



OPINION

European Economic and Social Committee

Review of the Renewable Energy Directive

Proposal for a Directive of the European Parliament and of the Council amending Directive (EU) 2018/2001 of the European Parliament and of the Council, Regulation (EU) 2018/1999 of the European Parliament and of the Council and Directive 98/70/EC of the European Parliament and of the Council as regards the promotion of energy from renewable sources, and repealing Council Directive (EU) 2015/652
[COM(2021) 557 final – 2021/0218 (COD)]

TEN/748

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Section responsible	Transport, Energy, Infrastructure and the Information Society
Adopted at plenary	09/12/2021
Plenary session No	565
Outcome of vote (for/against/abstentions)	191/2/5

1. Conclusions and recommendations

- 1.1 The EESC welcomes the increase in the targeted share of renewable energy and is pleased to note that these targets focus on the industrial, transport and housing sectors. Renewable energy policy is expected to deliver in three areas: climate change mitigation, energy security and economic development (job creation) but also requires legal certainty, which is being undermined by the fact that the revision is taking place only two weeks after the transposition deadline. However, the EESC underlines that even the increased target is probably not in line with the Paris climate goals, let alone with the provision of the UN Framework Convention on Climate Change to prevent dangerous anthropogenic interference with the climate system. These dangerous interferences are already evident today, with an increase in global temperatures.
- 1.2 The EESC draws the Commission's attention to the synergy that is needed, between the existing regulations reviewed in the "Fit for 55" package, as well as the new tools proposed, such as the Social Climate Fund or the Carbon Border Adjustment Mechanism.
- 1.3 The EESC considers it essential to ensure a level playing field between energy production sources, which requires ending fossil fuel subsidies, which are still increasing¹.
- 1.4 The EESC points out that citizens, especially young people, must be at the heart of European energy policy and is therefore disappointed at the Commission's lack of ambition when it comes to promoting and developing individual and community-based prosumerism, contrary to what was provided for in the Energy Union Communication.
- 1.5 The EESC broadly supports the principles of responsible forestry defined in the proposal and suggests prioritising the use of forestry by-products and recycled wood products for bioenergy. It also calls for support for bioenergy plants to be re-evaluated, with a view to redirecting biofuels towards transport, in particular where electrification poses problems, where they offer an alternative that is readily available at a reasonable cost, as further developed in points 4.9 and 4.20.
- 1.6 The EESC regrets the lack of a clear strategy for developing onshore wind power and photovoltaics, along the lines of the Commission's recent strategy for offshore wind power. A strategy for decentralisation and the effective promotion of community energy would help strengthen regional value chains and increase public acceptance of the energy transition. Otherwise, Europe risks paying a high (social and economic) price for its laxity over the last few decades. The EESC also points to the greater need for:
 - systematic forecasting of the growing energy demand by area and type, as well as energy type transformations
 - conceptual planning of the future energy system architecture
- 1.7 The EESC calls on the European Parliament and the European Commission to reopen the debate on setting binding national targets.

¹ [OJ L 328, 21.12.2018, p. 1.](#)

2. Introduction

- 2.1 The proposal to revise the Directive on promoting the use of energy from renewable sources (the Directive), the subject of this opinion, was published on 14 July 2021. It is an integral part of the Commission's "Fit for 55" package, which aims to reduce our greenhouse gas emissions by 55% by 2030 and thus enable the European Union to be climate neutral by 2050 as provided for in the European Climate Law.
- 2.2 The latest report of the Intergovernmental Panel on Climate Change (IPCC), published in August 2021, states that the concentration of CO₂ in the atmosphere in 2019 is the highest it has been in at least two million years. It also points out that achieving climate neutrality is the key prerequisite for limiting warming to between 1.5 and 2°C. COP26, which will take place in Glasgow in November 2021, will be an opportunity to assess the progress countries have made since the Paris Agreement was concluded in 2015 and to raise climate ambitions. As the International Energy Agency recently pointed out, climate neutrality means transforming the global economy from one dominated by fossil fuels into one powered predominantly by renewable energy². This is the background to the review of the Renewable Energy Sources Directive.

