



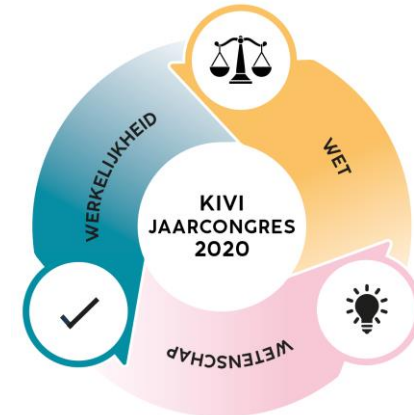
European Green Deal: the new driver of the energy transition in the European Union?



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A European Green Deal

Striving to be the first climate-neutral continent



Margarita Nieves-Zárarate
 PhD researcher

KIVI-Jaarcongres 2020
 The Netherlands, November 26, 2020



Agenda

1 Background

2 European Green Deal

3 The role of the energy sector

4 What is new?

5 The impact of the Covid-19 pandemic

6 Conclusions



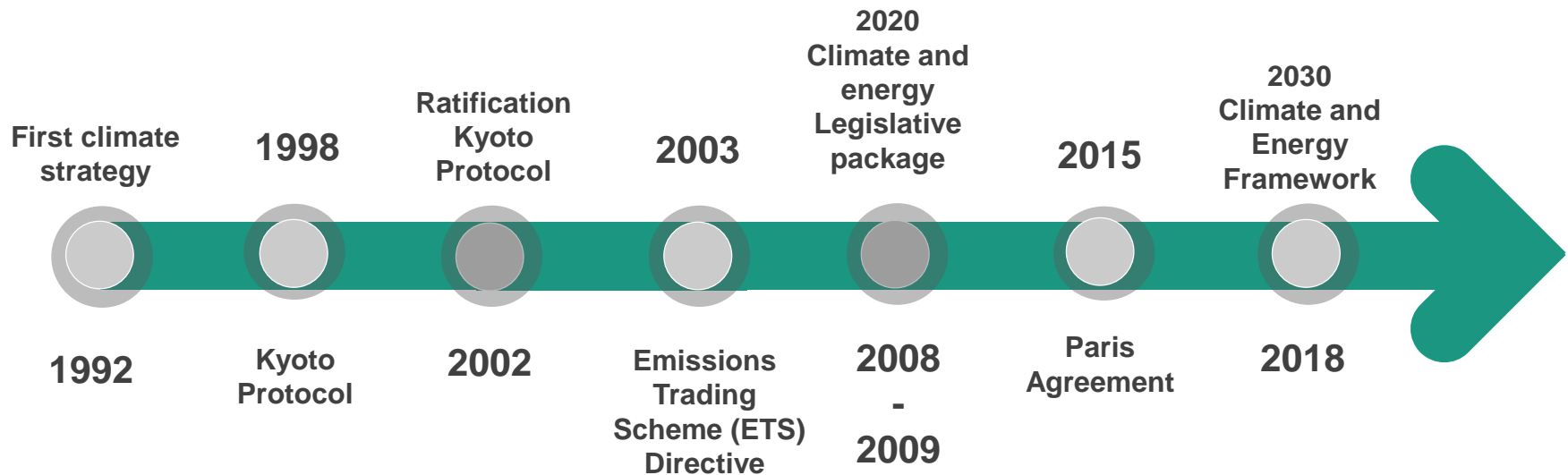
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EU's Climate Strategy



Source: Own elaboration



EU's Climate Strategy

2020 Climate and Energy Legislative Package

1

Targets

-20 GHG emissions/1990
20 Renewable energy
20 Energy efficiency

2

Renewable energy Directive

Directive on the promotion of the use of energy from renewable sources 2009/28/EC

