

The EU Green Deal

Key aspects of the regulatory and financial frameworks



Europe's commitment to the Paris Agreement: The EU Green Deal

The EU Green Deal (December 2019) set the climate strategy of the von der Leyen's Commission.

Highlights and novelties

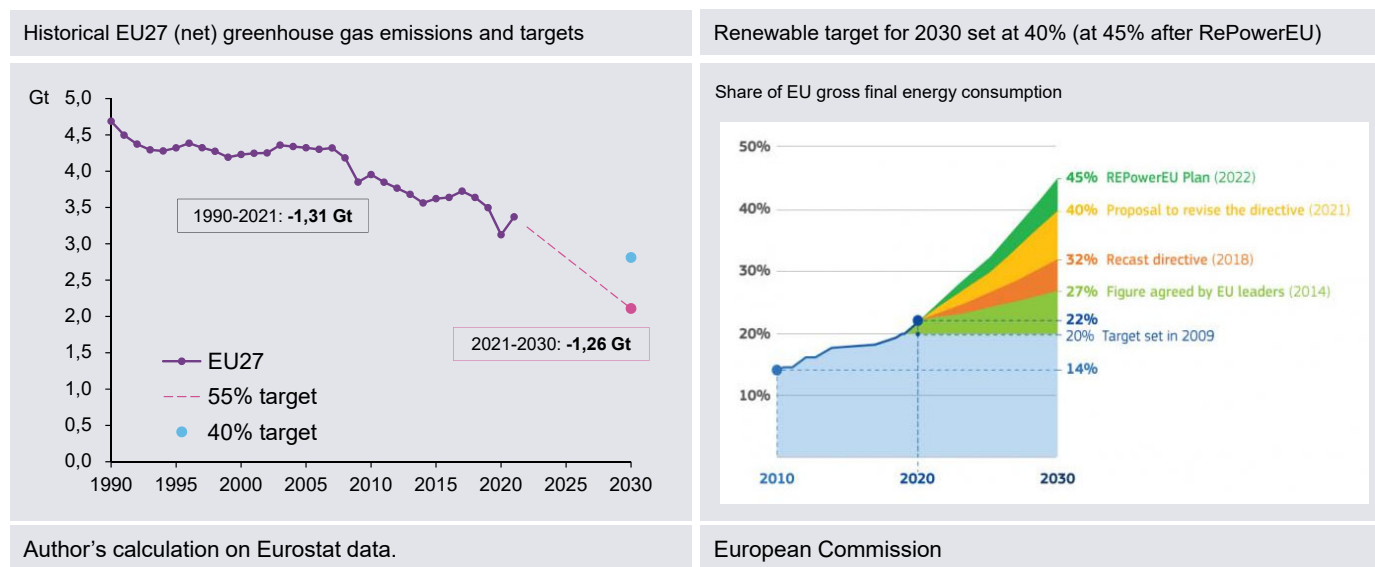
- The **climate neutrality objective by 2050** becomes law and the 2030 greenhouse gases emission target is increased from 40% to **at least 55% by 2030** compared to 1990.
 - Necessary changes to respect the Paris Agreement.
- A **comprehensive revision of the relevant EU regulation** (→ *Fit for 55*), from renewables to agriculture to emission trading, to align legislation with the more ambitious climate targets.