3. General comments on the proposal for a directive

- 3.1 With the aim of making the EU the world leader in renewable energy, the Directive was subject to a much-needed recast in 2018³. The EESC regrets the lack of regulatory stability that follows from proposing amendments on the same points as the latest amendments to the Directive immediately after their transposition deadline of 30 June 2021. The EESC nevertheless endorses the Commission's proposal to revise the Directive in view of the new CO₂ reduction objectives set in the European Climate Law and to use this opportunity to simplify and remedy shortcomings. The EESC underlines that the use of renewable energies must not be made excessively complex. Raising the binding target for energy from renewable sources to 40% was necessary, as was mainstreaming renewable energies in sectors such as construction, industry and transport. Nevertheless, the EESC identifies three areas for action that warrant closer attention, as they are only partially covered by the draft revision.

a) Public and consumer participation must be improved

- 3.2 Despite the high expectations of European citizens, the resources proposed by the EU to encourage consumer participation remain insufficient, as prosumerism is still not clearly defined in the Directive. The European Commission should propose a monitoring mechanism in order to support Member States' implementation of the rules enacted and thus allow prosumerism to flourish. Examples of best practice should be communicated to political decision-makers. Prosumerism must be made operational by:

- formalising the way in which citizens can become prosumers,

² International Energy Agency, *Net Zero by 2050 – A Roadmap for the Global Energy Sector (windows.NET)*, p. 3.

³ <https://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/revision-renewable-energies-directive>.

- removing existing barriers such as excessive bureaucracy,
- granting funding through municipalities, to avoid citizens being held captive by industry players.

Lifting bureaucratic barriers and ensuring that funding reaches the intended public (such as youth-led grassroots and youth-led local organisations), clarifying the obligations that may fall to the prosumer in the future, are key. Here, legal stability must take precedence, as access to financial aid and know-how must be guaranteed for consumers to encourage them to take the plunge and become prosumers. The EESC believes that once the legislative instrument under discussion is revised, it should not be renewed before 2030, to ensure the legal stability needed by all of the sector's stakeholders, in the broad sense of the word, as already stated in point 3.1 above.

- 3.3 While it is right to step up efforts to ensure the dynamic use of offshore wind, as set out in the offshore strategy, onshore wind and photovoltaics should be given a much greater role in our future European energy system. The lack of a comprehensive approach raises questions for the EESC, which calls on the Commission to adopt a regional decentralisation policy strategy. Prosumerism cannot thrive without support from the regional and local level, which has not only the technical and financial means, but also knowledge of an area's specific features, thus making considerable time savings possible. This level's proximity to the citizens and to the actors on the ground justifies it being granted further powers to achieve the objectives set out in the Directive. Lastly, this strategy should be supported by a study on the management of the critical resources and materials (extraction, recycling, etc.) needed for the manufacture and smooth operation of renewable energies. Dependence on fossil fuels must not become a dependence on critical materials.

b) Making better use of synergies

- 3.4 As the last recast was carried out so recently, the new provisions adopted have not yet been able to take full effect. The EESC therefore believes that this revision should serve two purposes.
- 3.5 As things stand, according to the modelling contained in the EU 2020 baseline scenario, the Union should exceed the current target of 32% renewable energy consumption by just over 1%. Firstly, the revision should raise current targets, while at the same time including new targets to boost the mainstreaming of renewables by at least 7% across the continent.
- 3.6 Secondly, the scope of the revisions carried out as part of the "Fit for 55" package must, on the one hand, be an opportunity to strengthen the existing synergies between these regulations and the Directive. On the other, this approach should also apply to the new tools proposed by the European Commission, such as the Social Climate Fund or the Carbon Border Adjustment Mechanism. Thus, the benefits of implementing the directive will only be able to achieve their full potential if the use of renewable energy sources goes hand in hand with establishing carbon accounting for part of the imported CO₂. Introducing the carbon mechanism at borders regarding certain sectors should be an opportunity to provide a level playing field, which should be addressed at European level. Replacing the target for renewable energy of at least 14% in final energy consumption by the transport sector with a binding target of 13% greenhouse gas