3

Reform ETS Directive

Directive 2008/101/EC Reformed Emissions Trading System Directive 2003/87/EC

4

Carbon Storage Directive

Directive 2009/31/EC on the geological storage of carbon dioxide

5

Energy Efficiency Directive

Directive 2012/27/EU



EU's Climate Strategy

2030 Framework or Clean Energy Package 2018

Targets

-40 GHG emissions/1990
32 Renewable energy
32.5 Energy Efficiency/2007

Revised ETS Directive 2018/410

Effort-sharing Regulation 2018/410

Covering non-ETS sectors

Renewables Directive 2018/2001

Binding targets for each member state are no longer specified but at the Union level

Revised Energy Efficiency Directive 2018/2002

Indicative target

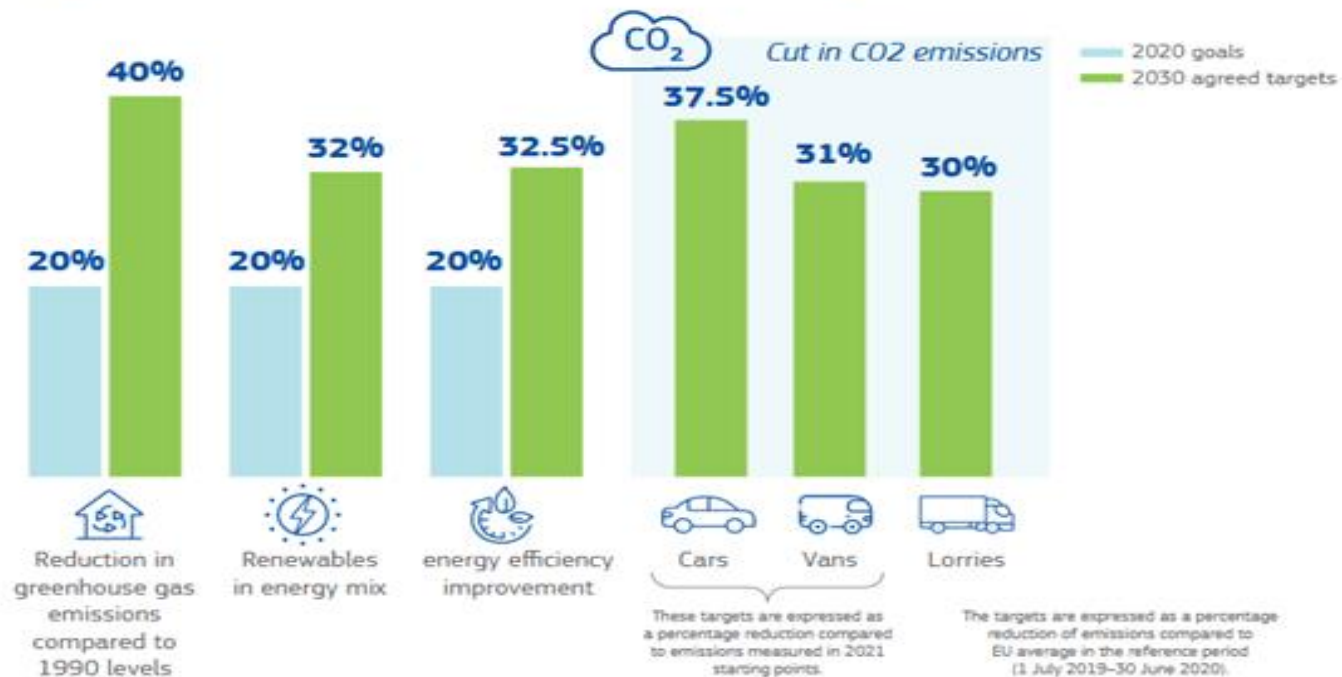
Governance Regulation 2018/1999

Framework for planning, reporting, and review.