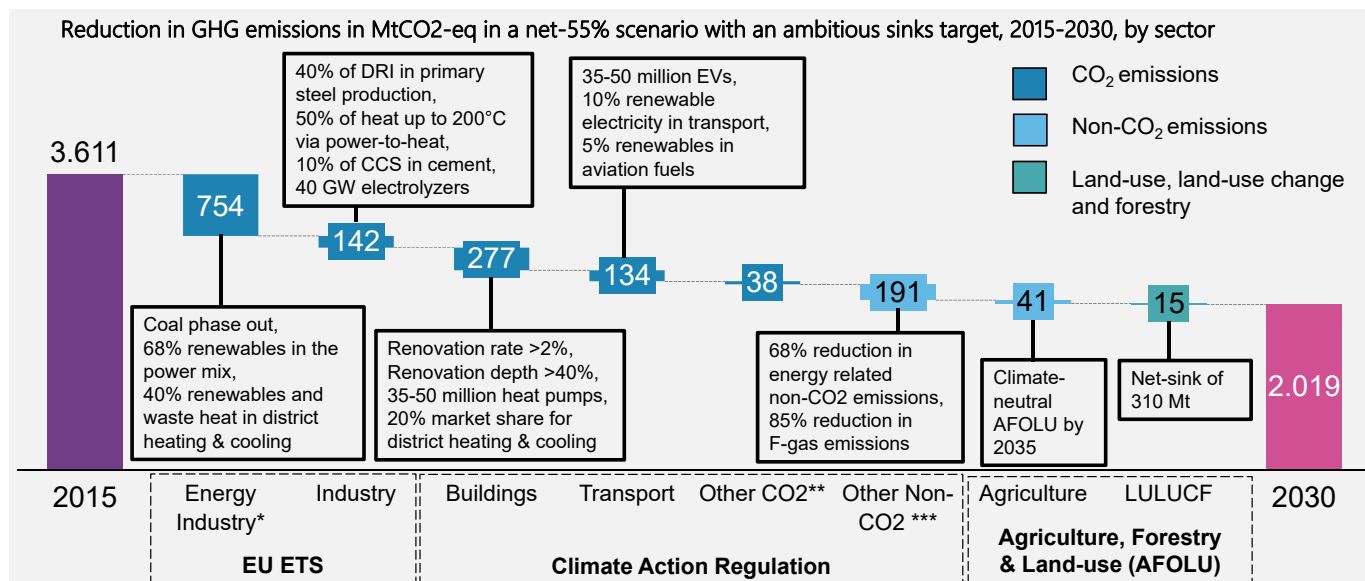
Implementation timeline: start with target setting, then undergo a legislative review



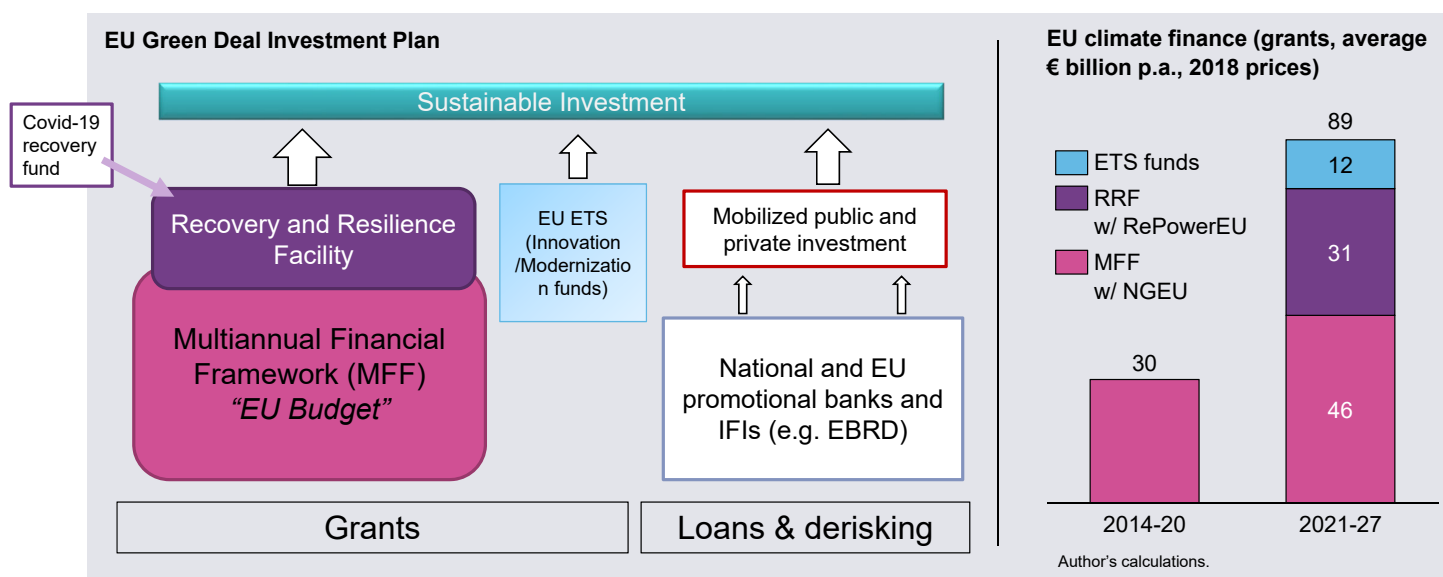
No “more of the same”. The EU must cut as many greenhouse gas emissions this decade as it did over the last 30 years



