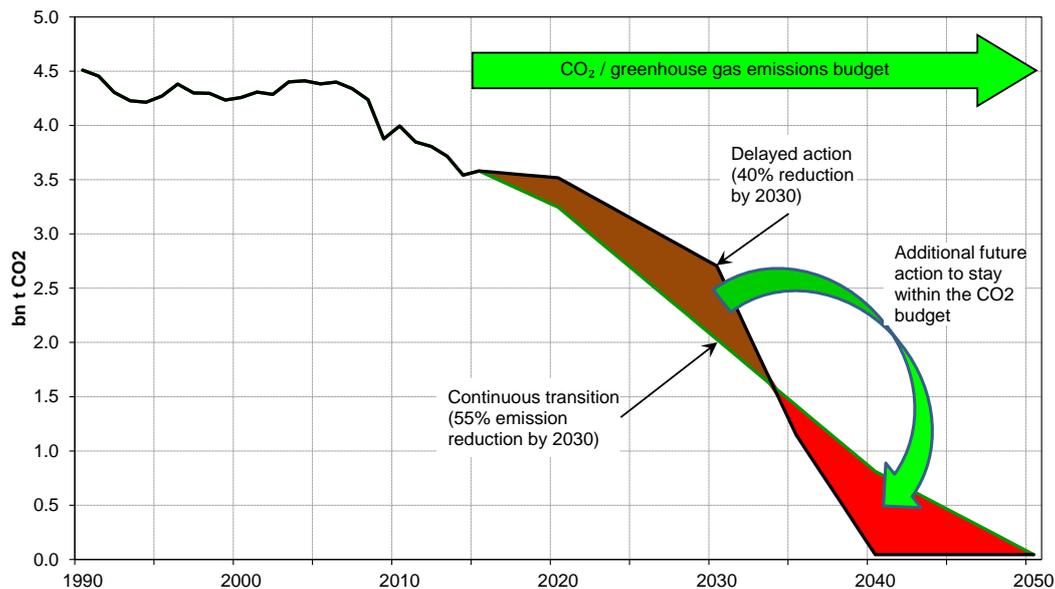


12 January 2018

The European Parliament will discuss and vote on three legislative reports that will shape the future of the EU climate and energy policy for the next decade: a revision of the renewable energy directive, a revision of the energy efficiency directive and the EU framework-law on energy and climate (governance of the energy union).

## 1. Why is the EU climate credibility at stake?

After a weak political deal reached by Member States during the energy Council of 18 December, votes in the European Parliament is the last chance to preserve EU's credibility on the implementation of the Paris Agreement. The 27% renewables / 30% efficiency targets proposed by the Council are not in line with the Paris Agreement. Together with the 40% greenhouse gas emissions reduction target, they represent a **"delayed action"** approach, that will make post 2030 efforts so intense to reach zero carbon in 2050 that it would become nearly impossible. In other words, this would mean a lost decade for energy and climate in Europe. On the contrary, Greens propose to follow an **"early action"** approach that is more realistic and more cost-effective and that implies much higher ambition.



Extract from the summary for policy-makers of the Greens Vision Scenario  
<http://energyblog.claudeturmes.lu/wp-content/uploads/sites/3/2017/02/vision-scenario.pdf>

## 2. Renewable energy directive (recast of the existing directive adopted in 2009)

The Blanco-Lopez / Eickhout report is increasing the **EU renewable target to at least 35% (binding)** by 2030, which is a significant move from the much weaker 27% proposed by the Commission and the Council. However this EU wide target does yet not translate into national binding targets and entails a flexibility mechanism allowing Member States to deviate by 10% from their target under "exceptional and duly justified circumstances", what is a step back compared to the current directive but can fortunately be compensation by a strong governance system (see below).

The report is also establishing a **common rulebook for support schemes**, allowing Member State to provide investors in renewable energy projects with a stable and predictable revenue stream (market premium), forbidding retroactive regulatory changes and allowing financial support that would be specific to each technology. It also goes with the establishment of **one-stop-shops**, with the aim of facilitating administrative and permit granting procedures for new renewables installations.

Thanks to Green insistence, the concept of **'citizen energy'**, has been significantly strengthened introducing an enabling framework and a set of rights for renewables self-consumers – individually or collectively - to produce, store, sell and share their own energy. It establishes the concept of 'renewable energy communities' for the first time in EU law.

More controversial are bioenergy aspects. The report proposes to phase-out **palm oil as of 2021**, what is a strong point, but does not establish a meaningful **sustainability criteria** for solid biomass even weakening the Commission proposal.