Current EU's GHG targets

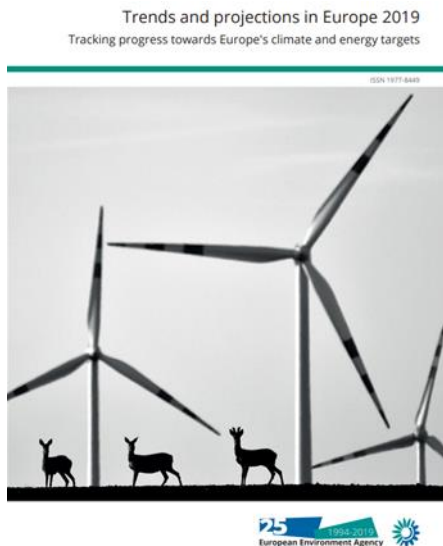
Targets to fulfill EU's commitments under the Paris Agreement





Compliance with current targets

Based on existing national policies and measures the EU will meet its 2020 GHG emission reduction target but will not achieve the 2030 target.



European and Environment Agency, 2019



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European Green Deal

- December 2019 New European Commission headed by Ursula von der Leyen.



- 11 December 2019: European Green Deal Communication.



What is the European Green Deal?

- Roadmap with actions in response to climate challenges.



Become
 climate-neutral
 by 2050

- Set of policies covering all sectors of the economy with the aim of becoming the European Union the world's first climate-neutral continent by 2050.
- A new growth strategy.



Goals



Become
 climate-neutral
 by 2050

“Transform the EU into a **fair and prosperous society**, with a modern, resource-efficient and **competitive economy** where there are **no net emissions of greenhouse gases in 2050** and where **economic growth** is decoupled from resource use.



Protect human life,
 animals and plants,
 by cutting pollution

It also aims to **protect, conserve and enhance the EU's natural capital**, and protect the **health** and well-being of citizens from environment-related risks and impacts. At the same time, this **transition** must be **just and inclusive.**”



Instruments



Legal



Financial

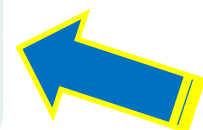
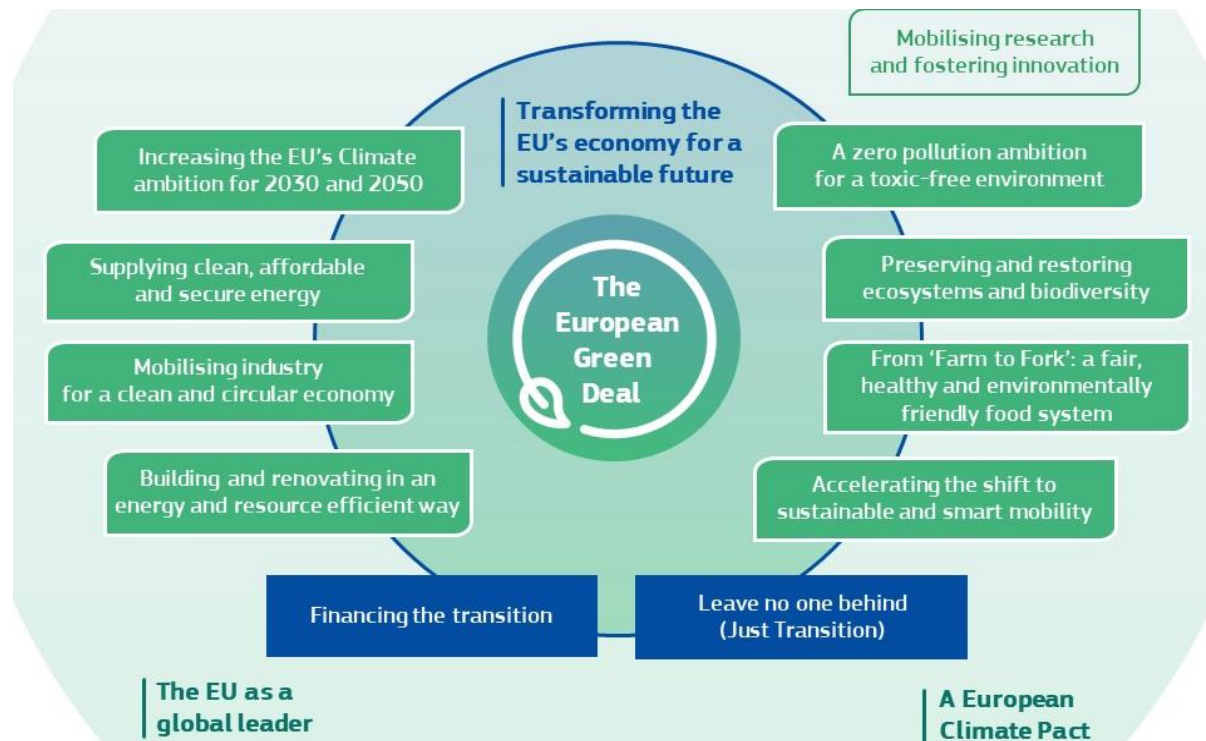
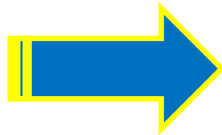
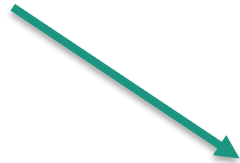


