress, November 2021)
- [Fit for 55 package: Energy from renewable sources](#) (EPRS Briefing - Initial Appraisal of a Commission Impact Assessment, November 2021)

EED At Glance

- [Legislative train on the Revision of the Energy Efficiency Directive \(EED\)](#)

- [Energy: new ambitious targets on renewables and energy efficiency](#) (Press Release, November 2018)

Gas and Hydrogen market reform at glance

- [Gas and hydrogen markets directive](#) (Procedure file)
- [Gas and hydrogen markets regulation](#) (Procedure file)

LINKS of FILES RELATED

- [CO2 emission standards for cars and vans](#) (Legislative train)
- [CO2 emission standards for cars and vans](#) (Press release, 10 may 2022)
- [ETS aviation/CORSIA: updated notification rules under international scheme](#) (Press release, 11 may 2022)
- [Fit for 55: MEPs want stricter rules for member states' greenhouse gas emissions](#) (Press release, 17 may 2022)
- [Fit for 55: increased ambition for emissions reduction in international aviation](#) (Press release, 17 may 2022)
- [Batteries and waste batteries](#) (Procedure file)
- [Sustainable Development Goals](#) (Procedure file)
- [Fit for 55: New EU carbon sinks goal will increase 2030 reduction target](#) (Press release, 17 may 2022)

BIOGRAPHIES

Speakers



Pascal CANFIN (Renew, FR), Chair of ENVI Committee



Peter LIESE (EPP, DE), Member of the ENVI Committee, Rapporteur on the revision of the EU emission trading system (ETS)



Mohammed CHAHIM (S&D, NL), Member of the ENVI Committee, Rapporteur on the proposal for a regulation establishing a Carbon Border Adjustment Mechanism (CBAM)



Sara MATTHIEU (The Greens/EFA, BE), member of EMPL Committee and shadow rapporteur on Social Climate Fund



Jan HUITEMA (Renew, NL), Member of the ENVI Committee, Rapporteur on the amending Regulation (EU) 2019/631 as regards strengthening the CO2 emission performance standards for new passenger cars and new light commercial vehicles



Bas EICKHOUT (The Greens/EFA, NL), Vice-Chair of ENVI Committee and co-Rapporteur for the Taxonomy Regulation



Lina GÁLVEZ (S&D, ES), Vice-Chair of ITRE Committee



Christian EHLER (EPP, DE), Coordinator of the EPP position in ITRE Committee



Niels FUGLSANG (S&D, DK), Member of ITRE Committee, Rapporteur on the proposal for a Directive on Energy Efficiency (recast)



Ciarán CUFFE (The Greens/EFA, EI), Member of ITRE Committee and Rapporteur on Energy Performance of Buildings Directive