

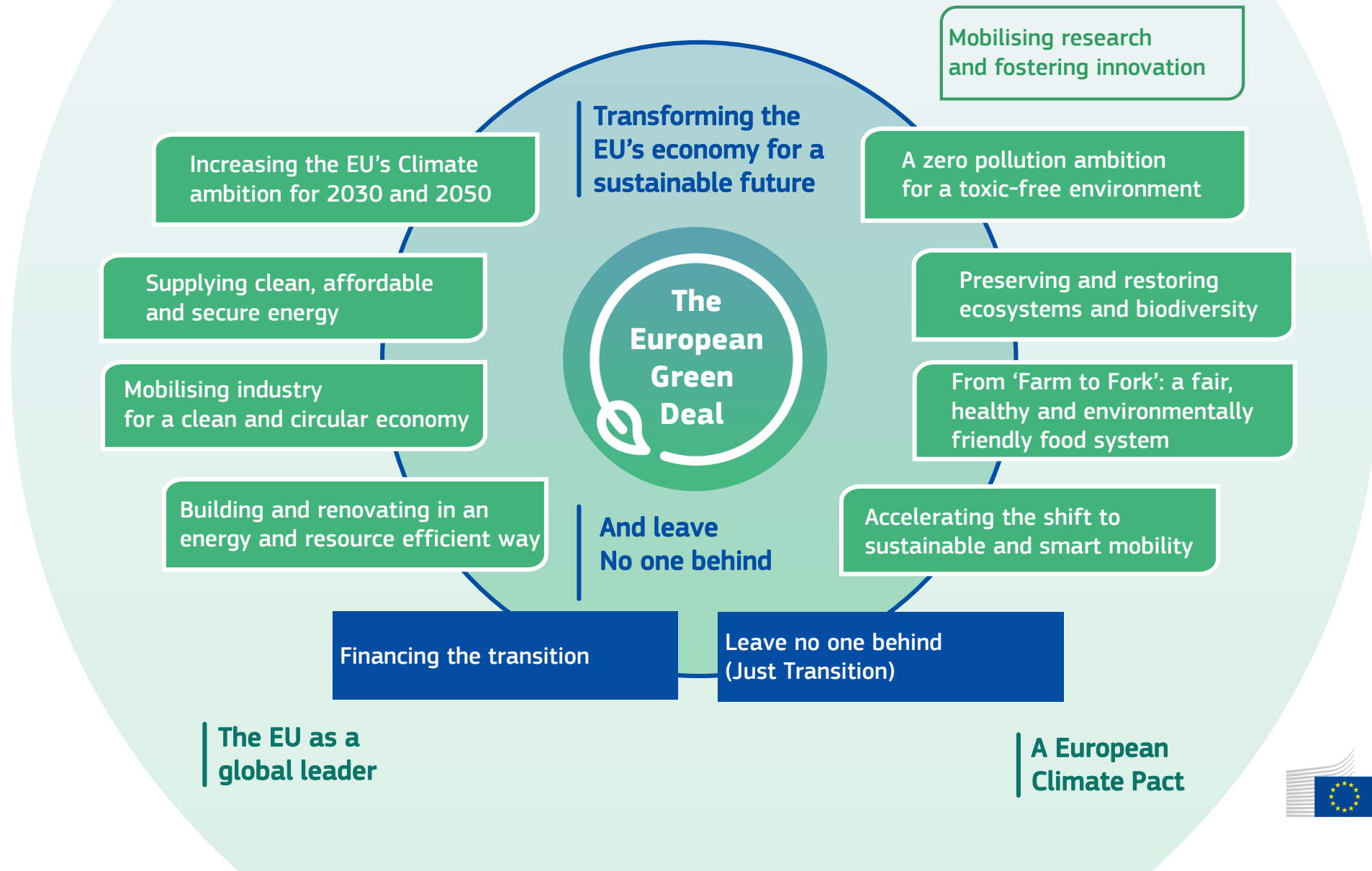


# DELIVERING THE **EUROPEAN GREEN DEAL**

**The “Fit for 55” Package**

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European Commission

# EUROPEAN GREEN DEAL



# EUROPEAN GREEN DEAL – ENERGY

## Key elements

- **Prioritising** energy efficiency - **energy savings**;
- Electrifying where we can – **boosting renewables**; and
- Innovating where we cannot electrify – eg by using more **low-carbon fuels and hydrogen**.

