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# CEDEC Brief News | May 2022

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## EC presents: RePowerEU follow-up (“May Package”)

In an unprecedented effort to tackle the current energy crisis, following up on the communication “[RePowerEU: Joint European action for more affordable, secure and sustainable energy](#)” published on 8th of March, the European Commission [published](#) on 18th of May a large series of legislative and non-legislative measures. This [set of measures](#) has 4 main objectives: to boost energy savings in the short, mid- and long-term; to diversify energy imports and support the most affected international partners; to substitute fossil fuels with sustainable energy sources; to promote and target related key investments. For each of these actions, the EC lists supporting initiatives under existing instruments (e.g. Innovation Fund, Connecting Europe Facility, Cohesion policy, Common Agricultural Policy, etc.) and/or tables specific legislative and non-legislative documents.

1. **Energy savings** are to be achieved on the short-term through consumers behavioural changes, and on the medium and long-term through energy efficiency measures. To tackle this element, the EC published:
  - An [amendment to the Energy Efficiency Directive \(EED\)](#) increasing the Union target for energy efficiency to at least 13% in 2030 compared to the 2020 reference scenario;
  - an [amendment to the Energy performance of buildings Directive \(EPBD\)](#) introducing the obligation for Member States to ensure new buildings are solar-ready and to install solar energy installations;
  - an [EU Save Energy Communication](#) including a list of short-term concrete actions citizens can take to reduce their energy consumption, and a list of the mid- to long-term energy efficiency measures.
2. To **diversify energy imports**, the EC is considering developing a voluntary operational “joint purchasing mechanism” and strengthen energy international partnerships to integrate more renewable energies, as also described in the [EU External Energy Strategy](#).
3. To **substitute fossil fuels and accelerate clean energy transition**, speeding up and scaling-up renewables in all sectors is considered key. The EC focuses mainly on solar PVs, offshore wind and heat pumps, while renewable hydrogen and sustainable biomethane are seen as crucial to replace that part of natural gas use that it is not switched to electricity. In this regard, the EC mainly calls on policy makers to rapidly conclude the revision of the H2&Gas Package and on industry to accelerate work on hydrogen standards. To tackle this element, the EC published:
  - An [amendment to the Renewable Energy Directive \(RED\)](#) introducing a definition of “renewables go-to area” and related permit-granting process; increasing the Union’s renewable energy target to 45%; requiring Member States to promote the testing of new renewable energy technologies and to identify land and sea areas for installations; regulating permit-granting process outside renewables go-to areas and for solar installations; ensuring that renewable generation plants and their connection/storage are overriding public interest for specific purposes;
  - A [recommendation on permitting and PPAs](#) for Member States to improve permit-granting procedures’ timing, citizens participation and digitalisation; to facilitate grid connection; and to remove barriers to renewable PPAs;
  - An [EU Solar Strategy](#) and a [European Solar Rooftop Initiative](#) detailing how to support a massive growth in solar energy production;
  - Two [delegated acts on the definition and production of renewable hydrogen](#) foreseen under the REDII and now open for stakeholders’ feedback;
  - A [Biomethane Action Plan](#), exploring actions that the Commission could envisage to achieve the target of 35bcm annual biomethane production

In addition, in order to strengthen the supply chain of solar, wind and heat pumps and make it more sustainable, the EC plans to publish/set-up in the upcoming months:

  - **Ecodesign and energy labelling** requirements for solar PVs and revision of existing requirements for heat pumps (Q1 2023);
  - A list of Important Projects of Common European Interest or **IPCEI** to support Member States resources’ pooling on technologies and innovation along the solar and wind energy and heat pumps value chains;
  - An **EU Solar Industry Alliance**;
  - A legislative proposal on critical raw materials.
4. A **limited number of key additional infrastructure needs** is identified to which financial support should be focused – notably located in Central and Eastern Europe, in the northern part of Germany, in the Iberian Peninsula and in the Southern Gas Corridor. REPowerEU is estimated to require additional €210b of investments until 2027 on top of what is already foreseen for the Fit for 55, but its implementation is expected to bring savings of €80b in gas imports, €12b in oil imports and €1.7b in coal imports per year by 2030.

The Commission also adopted a [Communication on Short-Term Energy Market Interventions and Long Term Improvements to the Electricity Market Design](#), where it presents additional short-term measures to tackle high energy prices, but also a number of areas where the electricity market design can be optimised.

## European Parliament: Fit For 55 – state of play

While the “May Package” and the new “RePowerEU” initiatives have just recently been published (see above) – and notwithstanding the fact that those new measures are strongly linked to the “Fit for 55” Package – negotiations on the legislative “Fit for 55” files have been continuing in the European Parliament in an unchanged pace. This leaves the question open on how the Parliament intends to take due account of the interplay between these two comprehensive packages.

