

Revision of the RED II proposed by the European Commission

*Regatrace Project –
Workshop meeting*

**20 October 2021
Vilnius**



Introduction: The RED II within the Fit-for-55 Package

Pricing

Industry & aviation

Tightened ETS

Shipping
Road transport
Buildings

Extension of the ETS

All uses of motor and heating fuels

Revised Energy Taxation Directive

Targets

Non-ETS sectors

Updated Effort Sharing Regulation

Land-based sectors

Updated LULUCF Regulation

Cross-sectors

Updated RED II

Cross-sectors

Updated Energy Efficiency Directive

Rules

Light road transport (car-makers)

CO2 Standards Regulation for cars & vans

Aviation (fuel suppliers)

ReFuelEU Regulation

Maritime (shipping companies)

FuelEU Maritime Regulation

Infrastructure (States)

Regulation on Alternative Fuel Infrastructure

Introduction: Main take-aways of the proposal of revision

Strong push for RE through revised and new targets covering all sectors

EU share in final gross consumption

40%

Transport

13%

of reduction in the GHG emission intensity of fuel suppliers (change of target type)

Heating & Cooling

From 1.3 to 1.5 percentage point
(of annual increase)

Buildings

49%

New EU-level indicative target

Industry

1.1 pt

of percentage of annual increase

Specific target of green H2 in industry

Stricter sustainability rules

- Application of the GHG emission-saving criterion extended to all existing biogas/biomethane plants
- End of energy from primary or biodiversity-rich forests.

New rules to push forward production & consumption

- Extended scope of minimum use of RE in buildings
- Obligation on the Member States to have a cross border pilot project for RE generation within 3 years.

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01

Targets for transport



01/A: The Transport target is now based on GHG emissions

In the current RED II

At least
14% of
renewable
energy



In the proposal of revision

At least
13% GHG
emission
reduction

- Reduction from the use of renewable fuels & renewable electricity
- Obligation set on fuel suppliers

01/B: An increased target for advanced biofuels and biogas and a new one for renewable fuels of non-biological origin in transport

Advanced
biofuels and
biogas

Calculation rules

Multipliers deleted

Except when they are supplied to the
aviation and maritime transports:

X 1,2 time their energy content

2025
At least
0,5%

2030
At least
2,2%

Increase of 0.5
percentage point
compared to current
target

RFNBOs

Multiplier:

X 1,2 time the energy content when
they are supplied to the aviation and
maritime transport

2030
At least
2,6%

New target

Stricter limit to
biofuels & biogas
from food and
feed crops

No more than a maximum of 7 % in the final consumption of energy **in the whole transport sector**
(only "*in the road and rail transport sectors*" in the current RED II).

01/C: Interactions within the Fit-for-55 Package and resulting policy trends for biomethane

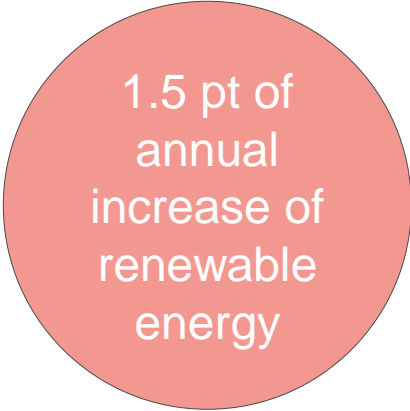
Trend	Key provisions in the proposal of revision of the RED II	Other legislative proposals
Use of biogas incentivized in the maritime sector	Multiplier (1,2) kept in the calculation rules	Maritime Fuel Regulation: well-to-wake approach to emissions ETS extended to maritime transport with RED-II compliant biogas counted as 0 emission
Use of biogas supported in heavy road transport	Subtarget kept for advanced biogas and biofuels – but a higher subtarget is set for green H2	AFI Regulation to ensure a sufficient number of LNG refuelling stations by 2025 AFI Regulation not supporting CNG refuelling stations

02

Targets for heating



02/A: Targets for Heating & Cooling are reinforced




1.5 pt of
annual
increase of
renewable
energy

- National level
- The target is made binding
- Slight increase from the 1.3 percentage point in current RED
- When waste heat and cold is not used, the target remains at 1.1 percentage point of RE increase / year

Additional secondary targets

New indicative national additional targets are provided: Member States “*shall endeavour*” to reach these targets.

