

## **EFET response to the Commission questionnaire on the revision of RED II**

09 February 2021

The European Federation of Energy Traders (EFET)<sup>1</sup> welcomes the opportunity to provide input to the European Commission on the revision of the Directive 2018/2001/EU on the promotion of the use of energy from renewable sources (RED II), as part of the implementation of the 2030 Climate Target Plan and the development of the “Fit for 55 package”. Please find our response to the questionnaire on the revision of RED II in below.

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<sup>1</sup> The European Federation of Energy Traders (EFET) promotes competition, transparency and open access in the European energy sector. We build trust in power and gas markets across Europe, so that they may underpin a sustainable and secure energy supply and enable the transition to a carbon neutral economy. We currently represent more than 100 energy trading companies, active in over 27 European countries. For more information: [www.efet.org](http://www.efet.org).

# Consultation on the Review of Directive 2018/2001/EU on the promotion of the use of energy from renewable sources

Fields marked with \* are mandatory.

## Introduction

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This consultation aims to collect views and suggestions from stakeholders and citizens in view of the possible proposal for a revision of Directive 2018/2001/EU on the promotion of the use of renewable energy (RED II), planned for 2021.

Renewable energy is produced using the earth's natural resources, like sunlight, wind, water resources (rivers, tides and waves), heat from the earth's surface, or biomass. Using renewable energy, instead of fossil fuels, substantially reduces the emission of greenhouse gases, which is why renewable energy is also referred to as 'clean energy'.

Today, the energy sector is responsible for more than 75% of the EU GHG emissions, so increased uptake of renewable energy alongside energy efficiency has a key role to play in reducing GHG emissions in a cost-effective way. More energy from renewable sources also enhances energy security, creates growth and jobs, reduces air pollution when not based in combustion and strengthens the EU's industrial and technological leadership.

The review of RED II is carried out in the context of the European Green Deal[1] in which the Commission committed itself to review and propose to revise, where necessary, the relevant energy legislation by 2021.

In the European Green Deal the Commission proposed to increase the Union's 2030 greenhouse gas (GHG) reduction target from 40% to at least 50% to 55%, with the objective of climate-neutrality by 2050.

On 17 September 2020, the Commission published its 2030 Climate Target Plan, which presents a new 2030 target of at least 55% net GHG emission reductions compared with 1990 levels on basis of a comprehensive impact assessment. Achieving at least 55% net GHG emissions reductions would require an accelerated clean energy transition with renewable energy seeing its share reaching 38% to 40% of gross final energy consumption by 2030.

This range of 38% to 40% is higher than the binding Union level target for 2030 of at least 32% of energy from renewable energy sources introduced by RED II. It is also higher than the share of renewables, between 33.1% and 33.7%, that would be achieved if Member States complied with the national contributions set in their integrated National Energy and Climate Plans (NECPs) for 2030.

In addition, the Commission has adopted, or will adopt, other strategies containing a number of key actions supporting the increased climate ambition, which could be followed through in the review of REDII. This is the case, for instance, of the Energy System Integration[2] and the Hydrogen Strategies[3], adopted on 8 July 2020, the Renovation Wave Strategy[4], adopted on 14 October 2020, and the Offshore Renewable Energy Strategy, planned for 19 November. In addition, the European Green Deal includes a "Green Oath

to do no harm”, in particular by preserving biodiversity and reducing air pollution. To this end, the Commission adopted on 20 May 2020 an EU Biodiversity Strategy for 2030, which also contains commitments of relevance for the REDII review.

The answers to this questionnaire will feed into the review process of RED II, and more in particular into the impact assessment that the Commission will carry out to assess whether a revision is needed and what revision would be the most appropriate. No evaluation of RED II will be done, since this Directive, adopted in December 2018, has not yet been transposed and implemented by Member States (its transposition deadline is on 30 June 2021), and a full-fledged evaluation of Directive 2009/28/EC (RED I) was done in 2016 when preparing the proposal for RED II.