intensity by 2030, as set out in Article 25, is an example of synergies being properly exploited. Doing so will lead to greater consistency with the revision of the Emissions Trading Scheme and the rules on CO₂ standards. Nevertheless, in accordance with the Commission's strategy for energy system integration⁴, electrification of the transport sector should be the priority whenever it is economically and technologically possible. Lastly, this proposal for a revision also comes ahead of the revision of the Energy Performance of Buildings Directive and must serve as an opportunity to show great ambition when presenting its follow-up to the "Fit for 55" package, scheduled for 14 December 2021.

c) The economic recovery must enable renewable energies to flourish

3.7 While the demand for electricity has almost returned to its pre-crisis level, the economic recovery has led to a boom in renewables-based generation at the expense of fossil fuels⁵. In order to turn this into a real trend for the future, a level playing field between energy production sources must be established. Firstly, this means stopping subsidising fossil fuels as quickly as possible; in 2018, these subsidies amounted to around EUR 50 billion for the whole of Europe⁶ (with the understanding that an "indirect" part of the subsidy is not reflected in the estimate).

3.8 The Delegated Taxonomy Regulation on Climate Mitigation may, if accepted by Council and Parliament, steer future investments towards sustainable assets, the category to which renewable energy belongs. Only when distortions of competition between energy sources are eliminated will renewables be able to compete freely in the market. Pending such an outcome, the EESC welcomes the Commission's approach, which prevents renewable energies from falling behind.

4. **Specific comments on the text of the directive**

a) The question of whether or not the proposed aims should be binding

4.1 The EESC reiterates its criticism⁷ that the review of the directive does not contain binding national targets, unlike the 2009 revision. While the EU has met its target of increasing the share of renewables to 20% in 2020, some Member States have failed to meet their targets, with others only just managing to do so⁸, benefiting from the particular situation caused by the health crisis, which has brought some national economies to a standstill. This example illustrates the weakness of the current governance framework, which only provides for "encouraging" Member States to meet their national targets. The EESC calls on the Council of Ministers, the European Parliament and the European Commission to reopen the debate on setting binding national targets, on the appropriate energy governance and/or, at the very least, on more coercive measures against offending Member States to ensure that national ambitions are met. Here, the directive is going as far as voluntary action can go. While several Member States have

⁴ [COM \(2020\) 299 final](#).

⁵ Ember, [European Electricity Review: H1-2021](#), ([ember-climate.org](#)).

⁶ European Commission, [Annexes to the 2020 report on the State of the Energy Union pursuant to Regulation \(EU\) 2018/1999 on Governance of the Energy Union and Climate Action](#).

⁷ [OJ C 246, 28.07.2017, p. 55](#).

⁸ Eurostat, [Renewable energy statistics – Statistics Explained](#) ([europa.eu](#)).

exceeded their forecasts for 2020, there is a risk of a race to the bottom, which would cause the countries that have made the most progress to be discouraged by the lack of willingness of some of their counterparts and by the lack of consequences.