Diplomatic



Elements

Supplying clean,
 affordable and
 secure energy





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The role of energy

- The production and use of energy across economic sectors account for more than 75% of the EU's GHG.
- In 2017 only 17.5% of the EU's gross final energy consumption came from renewable sources.



Strategies of the EGD in the energy sector



8 July 2020

Hydrogen



8 July 2020

Energy system
 integration



14 October 2020

Methane emissions

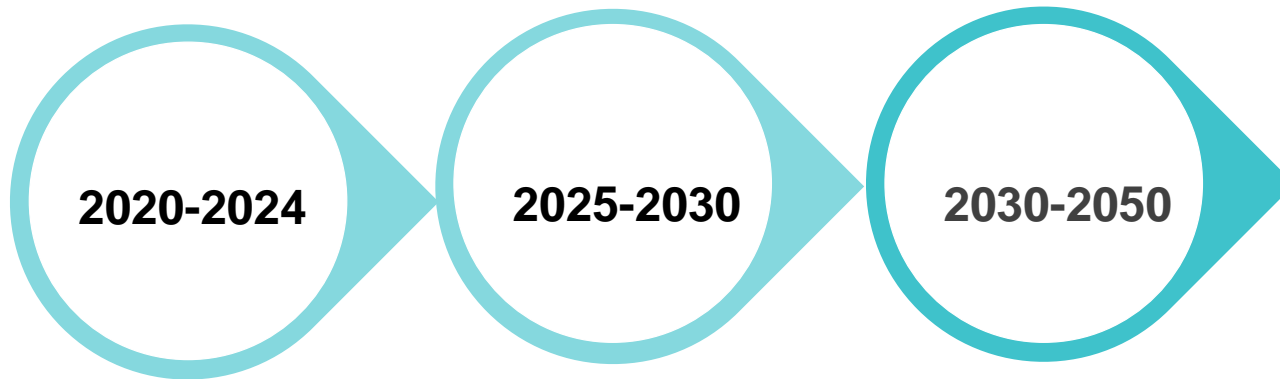


19 November 2020

Offshore renewable
 energy



Hydrogen Strategy: key priority



2020-2024

2025-2030

2030-2050

PHASE 1

PHASE 2

PHASE 3

Maturity phase

- Install 6 GW of renewable hydrogen electrolyzers
- Produce of up to 1 million tonnes of renewable hydrogen, to decarbonize existing hydrogen production

- Install at least 40 GW of renewable hydrogen electrolyzers by 2030
- Production of up to 10 million tonnes of renewable hydrogen

A quarter of renewable electricity might be used for renewable hydrogen production by 2050



Hydrogen Strategy

- Roadmap with 20 key actions

-**Investment agenda** to stimulate the roll out of production and use of hydrogen and build a concrete pipeline of projects (by end of 2020).

-Start **the planning of hydrogen infrastructure**, including in the Trans-European Networks for Energy and Transport and the Ten-Year Network Development Plans (TYNDPs) (2021).

-Explore **additional support measures**, including demand-side policies in end-use sectors, for renewable hydrogen building on the existing provisions of Renewable Energy Directive (by June 2021).