Based on positive trends observed in the energy sector:

- dramatic decline in GHG emissions;
- new records in wind and solar generation;
- intensified coal-to-gas fuel switching as a transition step;
- lower energy prices.

# EUROPEAN GREEN DEAL – ENERGY in 2020

## Offshore Renewable Strategy



Average power capacity of offshore wind turbine

0,45 MW

3MW

7,8MW

↗

↗

EU offshore wind energy capacity

5MW

3GW

12GW

≥60GW

300GW

Ocean energy capacity (e.g. wave, tidal)

3,8MW

13MW

≥1GW

40GW

## Hydrogen Strategy



Today - 2024

2025 - 2030

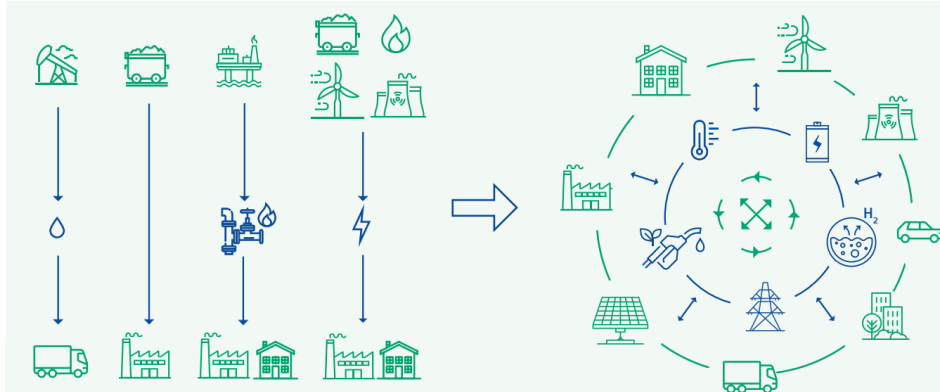
2030 -

From now to 2024, we will support the **installation of at least 6GW of renewable hydrogen electrolyzers in the EU**, and the production of **up to 1 million tonnes** of renewable hydrogen.

From 2025 to 2030, hydrogen needs to **become an intrinsic part of our integrated energy system**, with at least 40GW of renewable hydrogen electrolyzers and the production of **up to 10 million tonnes** of renewable hydrogen in the EU.

From 2030 onwards, **renewable hydrogen** will be **deployed at a large scale** across all hard-to-decarbonise sectors.

## Energy Systems Strategy



## Renovation Wave



Tackling **energy poverty** and **worst-performing buildings**



Renovation of **public buildings** such as schools, hospitals and public administrations