- 4.2 As regards the new binding target of 40% renewable energy by 2030 (previously 32%), this concerns all energy consumption and not just electricity consumption. The EESC welcomes the fact that the Commission has proposed the most ambitious target within the range identified in the climate target plan (38-40%) to meet the new 55% greenhouse gas reduction target for 2030. This demonstrates the EU executive's ambition to speed up the roll-out of green technologies, which the EESC welcomes. However, this greater share of renewables in the electricity mix of Member States will have consequences in terms of energy and electricity consumption⁹ as the share of energy consumption is expected to fall by 2050. It is important to update the 2050scenarios in the light of the new targets, in particular by specifying the role that could be played by electricity storage, which will have to be developed more rapidly than expected, or the role of energy saving, including certain behaviours that have been highlighted by the health crisis.
- 4.3 However, this new target will prove very ambitious for some Member States. At a time when in many Member States the decarbonisation of the building sector is lagging behind, the EESC supports the proposed approach of boosting efforts in specific sectors, such as using renewable energies in the heating and cooling sector. It is true that a specific target of 49% for the share of renewable energy in buildings, as set out in the new Article 15a, was urgently needed. Nevertheless, the EESC questions the non-binding nature of such a target. The buildings sector will have to reduce its emissions by 60% by 2030 and become carbon-neutral by 2040 in order to meet the targets set in the European Green Deal. Given that many Member States may struggle to meet this target, the EESC stresses the importance of using the funding from the Social Climate Fund from 2025 onwards. This should make it possible to speed up renovations of both public and private buildings and thus stem the growing phenomenon of fuel poverty, which affects over 30 million Europeans. However, whether the funding comes from the future Social Climate Fund or, more generally, from other aid mechanisms, a tracking mechanism must be implemented to ensure that this funding is properly allocated to the fight against climate change. If these funds are subsumed into national budgets, it will be impossible to effectively monitor the use of the resources allocated. These funds will also have to focus not only on large-scale projects, but also on smaller ones, where the monetary gain in terms of MWh and CO₂ emissions is more modest, but where the impact on European citizens is equally or even more significant. The EESC calls for the allocation criteria in the various Member States to be harmonised, where possible, as regards the share to be devoted to getting citizens active in order to facilitate possible cross-border cooperation.
- 4.4 The EESC wishes to point out that the decarbonisation of the industrial sector is far too slow at present, even though this sector has been the first to be targeted by successive European climate plans. In practical terms, industrial emissions are covered by the Emissions Trading Scheme (ETS). However, due to the existence of an overly generous free allocation scheme, more than 90% of industrial pollution is cost-neutral for the companies involved, resulting in the sector's

⁹ [6 FR ACT part1 v3.pdf \(europa.eu\)](#).

emissions falling by only 1% between 2012 and 2018. The EESC therefore calls for a binding target of 1.1%, which would force industries to increase their use of renewables year on year. An indicative target might be seen as giving industry a free hand, which could potentially put a brake on Europe's climate ambitions.

- 4.5 The EESC welcomes the fact that the target for incorporating renewable energies for heating and cooling is to be made binding. The EESC would point out, however, that the original target contained in the directive was 1.3%, whereas the new target would only be 1.1%. According to the impact assessment accompanying the draft revision, the progress made by almost half of the Member States was not in line with the original target. In order to enable Member States to meet this target, the EESC suggests that some of the revenues allocated to the Social Climate Fund be earmarked as a priority for the replacement of heating and cooling systems, most of which rely on fossil fuels. The EESC believes that the aim of the directive should be to raise or at least maintain the ambition set out in the previous revision, and calls on all stakeholders to consider how best to achieve this.
- 4.6 In order to achieve climate neutrality in 2050, decarbonisation of the energy system must be achieved by 2045. A gross final consumption of renewable energy of 40% in 2030 means that most of the decarbonisation process will have to be achieved over a period of 15 years (between 2030 and 2045). Thus, the climate emergency requires greater pragmatism as regards the development of renewable energy sources, in terms of determining what can actually be done within the available time-frame. First, it is important to focus on targets that are achievable in the light of the provisions currently in force. While the directive establishes a medium- and long-term strategy by setting ambitious targets, this should not happen at the expense of a faster-paced roll-out of green energies, but should go hand in hand with it. In the short term, it is equally relevant and essential to focus on the use of mature and popular renewable energy sources such as photovoltaic panels. For the transport sector, greater flexibility and a wider choice of admissible raw materials with respect to biofuels must be mentioned. It is only in the medium to long term that investments made on the basis of the guidelines set out in the future directive can take over and harness their full potential (renewable hydrogen, offshore wind turbines, etc.) and contribute to the decarbonisation of the European economy through the electrification of uses. Otherwise, there is a great risk that Europe will pay a heavy price for its laxness over the last two decades. In order to avoid this, the EU needs to clarify its strategy, which will have to go far beyond the Renewables Directive alone and foster a comprehensive approach that makes use of synergies.