District heating and cooling: revised indicative national target of RE and waste heat and cold  from 1 to 2.1 percentage points as an annual average

02/B: Uptake of RE in heating and cooling is supported by a new target for buildings

New target

At least 49%
of RE in final
energy
consumption
in 2030

- EU level
- Indicative
- Member States shall set an indicative target to contribute to this European target
- Member States shall require the use of minimum levels of RES in new and existing buildings alike

Revised rules



Member States shall require the **use of minimum levels of RES in new and existing buildings alike**, whereas in current RED II only new buildings and existing buildings “under substantial renovation” are within the scope of this obligation

02/C: New 2030 targets for industry will drive the uptake of RE in both heating and feedstocks

Sectoral target of all renewable energy

1.1 pt of
annual
increase of
RE
consumption

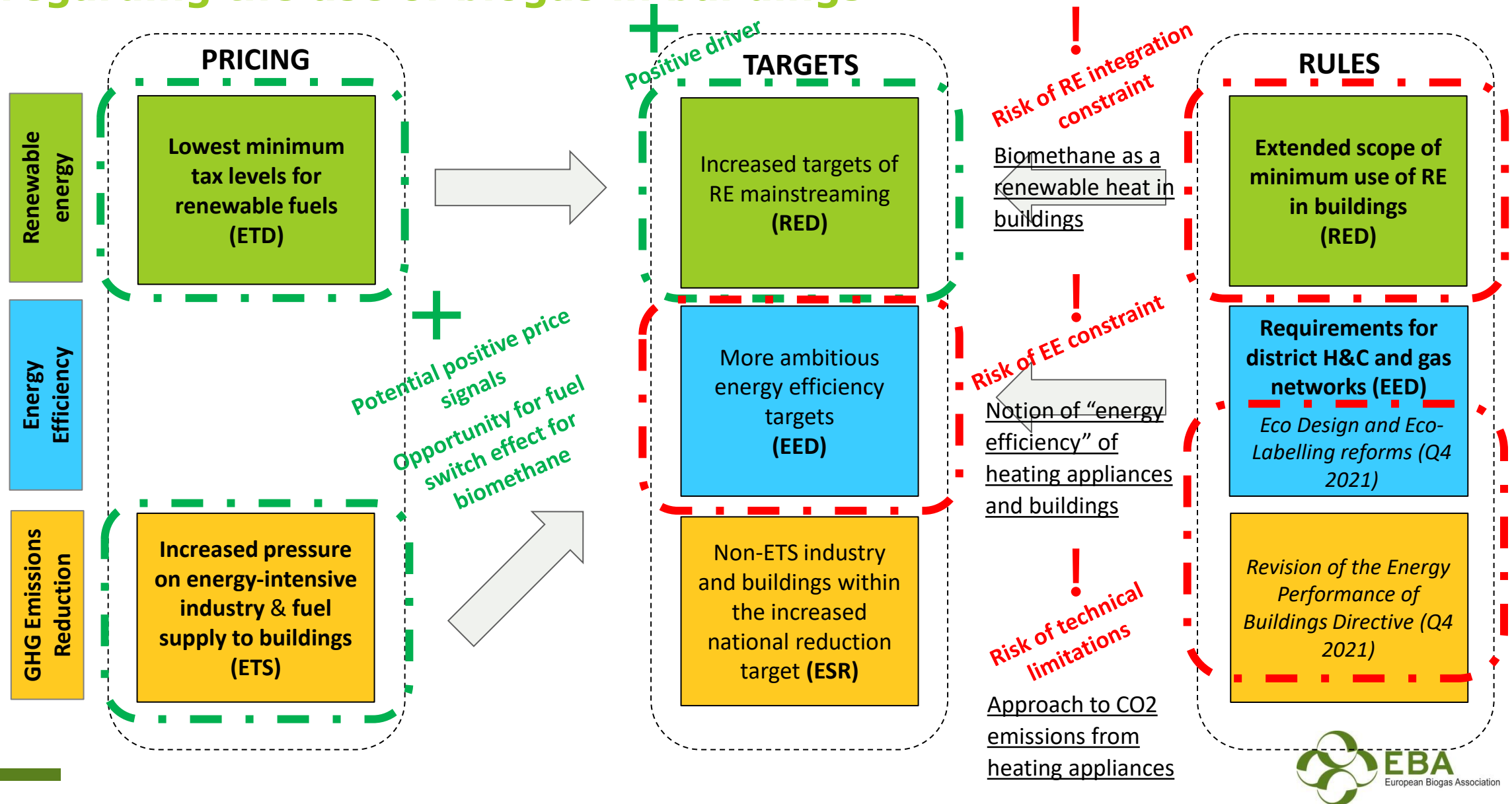
- National level
- Indicative
- It covers both final energy and non-energy uses