Energy system integration strategy

- Energy system is still built on several parallel, vertical energy value chains, which rigidly link specific energy resources with specific end-use sectors.






Energy system integration strategy

- Roadmap with 38 key actions
 - Promote the use of renewable energy in hard-to-decarbonise sectors (aviation-maritime).
 - Support the **roll-out of 1 million** charging points of electric vehicle infrastructure by 2025.
 - Further work towards the phasing out of direct fossil fuel subsidies.
 - Review the Energy Efficiency, Energy Taxation and Renewable Energy Directives (June 2021).



Methane emissions strategy

-  EU: 5% of global methane emissions.
-  EU's Anthropogenic CH₄ emissions: 19% energy.
-  There is no policy dedicated to the reduction of anthropogenic CH₄ emissions.



Methane emissions strategy

- Roadmap with 24 key actions



Compulsory **measurement, reporting, and verification** for all energy-related CH₄ emissions.



Obligation to **improve leak detection and repair** of leaks on all fossil fuels infrastructure, and other infrastructure.

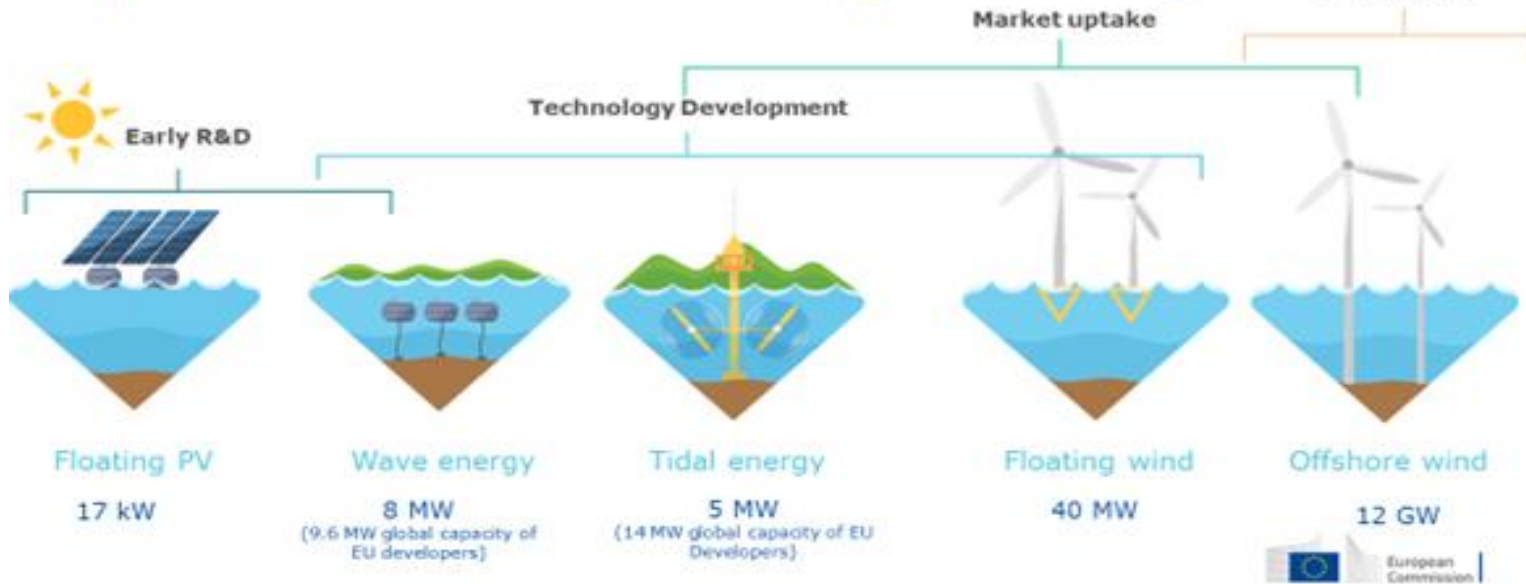


Consider legislation on **eliminating routine venting and flaring** in the energy sector.