Decarbonisation of **heating and cooling**



## Energy Infrastructure TEN-E



European Commission

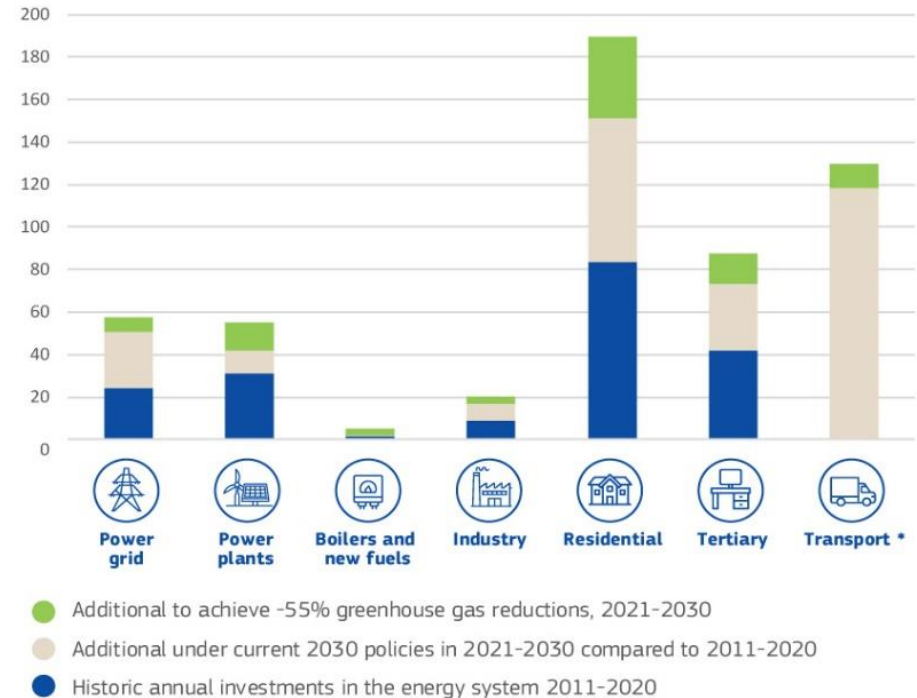
# Fit for 55 – At a glance

# 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 by 2050;
- 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)



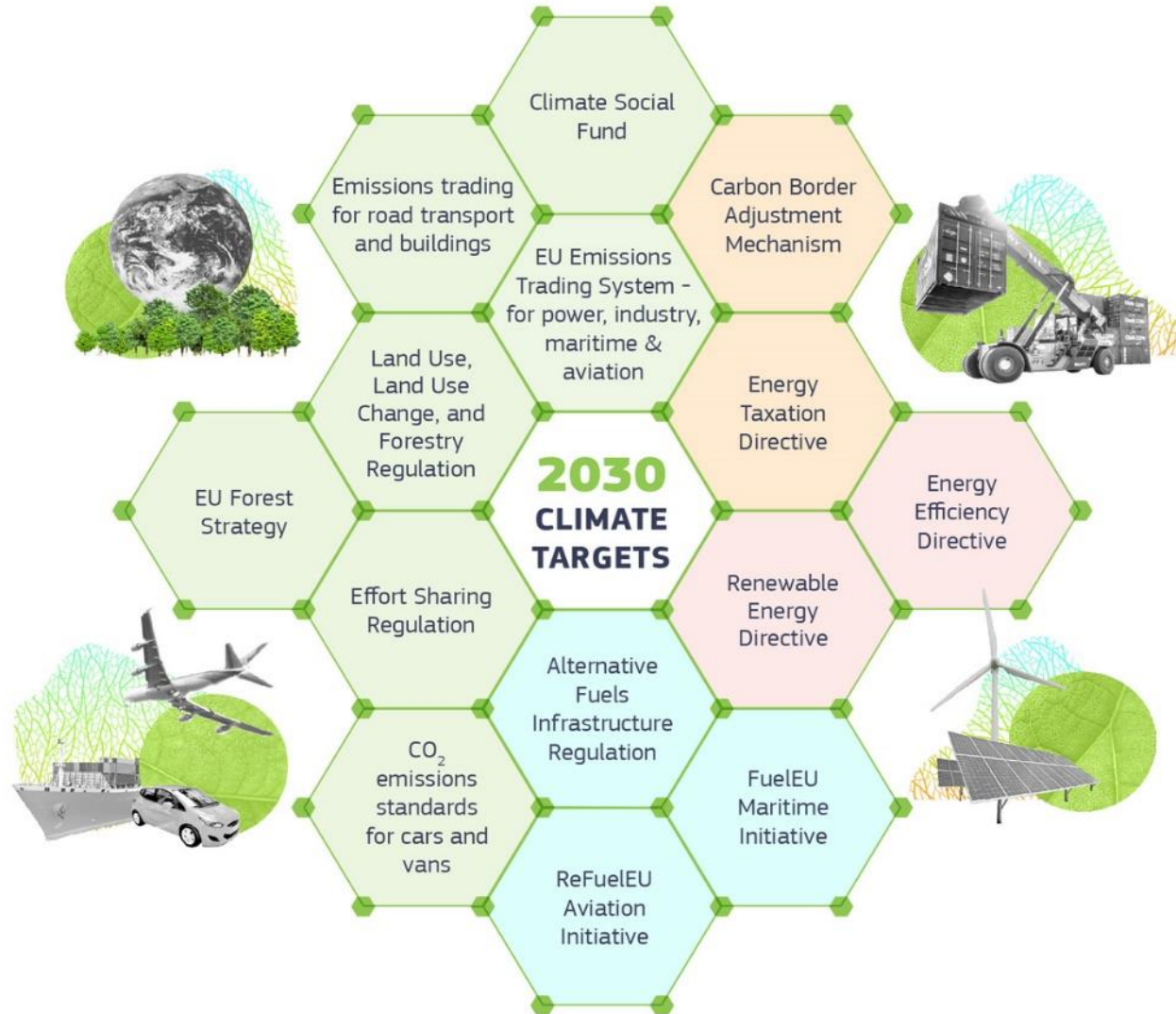
\* transport only shows additional investment