b) District heating and transport

- 4.7 The European Commission's communications on a hydrogen strategy and a strategy to mainstream energy systems contain some important aspects that should be taken into account in this overall strategy. In its opinions TEN/717 and TEN/718, the EESC expressed its broad support for the communications, despite some criticism regarding a lack of consistency and clarity on certain aspects. However, the proposed revision only goes a certain way towards addressing some of the important aspects that were missing. Research, innovation and implementation should be supported and accelerated here.

- 4.8 The Commission proposes to strengthen district heating. This approach is valid, since district heating networks are a good option for using surplus energy from photovoltaic or wind power installations, which are likely to increase in number.
- 4.9 The proposed directive aims to improve access to charging points, including private charging points, for electric car users. This makes sense at a time when rapid electrification of the mobility sector is one of the most promising ways of decarbonising the transport sector, emissions from which continue to increase. Concrete rules for the direct supply of renewable electricity generated on site or nearby the charging point could be an important element of a decentralisation strategy that strengthens regional structure and community energy. The EESC nevertheless points to the need to provide mature solutions at a reasonable cost for those transport sectors that are difficult to electrify, at this point in time particularly biofuels, and, in the future, hydrogen.

c) The promotion and use of renewable energies

- 4.10 The EESC welcomes the introduction of several initiatives for renewable hydrogen, such as sub-targets for industry and transport. Furthermore, the EESC also believes that a binding target of 50% for renewable fuels of non-biological origin used as feedstock or as an energy carrier is the right approach and that clean hydrogen must be prioritised¹⁰. However, the option offered by Article 7 of importing renewable fuels of non-biological origin, which would then be accounted for as a contribution within the Member State, appears potentially problematic, and this accounting option should be capped.
- 4.11 With regard to the promotion of Power Purchase Agreements (Article 15), establishing guidelines coupled with financial support for small and medium-sized enterprises should encourage the development of such a scheme, which provides long-term visibility on the sale price of green electricity. More generally, this initiative illustrates the need to strengthen cooperation and coordination between stakeholders in the sector in order to provide a long-term vision for economic actors.
- 4.12 Another initiative welcomed by the EESC is the obligation for Member States to launch a test phase on cross-border cooperation by setting up a pilot project within the next three years. The EESC would like clarification, however, on the arrangements for setting up such cooperation. In particular, it wonders about the administrative procedures involved in such an initiative and calls on the European Commission to assist Member States (by translating documents relating to the procedure, etc.) to ensure they can meet the deadline that has been set.
- 4.13 The EESC believes that the time has come to consider the relevance of a European electricity regulator. In order to prepare properly for this important position, it is time to launch a conceptual system planning activity that will forecast the growing energy demand by area and type, as well as energy type transformations.

¹⁰ [OJ C 123, 9.4.2021, p. 30.](#)