Offshore renewable energy strategy

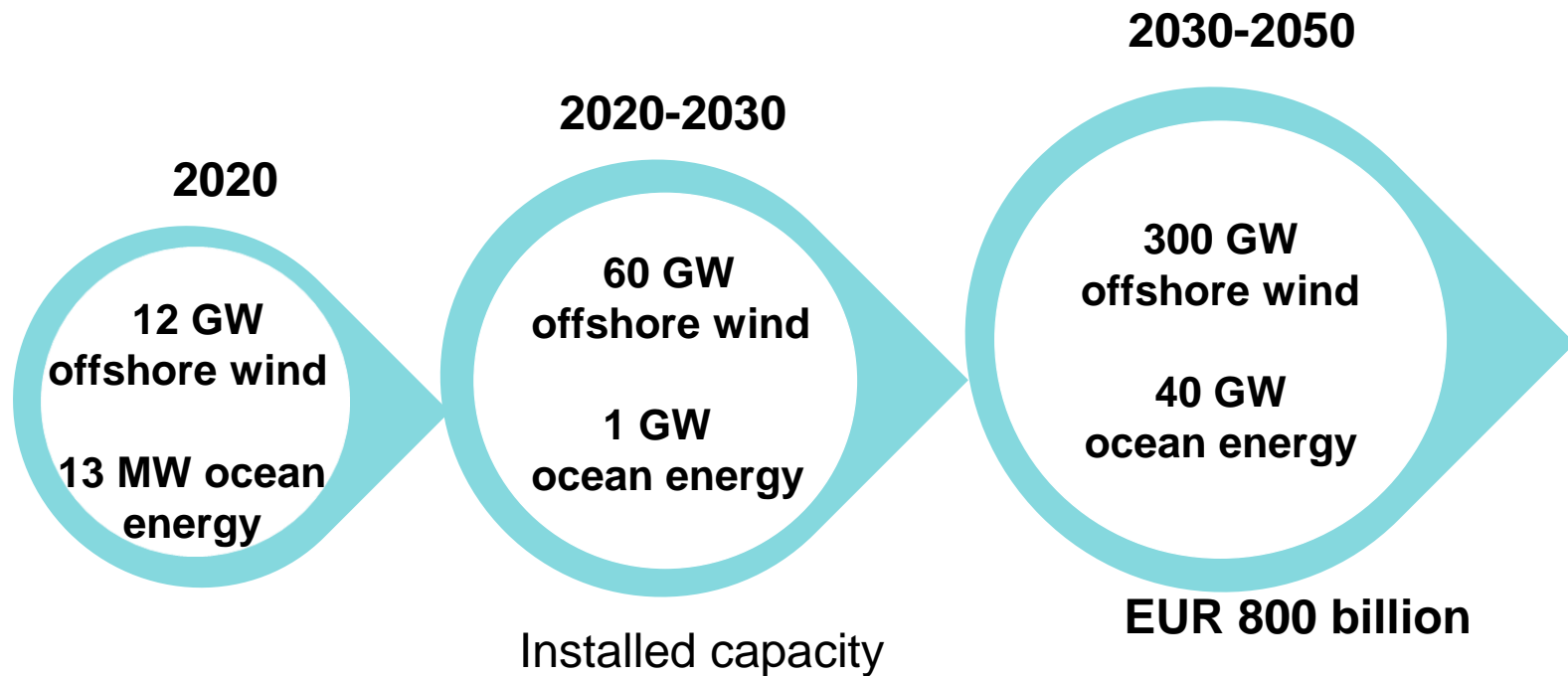
Offshore renewable energy technologies





Offshore renewable energy strategy

Under current policies installation capacity would lead to only 90 GW in 2050.