The EU Climate Law and the Fit for 55 package proposals imply truly major changes across all sectors of the economy.



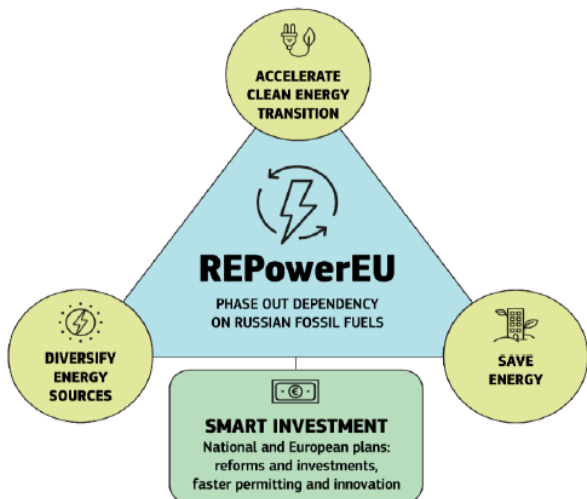
How is the EU Green Deal financed? Mostly at national level, but EU climate finance plays a significant role.



Europe responded firmly and cohesively to the energy crisis and Russia's invasion of Ukraine



RePowerEU: the EU's plan to end dependency on energy imports from Russia



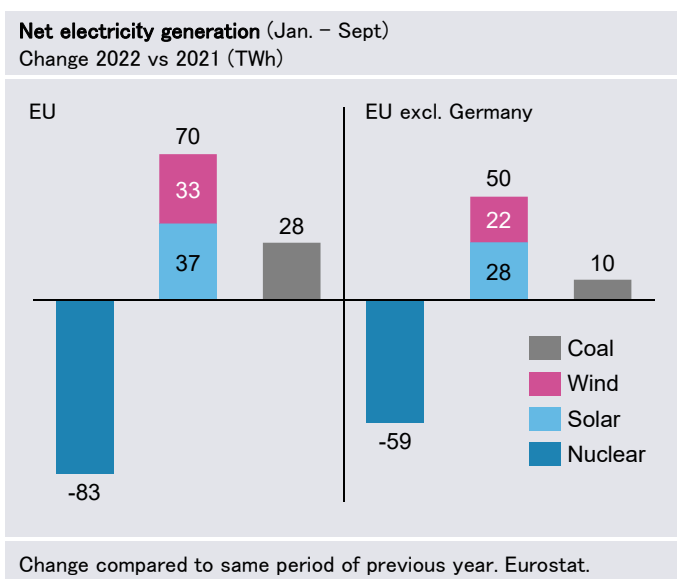
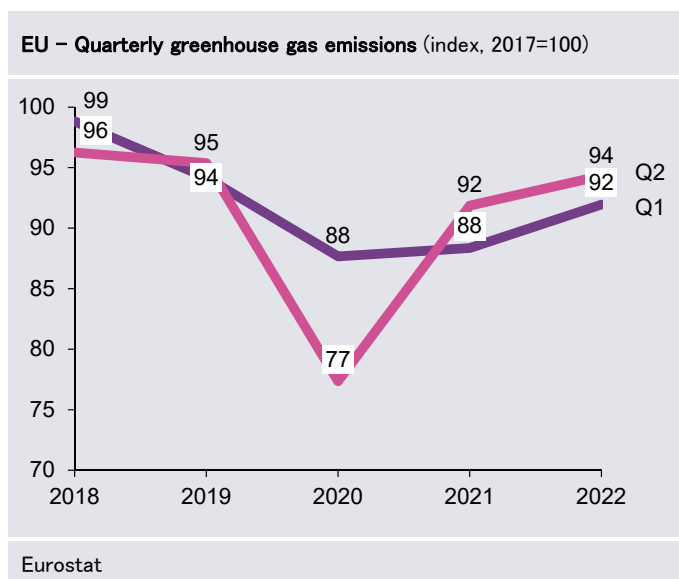
EU governments spent €200 billion in 2022 to cushion the crisis's impact on households and firms