Sectoral subtarget for RFNBO

50%
of RFNBO
(used as
feedstock or
energy
carrier)

- National level
- Binding
- Share of RFNBO in the content of the hydrogen used for final energy and non-energy purposes

02/D: Interactions within the Package and with future proposals regarding the use of biogas in buildings



03

Sustainability and verification



03/A: Sustainability criteria for biogas are tightened



Extension of the GHG emission-saving criterion

Application extended to existing installations (not only new ones as in the current RED) – end of the “grandfathering provision”.

New and existing biogas and biomethane installations should achieve a reduction in GHG emissions of 70% until 31/12/2025 and of at least 80% from 01/01/2026



A specific threshold for compliance of biomethane plants

Plants with an average biomethane flow rate above **200 m3 methane equivalent/h** measured at standard conditions of temperature and pressure.

=> It is understood as the equivalent of a total rated thermal input of 2 MW that is already in the current RED II. No additional impact.



Biomass cascading principle

Setting an order of priorities among different uses of biomass according to the highest economic and environmental added value

=> The Commission wants to define this through a Delegated Act prepared by themselves. To be monitored.

03/B: The Article 19 on GOs is only slightly modified

Member States cannot deny anymore the granting of a GO to a producer because the latter benefits from a support scheme.

Article 19(2) first subparagraph is amended as follows:

~~“To that end, Member States shall ensure that a guarantee of origin is issued in response to a request from a producer of energy from renewable sources, unless Member States decide, for the purposes of accounting for the market value of the guarantee of origin, not to issue such a guarantee of origin to a producer that receives financial support from a support scheme. (...)”~~

Article 19(8) modified: For electricity, Member States are no longer allowed to exempt GOs for electricity benefitting from a support scheme, which will support the uptake of PPAs.

03/C: The Union Database is widened in scope

A specific new article dedicated to the Database: Article 31a

Wider scope of the Database:

- recycled carbon fuels now included, in addition to all liquid and gaseous renewable fuels
- All end-use sectors (≠ transport sector only in current RED II)

Role of schemes in verification of the data confirmed:

- Voluntary or national schemes will have to verify the accuracy and completeness of the information entered in the database
- This was already foreseen in current RED II and is kept in the EC's proposal of revision through Article 31a(5); see also draft Implementing Act on rules to verify sustainability and greenhouse gas emissions saving*

