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Climate Law: Member States and Parliament finally reach an agreement

After several months of trilogue negotiations and night-long discussions over targets, the co-legislators have reached an [agreement](#) to set into law the climate neutrality objective. The final agreed target for GHG emissions reduction by 2030 is **55% compared to 1990**, as initially proposed by the Commission and the Member States. Moreover, the Law will establish a European Scientific Board on Climate Change tasked to provide scientific advice and oversee that EU measures are coherent with the Climate Law and the EU's commitment under the Paris Agreement. Finally, the Commission is expected to propose an intermediate target for 2040.

EU Green Deal: Fit for 55 package to be presented in July

The EC is currently working on a legislative package to fundamentally overhaul the EU's climate and energy policy framework, the **"Fit for 55 package"**. The aim is to align existing legal acts with the recently agreed 2030 target of 55% (see article above) and ultimately with the long-term goal of climate neutrality by 2050. The EU community expected the proposals in June, but the EC now confirmed that it will release the package on **14 July**. Of importance for CEDEC and its members are the following initiatives:

- Amendment to the Renewable Energy Directive (RED II)
- Amendment of the Energy Efficiency Directive (EED)
- Revision of the Energy Tax Directive
- Revision of the Directive on deployment of the alternative fuels infrastructure
- Revision of the EU Emissions Trading System (incl. revision of the EU ETS Directive concerning aviation, maritime and CORSIA)
- Effort Sharing Regulation

Unlike these initiatives, the release of the Energy Performance of Buildings Directive (EPBD) proposal, for which the public consultation is still running till 22 June, is only envisaged in the fourth quarter of 2021.

Leaked: the revised Renewable Energy Directive and its impact assessment

On the 4th of May the Brussels' leak fairy circulated the [policy options](#) and the [draft impact assessment](#) of one of the crucial legislative reviews foreseen with the "Fit for 55%" package: the Renewable Energy Directive III. From the leaked documents we see that the Commission intends to increase the renewables target to **38-40% by 2030**, basically doubling the current share of renewables. Among others, measures include boosting renewables in buildings and in the transport sector. The annual increase of renewables in heating and cooling and in district heating could become binding, with respectively 1.1 and 1 percentage points, while the reviewed definition of "efficient district heating and cooling" could ban fossil fuels completely. A big part of the revision should support renewable and low-carbon fuels through certification and the creation of specific sub-targets for renewable fuels of non-biological origins (aka hydrogen).

EC presents: "Artificial Intelligence Act" for high-risk AI applications

On 21 April 2021 the EC put forward its first-ever [legal framework on Artificial Intelligence \(AI\)](#), which builds on the [White Paper](#) presented by the EC in February 2020.

The Regulation defines specific fields of application, in which the use of the AI system is considered to be high-risk, a list can be found in the Annex to the Regulation. Areas of application are amongst others critical infrastructures or employment and personnel management. High-risk AI systems have to meet strict requirements before they are placed on the market. The Regulation also applies to users of relevant AI systems, who will have to comply with supervision obligations. Once a user significantly modifies an AI system or uses it for another purpose than intended by the provider, the stricter requirements foreseen for providers apply to the user.

The **energy sector** is also likely to fall under the scope of the Regulation within the framework of critical infrastructures, for example for network control and load management. Energy companies could qualify as either providers or users of AI systems.

The proposal will now be debated in the European Parliament and the Council. The EC indicates that the earliest entry into force could be in the second half of 2022 with the Regulation becoming applicable to operators as from the second half of 2024.

European Parliament: ITRE-amendments on draft TEN-E report published

A total of 1075 amendments (AMs) to the draft report on the TEN-E revision of rapporteur Zdzisław Krasnodębski have been published end of April on the [European Parliament's website](#). Positively, MEPs are proposing an alternative to the strict "significant cross-border-effect"-criterion, by introducing a concept of "(cross-border) replicability of projects" including knowledge sharing and transfer. Moreover, MEPs call for the inclusion of the low voltage level in the Annex to the revised TEN-E. Another positive development is the request for a new category on district heating and cooling. Precise amendments are available on request.

Also on the gas side, there are several interesting amendments going into the right direction. MEPs are acknowledging the role of all forms of hydrogen through the inclusion of decarbonised gases and foresee a role for a future gas DSO Entity.

MEPs have already started discussions on possible compromise amendments, with the next technical meeting scheduled on Friday. A vote on the final amendments and the draft report in the Committee on Industry, Research and Energy (ITRE) is scheduled on 15 July 2021.

FROM OUR MEMBERS!

From our members: H2VorOrt

In the "H2vorOrt" project in Germany, 34 project partners have come together to determine how a secure regional supply of climate-neutral gases can be achieved throughout the country and what transformation path needs to be followed. The focus is particularly on hydrogen as a climate-neutral energy source and link between the sectors and infrastructures. The H2vorOrt project partners see the existing gas networks as the leading distribution infrastructure for hydrogen in Germany. They believe that a 100% supply of hydrogen via the distribution networks is technically possible and makes sense, by reallocating the existing infrastructure and building new network sections. Learn more about the project [here](#).

Reading of the month

[KU Leuven – Use of hydrogen in buildings – BathyBuild study](#)



Ongoing consultations

- [Public consultation on hydrogen and gas market decarbonization package – deadline 18 June 2021](#)
- [Public Consultation on the revision of the Energy Performance of Buildings Directive – deadline 22 June 2021](#)

Upcoming meetings & Events

- CEDEC WG EU DSO Entity: 27 May 2021
- EU Electricity Regulatory Forum (Florence Forum): 14-15 June 2021
- EU Hydrogen Forum: 17-18 June 2021
- CEDEC General Assembly (Vienna): 23 June 2021