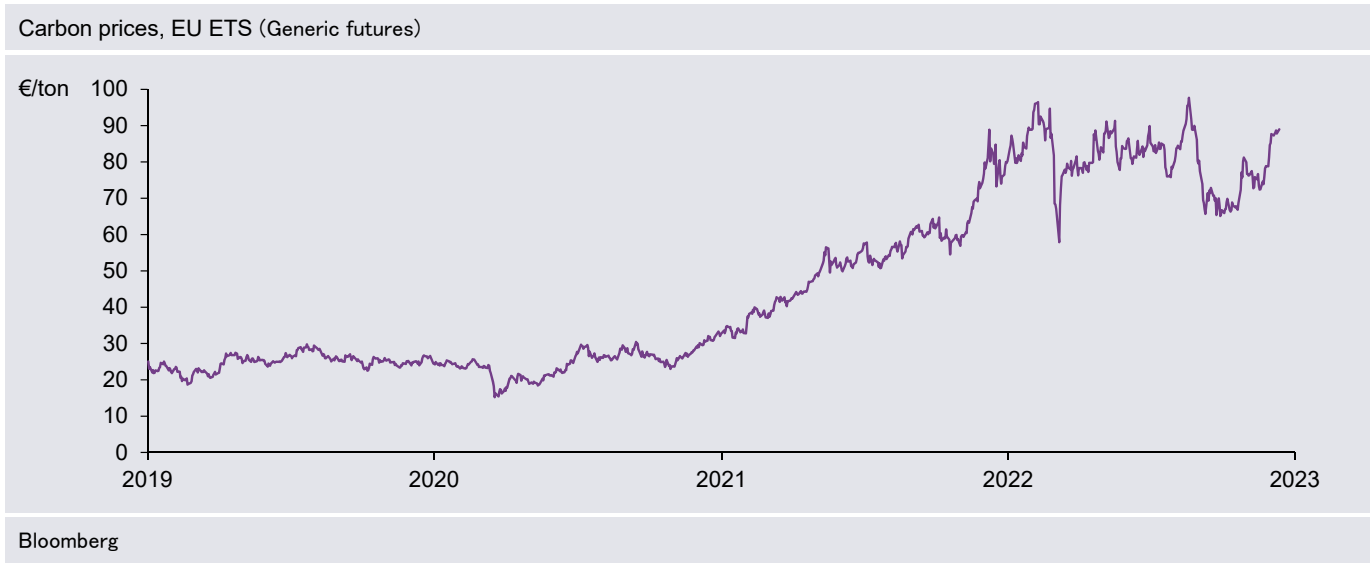
The Economist

7

Is the energy crisis derailing the EU's climate ambitions? Emissions still below 2019 levels, despite a coal rebound





Is the energy crisis derailing the EU's climate ambitions? The carbon pricing signal remains strong