Offshore renewable energy strategy

Roadmap with 31 actions



Clearer regulatory framework for offshore renewable energy



Support strategic investment in offshore energy through InvestEU, including for higher risk investments



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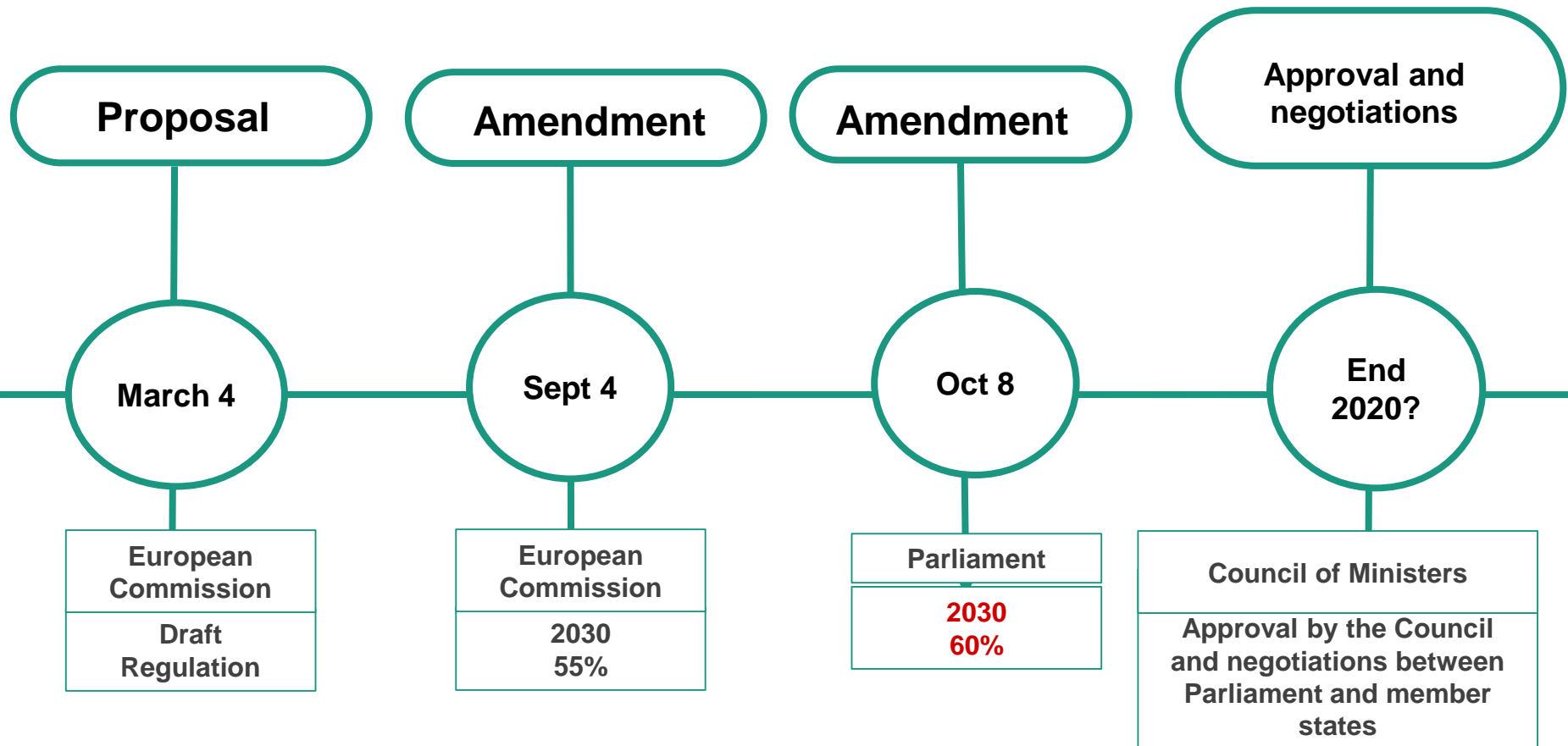
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European Climate Law





European Climate Law

- Sets out a binding objective of climate neutrality by 2050, enshrining into law the goals of the European Green Deal
- Assessments by the Commission every 5 years
- Implementation plans, reporting, monitoring and enforcement measures