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.



# Presentation of proposals

# 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
- Lower overall emission cap,
- Climate Social Fund to address possible social impacts, increase of the Innovation and Modernisation Funds

# ESR and LULUCF

- ESR (Effort Sharing Regulation)

- Assigns strengthened emissions reduction targets to each Member State
- Keep existing architecture and scope: will continue to cover road transport and buildings sectors, alongside their inclusion in the new ETS

- LULUCF (Land use, Forestry and Agriculture)

- 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



# Revising the Renewable Energy Directive

- Increased renewables ambition in key sectors (heating and cooling, transport, industry, buildings)
- Boosting the deployment of and the investment in renewable energy
- Sustainable bioenergy reinforced criteria in line with the EU Biodiversity Strategy

**Renewables** in the EU energy mix



**19.7%**

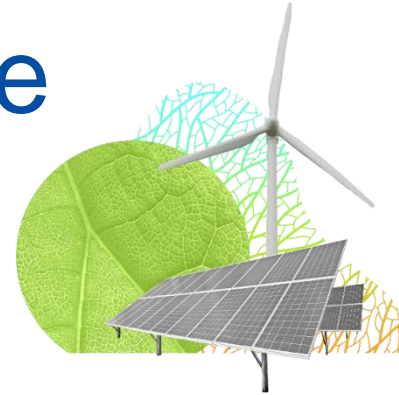
Current renewables share (in 2019)

**32%**

Current EU 2030 target

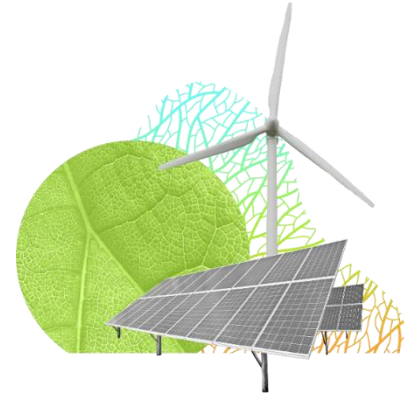
**40%**

New EU 2030 target



# Revising the Energy Efficiency Directive

- Indicative Member State contributions to the EU-level energy efficiency target
- Reinforcement of the Energy Efficiency First Principle
- Measures to alleviate energy poverty and boost consumer empowerment
- The **public sector will be required to renovate 3% of its buildings** each year to drive the renovation wave



**17.0-17.4%**

Current energy efficiency savings for primary and final energy consumption (in 2019)

**32.5%**

Current EU 2030 non-binding target (relative to 2007 projections)

**36-39%**

New EU 2030 binding target for final and primary energy consumption



# 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**



# EUROPEAN GREEN DEAL

## – ENERGY next steps

### Next steps in the energy sector in 2021

- Targeted revision of the **Energy Performance of Buildings Directive**;
- Package on **competitive, decarbonised gas markets**, including renewable hydrogen; and
- New regulation to reduce **methane emissions in the energy sector**.



Thank you

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