9

Agora Energiewende
Rue du Commerce 31
1000 Brussels

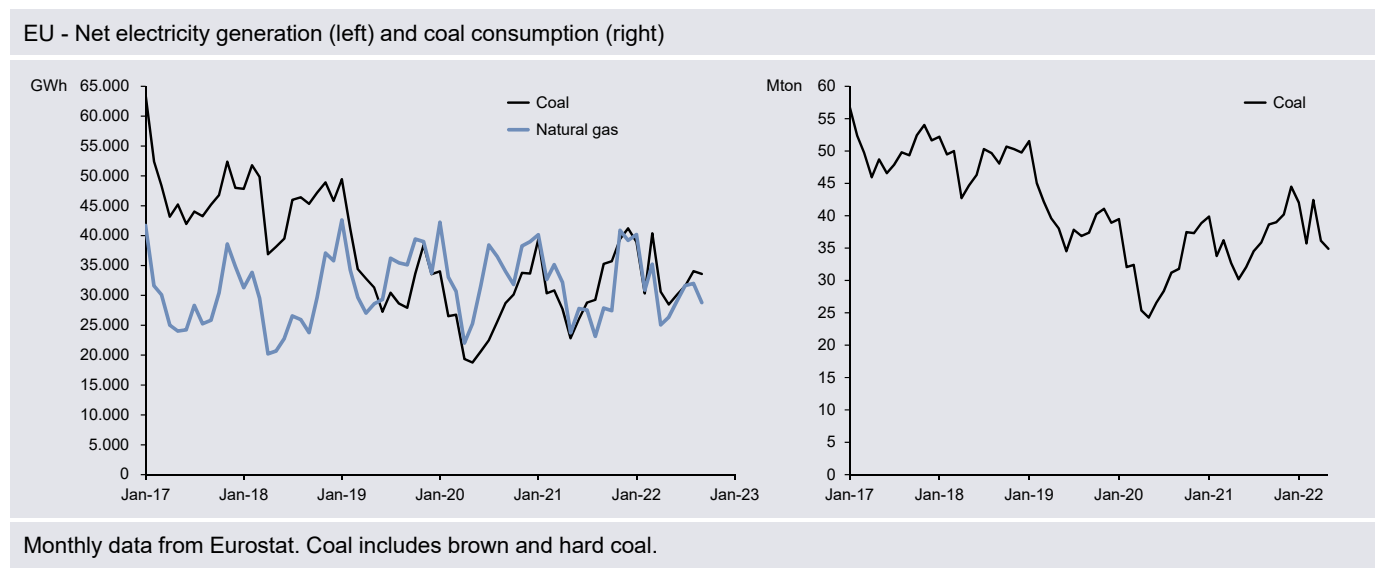
www.agora-energiewende.de
info-brussels@agora-energiewende.de

 Please subscribe to our newsletter via
www.agora-energiewende.de
 www.twitter.com/AgoraEW

Thank you for your attention!

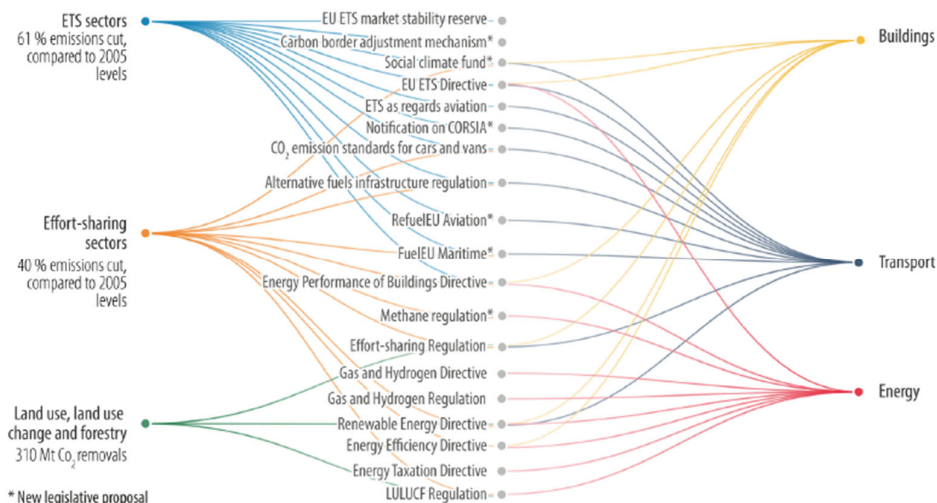
Questions or comments? Feel free to contact me:
Matthias.buck@agora-energiewende.de

The soaring price of gas gives coal a comeback



The EU's Fit for 55 legislative package comprises roughly 20 files. It is at the heart of the European Green Deal agenda, reforming key EU climate instruments and covering all sectors of the economy.