#### TO WATCH FOR THE PLENARY

##### What will be the cap for conventional first generation crop based fuels?

Greens as well as the ENVI committee propose to progressively reduce this cap to 0%, however exempting fuels meeting greenhouse gas threshold with ILUC factors or certified low ILUC-risk fuels based on methodology developed by the Commission. Under the pressure of the agro-lobby, part of the EPP would like to set this cap to be set at 7%. Knowing that the share of first generation biofuels is around 4% in Europe at this stage, this would create more space for environmentally harmful first generation biofuels to grow. Another part of the EPP, S&D and ALDE would like to set the cap at the actual value reached in 2017, an in-between solution that would prevent new investment in this outdated technology.

##### Will we still be allowed to burn trees?

Greens and S&D propose to exclude round wood or stumps from energy usage in order to preserve carbon sinks and ensure a sustainable management of bioenergy resources. This position is scientifically backed by robust evidence. Greens also intend to ban the green washing practice of 'co-firing', where wood is used in coal-fired electricity plants in order to get public subsidies dedicated to renewable sources.

### **3. Energy Efficiency Directive (recast of the existing directive adopted in 2012)**

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The Poche report voted in the ITRE Committee introduced an EU-wide, **binding 40% energy efficiency target** for 2030 with national binding targets, a way more ambitious target than the 30% proposed by the Commission and the Council.

The report also continues the obligation for Member States to achieve **yearly energy efficiency improvements of 1.5%** among final energy customers (Article 7). Thanks to Green efforts within a progressive Parliament coalition, derogations and exemptions substantially diminishing the overall energy efficiency requirements requested by an EPP, ECR, ENF coalition by allowing Member States for example to count savings from previous periods or exempt the transport sector from improvement obligations could be voted down. **Savings accounted for the target shall be new, additional and cumulative**, in order to avoid double counting of energy efficiency measures.

Efforts in public buildings shall be stepped up to achieve energy savings in the sector also beyond 2020, in line with the objective to reach a fully decarbonised building stock by 2050 The use **of primary energy factors**, standard values used in calculations for energy efficiency, shall be made more transparent.

However a chaotic situation was created by the willingness of the EPP to water down the traditionally pro-efficiency position of the Parliament and by the difficult legacy of the former rapporteur who had to step down after he could not support his own report at committee stage.

## TO WATCH FOR THE PLENARY

### What will be the 2030 EU target?

A majority of political groups supported the binding 40% target when the report was adopted at committee level. For plenary, the option of a binding, at least 35% target has been put on the table by ALDE and Greens in order to counter attempts to diminish the objective via doubtful adjustment mechanisms proposed by the EPP group, which would effectively not translate to a binding 35% target and thus be detrimental to investors security and efficiency goals at large.

### Will we keep strong energy savings obligations?

Article 7 is at the core of the energy efficiency efforts as it established energy savings obligations for final consumers. The EPP and ECR groups are trying to weaken these obligations through increased overall exemptions (30% instead of 25%), by exempting large parts of the transport sector from the efficiency obligations or by counting old savings as new (see above). However, a majority of Parliament (S&D, ALDE, GUE, Greens and EFDD group) would accept going down to a 35% target only under the condition that Article 7 is kept strong such as presented in the ITRE Committee vote.

## 4. Regulation on the Governance of the Energy Union

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The Rivasi/Turmes report establishes national **energy and climate plans for 2030** and **long-term climate and energy strategies for 2050** in order to comply with the Paris Agreement and reach a **net-zero carbon** economy. It establishes credible **trajectories** for the roll out of renewables and energy efficiency until 2030 and puts in place strong corrective measures in case of any delays or shortfalls (so-called 'gap filler'). For renewables, there would be three 'control points' in 2022, 2025 and 2027 to ensure achievement of the 203 targets. This will give investors the certainty they need and will help create green jobs in Europe. The main features of the report are:

The report is introducing the concept of "**carbon budget**" for the first time into EU law in order to identify what can still be emitted in the atmosphere to comply with the 1.5°/2°C commitments under Paris Agreement. A **methane strategy** needs to be developed by the Commission because of the high global warming potential and relatively short atmospheric lifetime of methane

The report establishes **permanent climate and energy dialogue platform** so that citizens, local authorities and all affected stakeholders have their say in the formulation of long-term strategies and national plans, triggering more transparency and inclusiveness in policy-making and making sure cities have a say.

For the first time into EU law, the report is acknowledging **energy poverty** by introducing planning and reporting obligations to reduce the number of citizens affected by energy poverty in member States where they compose a significant share of the population.

## TO WATCH FOR THE PLENARY

### What will be the EU climate objective for 2050?

While the broadly-supported report establishes the objective of a 'net zero' carbon economy by 2050, the EPP and ECR would like to water down this objective towards a weaker 80-95% decarbonisation that would not be in line with the Paris Agreement.

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