European Climate Law

- Powers to the Commission to assess consistency of national measures with climate objective and issue recommendations to member states.
- Major amendments:
 1. Proposal of empowering the Commission to adopt delegated acts to supplement the European Climate Law by setting out a trajectory at Union level from 2030- 2050 was rejected.
 2. 2030 target



Help ensure a
 just and inclusive
 transition

Just transition mechanism

- January 14, 2020 proposed regulation establishing the Just Transition Fund at least **€150 billion**
- Coal infrastructure in 108 European regions and 237.000 people employed
- 10.000 people are employed in peat extraction activities
- 6.000 are employed in the oil shale industry



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IMPACT OF COVID-19 PANDEMIC

- Public health crisis
- Initial reaction: Member states representatives (Poland, Czech Republic, Romania) called for discontinuing the EGD
- Recovery plan: European Green Deal at the center of the post-COVID-19 recovery
- Impact on roadmap?



EGD's Roadmap in the energy sector

Planned Action		Date
1	Assessment of the final National Energy and Climate Plans	June 2020
2	Strategy for Smart Sector Integration	2020
3	Renovation Wave initiative for the building sector	2020
4	Evaluation and Review of the Trans-European Network – Energy Regulation	2020
5	Strategy on offshore wind	2020

Action taken		Date
1	Assessment of the final National Energy and Climate Plans	17 September 2020
2	<u>Energy system integration strategy</u>	8 July 2020
3	<u>Hydrogen strategy</u>	8 July 2020
4	Renovation Wave initiative for the building sector	14 October 2020
5	Recommendation on energy poverty	14 October 2020
6	<u>Methane emissions strategy</u>	14 October 2020
7	<u>Offshore renewable energy strategy</u>	19 November 2020
8	Evaluation and Review of the Trans-European Network – Energy Regulation	In preparation



IMPACT OF COVID-19 PANDEMIC

- 11 Nov. 2020 agreement on the **€1.8 trillion** package to help build greener, more digital and more resilient Europe
- **30% of the EU budget**, under both MFF and Next Generation EU, **will be spent to fight climate change**, the highest share ever
- Next step: formal adoption by the European Parliament and the Council



NEXT STEPS

- The strategies will be discussed by the Council and the European Parliament in the coming months with a view to guiding the Commission on future concrete legislative and non-legislative action by July 2021.



NEXT STEPS

- Review of several Directives: Energy Taxation Directive, the Trans-European Network – Energy Regulation...
- Adopt European Climate Law.



Criticisms to the EGD

- The 2030 goal is not as ambitious as it should be. In order to limit global warming to 1,5°C, the EU should reduce 68% of GHG by 2030. Opinion of the Committee on Industry, Research and Energy.
- Several technologies are still to develop.
- The maritime transport sector is not explicitly addressed by the Union's emissions targets.



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Conclusions

- The EGD builds on previous policies and legislation in the energy sector.
- The EGD brings more ambitious climate goals.
- Despite the pandemic the EGD continues as a priority in the EU's agenda.
- Negotiations with member states in the coming months will define the future of the EGD.
- More legislation is expected from 2021 onwards.



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 groningen

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 law, administrative law and
 public administration



Bedankt voor jullie aandacht!

Thank you!

Questions

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EU's Climate Strategy

2030 Framework

New regulation

- > Governance Regulation 2018/1999 establishes a framework for planning, reporting, and review.
- > Member States must submit an integrated National Energy and Climate Plan every 10 years starting in 2019, with an update every 5 years, including national contributions to the EU-wide renewable energy and energy efficiency targets.
- > Biennially, member states have to submit progress reports on the implementation of National Energy and Climate plans and policies for GHG emission reduction.



Hydrogen Strategy



The priority for the EU is to develop renewable hydrogen, produced using mainly wind and solar energy.



In its strategic vision for a climate-neutral EU published in November 2018, the share of hydrogen in Europe's energy mix is projected to grow from the current less than 2% to 13-14% by 2050