How the Fit for 55 package legislative files relate to the energy sectors and the EU's climate policy architecture



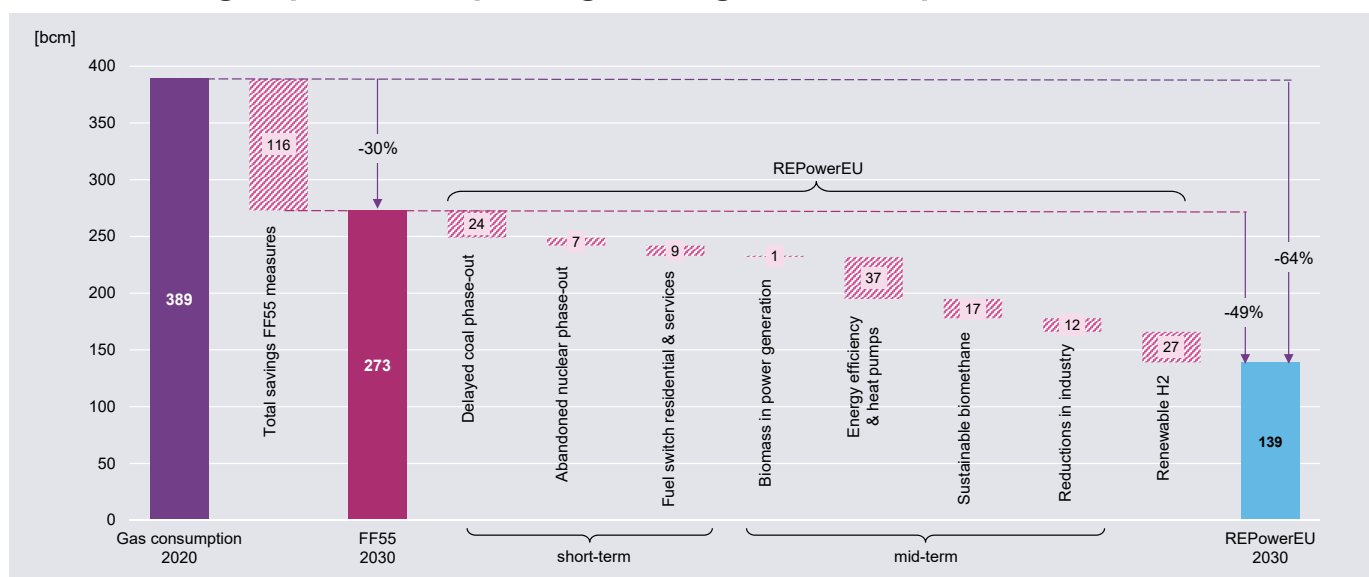
The European Commission's REPowerEU package makes a number of important new proposals and recommendations, mainly as changes or additions to Fit for 55 legislation.



- Increased ambition on energy savings and renewables by raising the EU-wide target on efficiency for 2030 from 9% to 13% and the EU-wide renewables target for 2030 from 40% to 45%.
- New legislation and recommendations for faster permitting of renewables especially in dedicated 'go-to areas' with low environmental risk.
- Solar rooftop PV requirement for new public and commercial buildings by 2026, existing ones by 2027 and all new residential buildings by 2029; also proposes limiting permitting times to 3 months.
- Phasing out stand-alone fossil fuel boilers via Ecodesign standards by 2029.
- Phasing out fossil fuel subsidies for fossil-fuel boilers by 2025.
- Strengthening the target of minimum energy performance standards from "G" to "D".
- Strengthening national energy requirements for new buildings before 2030.
- A Hydrogen Accelerator to ensure 10 million tonnes each of domestic and imported renewable hydrogen production by 2030 and an action plan to boost biomethane production to 35 bcm by 2030

13

In total, the RePowerEU package adds significant additional energy policy ambition to the Fit for 55 package, especially when looking at policies impacting fossil gas consumption.