A first – although not yet final – result of the negotiations in Parliament is the recent vote on the reform of the EU Emissions Trading System (EU ETS), which includes a proposal for a separate EU ETS on road transport and buildings. The vote in the EP environment committee on the 16th of May included that the EU ETS would also be extended to waste incineration plants as of 2026. The final Parliament’s position on the file is to be voted in plenary in June.

On the EED and RED, after MEPs had the possibility to submit their amendments (AMs) to the draft ITRE reports of the responsible rapporteurs in March (more than 1.000 AMs for each file), the AMs on the EED and RED were discussed in an ITRE committee meeting in mid-April. As a next and ongoing step, AMs presented by MEPs will become the subject of informal discussions between the rapporteur and the shadow rapporteurs with the aim to reach compromise AMs that are subsequently put to the vote in the responsible committees (ITRE, ENVI, TRAN and ECON). According to the latest update of the European Parliament timetable, the provisional voting dates for the CEDEC priority files of the “Fit for 55” Package are set as follows:

- **ITRE** report (incl. AMs) on the **Energy Efficiency Directive (EED)**: 13/7 (plenary vote: 13/9)
- **ITRE** report (incl. AMs) on the **Renewable Energy Directive (RED)**: 13/7 (plenary vote: 13/9)
- **TRAN** report (incl. AMs) on the **Alternative Fuels Infrastructure Regulation (AFIR)**: 11-12/7 (plenary vote: September)
- **ECON** report (incl. AMs) on the **Energy Taxation Directive (ETD)**: 20/6 (plenary vote: 12/9); *this report has only limited value in the further negotiation process, as the Parliament solely has an opinion giving role, while the exclusive competence in this file lies with the Council.*

CEDEC has been analysing the AMs on the top CEDEC priority files and will soon finalise its voting recommendations for the ITRE on the EED and RED, followed by AFIR, to ensure that CEDEC members’ interests are well signalled to the Parliament.

## EC presents: Review of the F-Gas Regulation

On 5 April 2022 the European Commission has published the long-discussed [review proposal on the F-Gas Regulation](#). The aim of the proposal is to **further cut greenhouse gas emissions**, with a view to help the EU reach its emissions reduction target of at least 55% by 2030 as well as the 2050 climate neutrality goal. The review also aims to ensure that the EU complies with the **Montreal Protocol (including the 2016 “Kigali Amendment”)** aiming to **phase down hydrofluorocarbons (HFCs)**. Main changes of the review proposal include:

- A tighter HFC quota system (HFC phase-down), reducing the amount of new HFCs placed on the EU market by 98% by 2050 (compared to 2015);
- **new restrictions on the use of F-gases** in new equipment where no suitable alternatives are available (e.g. SF6 will be **phased out** in all new equipment for **electrical transmission (“switchgear”) by 2031**);
- improved enforcement & implementation;
- more comprehensive monitoring;
- ensuring compliance with the Montreal Protocol, making phase-down steps also after 2030 and ending certain exemptions that do not exist under the Montreal Protocol.

For more information, you can find the press release of the EC [here](#).

## FOR OUR MEMBERS!

### REMINDER - CEDEC Energy Crisis Exchange Zone

This is a reminder that CEDEC has put in place a new platform (for CEDEC members only) on the CEDEC Extranet – the **Energy Crisis Exchange Zone**, which aims at making available the most important EC communications directly related with the current energy crisis, and at facilitating the exchange of national news concerning new legislative and regulatory measures taken by national governments to tackle the current energy crisis.

Members are invited to visit the platform and to share any useful documents related to their countries’ response or measures as regards the current energy crisis.

For more information, please contact us under [info@cedec.com](mailto:info@cedec.com).

### Reading of the month      Upcoming meetings & Events

[Eurostat - Quarterly market reports highlight unprecedented gas and power prices in EU in Q4 2021](#)

- EC Energy Infrastructure Forum (Copenhagen Forum): 2-3 June 2022
- CEDEC WG Smart Grids & WG Network Codes Electricity: 7 June 2022
- CEDEC WG on Fit for 55: 7 June 2022
- EC European Electricity Regulatory Forum (taking place this year in Rome): 9-10 June 2022
- CEDEC Board of Directors and General Assembly: 22 June 2022

### Ongoing consultations

- [Feedback on the EC delegated acts on the definition and production of renewable hydrogen](#) – deadline 17 June 2022
- [Feedback on the review of EU rules on fluorinated greenhouse gases \(F-Gases Regulation\)](#) – deadline 29 June 2022