- 4.14 The EESC also endorses the initiative in Article 9(7a) to introduce joint spatial planning per sea basin, between Member States, to facilitate the development of offshore capacity. This approach would make it possible to maximise the potential of each maritime basin while ultimately strengthening the objective of electricity interconnection between countries. The establishment of a one-stop shop is also welcome and must be an opportunity to learn from the best practices implemented in the different Member States in order to reduce the time needed to complete a project. Setting a total production capacity per basin by 2030, 2040 and 2050 should also make it possible to take better account of each Member State's offshore wind energy potential, and encourage its development. In purely operational terms, the increase in cross-border renewable energy projects, in particular offshore wind, leads the EESC to call on the European Commission to reopen discussions on a European transmission system operator, as this would be the most appropriate level for the real-time management of electricity flows. This is ultimately the most legitimate level for coordinating market mechanisms in relation to supply and demand, while ensuring the security of the system, which will come under increasing pressure with the greater penetration of renewables.
- 4.15 The EESC has repeatedly stressed the need for new market structures to balance energy production and consumption at the micro level. These structures would facilitate the integration of smaller storage devices into the energy system. For example, the growth of electromobility should benefit from the role of batteries to enable smart charging and to provide storage capacity at the local level. However, the revision proposal does not address this issue.
- 4.16 The Clean Energy Package pays particular attention to self-consumption and energy communities. These mechanisms are powerful vehicles for ensuring citizens' participation and for making them conscious full actors in the energy transition by increasing their sense of ownership and by strengthening decentralised structures that are beneficial in both and economic and social terms. As highlighted by the European Commission in its assessment of national energy and climate plans, Member States are not taking sufficient account of the potential of "energy citizenship", thus contravening one of the *raisons d'être* of the 4th energy package. There is an urgent need to clarify the applicable rules, in particular for concepts such as energy sharing, net metering and P2P energy sales, in order to meet the objectives of the Clean Energy Package and the Energy Union. The EESC is disappointed that the proposed revision does not attempt to improve the regulatory framework on these aspects. This will be all the more important as the proposed revision of the guidelines on state aid for the climate, energy and the environment sets a much lower threshold for exceptions to the obligation to grant aid and to determine the level of aid through a competitive procedure.
- 4.17 The EESC in principle supports the Commission's proposal calling on Member States to take into consideration "the maintenance of the national forest carbon sinks and ecosystems" as well as the principles of "biomass cascading use" and the circular economy. This means prioritising the use of residual wood, such as small branches, tree stumps and other by-products, as well as recycled wood products for bioenergy. Therefore, it makes sense to re-evaluate support for bioenergy plants in this area, bearing in mind that residues from sawmills and the pulp and paper industry are sources of energy. Furthermore, as highlighted in the proposal, it is reasonable to redirect biofuels towards transport sectors that are difficult to electrify, such as the maritime, long-distance transport and aviation modes. Problems of availability and cost should

also be taken into account in this regard. In order to implement this idea, Article 25 should differentiate between bio-based biofuels and renewable electricity by measuring greenhouse gas reductions. Priority is thus given to renewable electricity and biofuels based on residues in the transport sector. This results in greater pressure to decarbonise the transport sector through direct electrification.

- 4.18 The detailed calculations of the greenhouse gas reductions as well as the sustainability criteria presented in the annexes to the draft directive are partly of a very technical nature. For the EESC, they are clearly going in the right direction, even the Committee couldn't assess them fully in each individual case. Regarding - for example - biofuels, they will lead to a situation where some potentially usable or currently used substances can no longer be used, which can pose a problem for parts of the industry.
- 4.19 The committee would also like to point out that it will be difficult to prove in some cases whether all criteria are actually being complied with. For example, "solid and verifiable evidence shall be provided that the soil carbon has increased or that it is reasonable to expect to have increased over the period in which the raw materials concerned were cultivated while taking into account the emissions where such practices lead to increased fertiliser and herbicide use" (see: COM(2021)557 Annex 1 and 2). While such a requirement makes sense, it will be difficult to demonstrate it in practice.
- 4.20 The EESC welcomes the desire expressed in recital 10 to improve the time taken to process administrative procedures that form a barrier to the deployment of renewable energy. However, the EESC wonders what practical action the European Commission intends to take and how it plans to go beyond mere encouragement to ensure that procedural delays are effectively and efficiently reduced.
- 4.21 The EESC agrees with recital 12, which refers to the need to have a sufficient number of skilled workers for the professions of the future. The EESC calls on the European Union to put a figure on the workforce needed to implement the European Green Deal and to invest as a priority in training for the reskilling of employees whose jobs will disappear as a result of the green transition. It would also be a good way to attract young people to the green sector, thanks to the newly created job and business opportunities.

Brussels, 9 December 2021

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