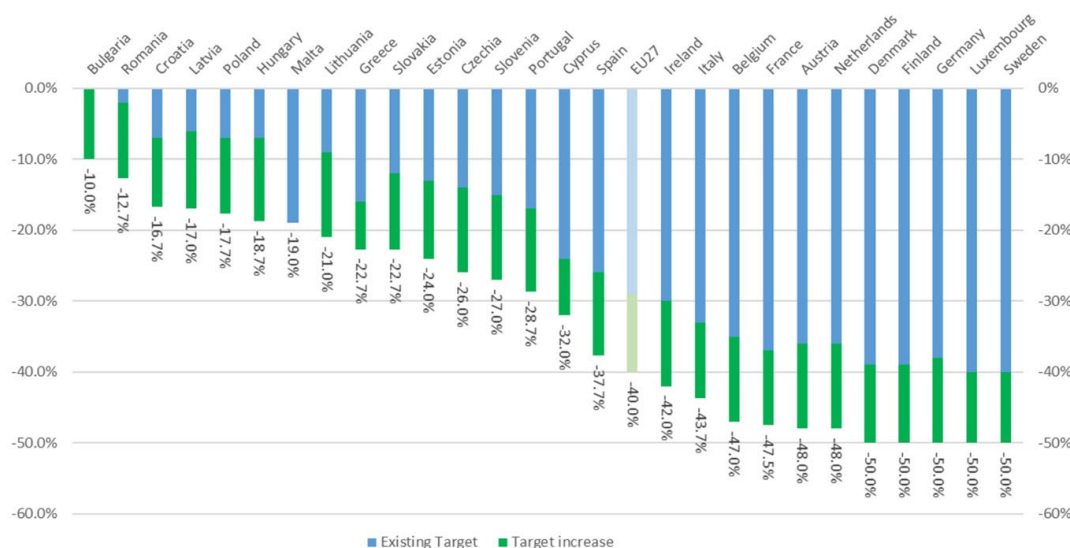


14

Where does the Fit for 55 package stand? The EU already has a preliminary agreement on three of the major climate files.



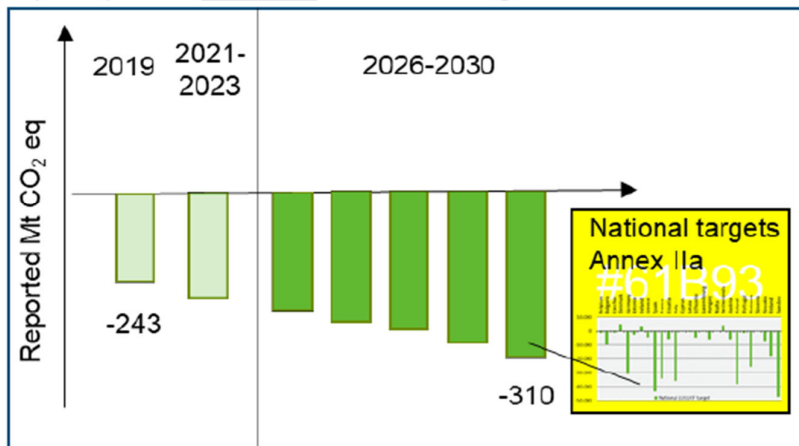
Effort Sharing Regulation: The agreement endorses the commission proposal of increased national targets assigned to each member state and an EU-level GHG reduction target of 40% compared to 2005.



LULUCF: The agreement endorses the commission proposal of an EU-level LULUCF sink target of -310 Mt by 2030, de facto raising the EU’s 2030 GHG reduction target to 57% from 55%.

