Renewable Energy Directive

2021/0218(COD) - 14/07/2021 - Legislative proposal

PURPOSE: to amend existing legislation on the promotion of energy from renewable sources in the light of the EU's climate ambition.

PROPOSED ACT: Directive of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: renewable energy plays a fundamental role in delivering the European Green Deal and for achieving climate neutrality by 2050, given that the energy sector contributes over 75% of total greenhouse gas emissions in the EU. By reducing those greenhouse gas emissions, renewable energy also contributes to tackling environmental-related challenges such as biodiversity loss.

Directive (EU) 2018/2001 (Renewable energy Directive II - RED II) sets a binding Union target to reach a share of at least 32 % of energy from renewable sources in the Union's gross final consumption of energy by 2030. Under the Climate Target Plan, the share of renewable energy in gross final energy consumption would need to increase to 40% by 2030 in order to achieve the Union’s greenhouse gas emissions reduction target. Therefore, the target needs to be increased.

The European Green Deal launched a new growth strategy for the EU that aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy. The ‘European Climate Law’ has made the EU's climate neutrality target by 2050 legally binding.

The Commission has presented a **complementary and interconnected set of proposals as part of the 2030 Climate and Energy ‘Fit for 55’ package** to achieve the greenhouse gas emission reduction target of **at least 55% compared to 1990**. This ‘Fit for 55’ legislative package is the most comprehensive building block in the efforts to implement the ambitious new 2030 climate target, and all economic sectors and policies will need to make their contribution.

CONTENT: the proposed revision of the Renewable Energy Directive aims to raise the production target so that the **share of energy from renewable sources reaches 40% by 2030**. All Member States will contribute to this target, and specific targets are proposed for the use of renewable energy in transport, heating and cooling systems, buildings and industry.

The main changes are as follows:

Strengthening the renewable energy target

The proposal requires fuel suppliers to ensure that the amount of renewable fuels and renewable electricity supplied to the **transport sector** leads to a reduction in greenhouse gas intensity of **at least 13% by 2030**. It also provides for a mandatory annual increase of 1.1 percentage points for the use of renewable energy in the **heating and cooling sector** at national level.

In addition, the proposal sets an indicative target for **industry** (1.1 percentage point annual increase in the use of renewable energy) and a new EU indicative target of 49% renewable energy in buildings by 2030.

In line with the ambition of the EU hydrogen strategy, the proposal also raises the ambition level for **advanced biofuels** to 2.2% of transport energy consumption and introduces a 2.6% target for hydrogen and synthetic hydrogen fuels in the sector.

Promoting the deployment of and investment in renewable energy

In line with the EU's strategy for the integration of the energy system, the proposal introduces measures to **develop electrification**, including a credit mechanism for transport. The measures include:

- setting up an EU-wide certification scheme for renewable fuels (including hydrogen)

- facilitating purchase agreements for electricity from renewable sources;

- speeding up the authorisation of renewable energy projects;

- promote cross-border cooperation, including through the Renewable Energy Financing Facility.

Sustainable bioenergy

In line with the EU Biodiversity Strategy, the proposal **strengthens the EU's sustainability criteria** for the use of bioenergy and also provides for specific biodiversity and climate safeguards for forest biomass.

In particular, the proposal:

- bans the sourcing of biomass for energy production from primary forests, peatlands and wetlands;

- specifies sustainability criteria for harvesting and maintaining soil quality and biodiversity;

- promotes the use of biomass according to its highest economic and environmental added value (cascading);

- prohibits national financial incentives which support the use of saw logs, veneer logs (high quality wood), and stumps and roots (that are important for the soil) for energy generation;

- requires all biomass heat and power installations to meet minimum greenhouse gas emission reduction thresholds;

- requires the application of EU sustainability criteria to smaller heat and power plants (5 MW or more).