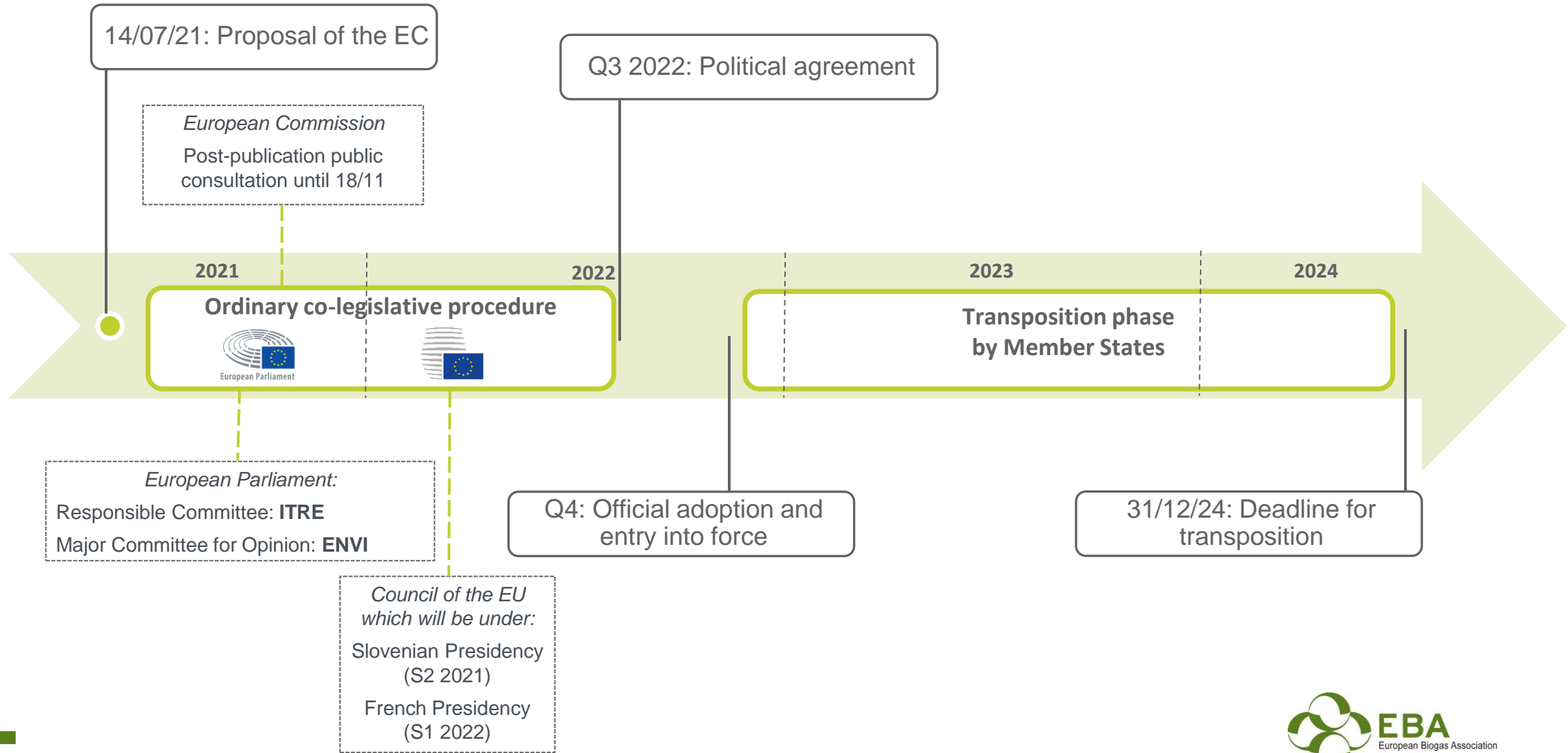
**Commission Implementing Regulation .../... of XXX on rules to verify sustainability and greenhouse gas emissions saving criteria and low indirect land-use change-risk criteria (in application of article 30(8); adoption to come soon)*

04

Next institutional steps



04: The upcoming legislative process is likely to take around 10 to 12 months



Thank you!

**Anthony Lorin, Policy Officer
European Biogas Association**

Renewable Energy House
Rue d'Arlon 63-65
BE - 1040 Brussels

+32 24.00.10 – 89
info@europeanbiogas.eu
www.europeanbiogas.eu