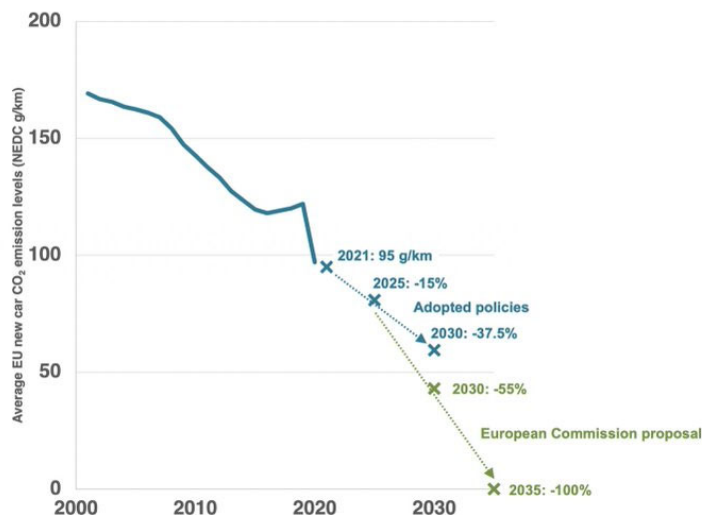


D) Proposed **revised** LULUCF target 2026-2030



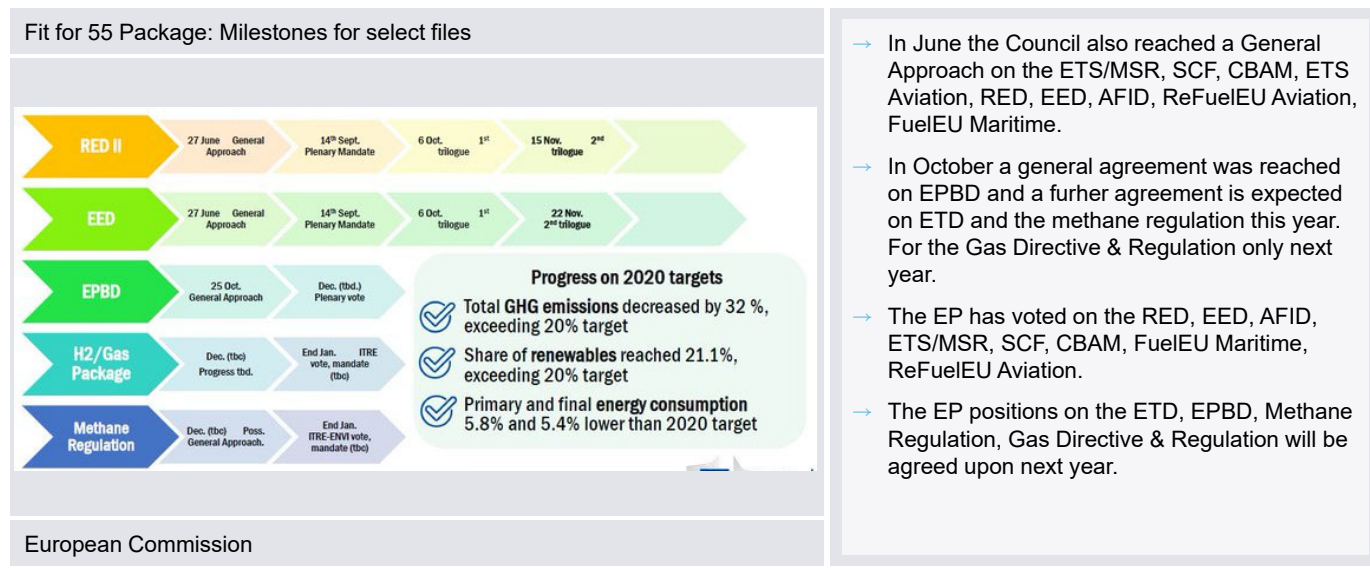
Öko Institut 2022

CO2 standards for cars and vans: The agreement endorses the commission’s proposal for a de facto EU-wide ban on the sale of internal combustion engine vehicles on the EU market from 2035.



ICCT 2021

The other files are advancing at different paces, but the Fit for 55 package is broadly still on track!



- In June the Council also reached a General Approach on the ETS/MSR, SCF, CBAM, ETS Aviation, RED, EED, AFID, ReFuelEU Aviation, FuelEU Maritime.
- In October a general agreement was reached on EPBD and a further agreement is expected on ETD and the methane regulation this year. For the Gas Directive & Regulation only next year.
- The EP has voted on the RED, EED, AFID, ETS/MSR, SCF, CBAM, FuelEU Maritime, ReFuelEU Aviation.
- The EP positions on the ETD, EPBD, Methane Regulation, Gas Directive & Regulation will be agreed upon next year.