The questions are formulated to respect the requirements of the Better Regulation rules[5]. The questions are divided into different sections: questions about the identity of respondents, general questions on revising RED II, questions on transversal elements derived from the Energy System Integration and Hydrogen Strategies, and technical questions on specific aspects of RED II, including questions on buildings and offshore renewables, in line with the Renovation Wave and the Offshore Renewable Energy Strategy. If you don't have an opinion on a question, do not reply.

[1] COM(2019) 640 final

[2] [https://ec.europa.eu/energy/sites/ener/files/energy\\_system\\_integration\\_strategy\\_.pdf](https://ec.europa.eu/energy/sites/ener/files/energy_system_integration_strategy_.pdf)

[3] [https://ec.europa.eu/energy/sites/ener/files/hydrogen\\_strategy.pdf](https://ec.europa.eu/energy/sites/ener/files/hydrogen_strategy.pdf)

[4] [https://ec.europa.eu/energy/topics/energy-efficiency/energy-efficient-buildings/renovation-wave\\_en#documents](https://ec.europa.eu/energy/topics/energy-efficiency/energy-efficient-buildings/renovation-wave_en#documents)

[5] [https://ec.europa.eu/info/law/law-making-process/planning-and-proposing-law/better-regulation-why-and-how\\_en](https://ec.europa.eu/info/law/law-making-process/planning-and-proposing-law/better-regulation-why-and-how_en)

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**Please note that this questionnaire will be available in all EU-languages as from 09/12/2020.**

## About you

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### \* Language of my contribution

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- Danish
- Dutch
- English
- Estonian
- Finnish
- French
- German
- Greek

- Hungarian
- Irish
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- Lithuanian
- Maltese
- Polish
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\* I am giving my contribution as

- Academic/research institution
- Business association
- Company/business organisation
- Consumer organisation
- EU citizen
- Environmental organisation
- Non-EU citizen
- Non-governmental organisation (NGO)
- Public authority
- Trade union
- Other

\* First name

DARIA

\* Surname

NOCHEVNIK

\* Email (this won't be published)

D.NOCHEVNIK@EFET.ORG

\* Organisation name

*255 character(s) maximum*

European Federation of Energy Traders (EFET)

\* Organisation size

- Micro (1 to 9 employees)
- Small (10 to 49 employees)
- Medium (50 to 249 employees)
- Large (250 or more)

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- Bosnia and Herzegovina
- Botswana
- Bouvet Island
- Brazil
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- Ethiopia
- Falkland Islands
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- Fiji
- Finland
- France
- French Guiana
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- French Southern and Antarctic Lands
- Gabon
- Georgia
- Germany
- Ghana
- Gibraltar
- Greece
- Greenland
- Grenada
- Guadeloupe
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- Guatemala
- Guernsey
- Guinea
- Guinea-Bissau
- Malta
- Marshall Islands
- Martinique
- Mauritania
- Mauritius
- Mayotte
- Mexico
- Micronesia
- Moldova
- Monaco
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- Montenegro
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- Morocco
- Mozambique
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- Netherlands
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- Solomon Islands
- Somalia
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- Christmas Island
- Clipperton
- Cocos (Keeling) Islands
  
- Colombia
- Comoros
  
- Congo
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- Guyana
- Haiti
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- Norfolk Island
- Northern Mariana Islands
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- North Macedonia
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- Togo
  
- Tokelau
- Tonga
- Trinidad and Tobago
- Tunisia
- Turkey
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## 1. General questions on the review and possible revision of the Renewable Energy Directive

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REDII provides a general framework for the promotion of energy from renewable within the Union in order to ensure the achievement of the binding EU renewable energy target of at least 32% by 2030. It sets out rules on support schemes for renewable energy, on guarantees of origin for energy from renewable sources, on administrative procedures, on the integration of renewable sources in buildings, on selfconsumption and renewable energy communities, and on renewable energy in heating and cooling and in transport. It also sets out sustainability and GHG emissions criteria for bioenergy.

On 17 September 2020, the Commission published its 2030 Climate Target Plan, where it presents an at least 55% net target for GHG emissions reduction in 2030. As result of this increased ambition, the plan indicates that renewables should represent from 38% to 40% of the gross final energy consumption in 2030.

### 1.1 How important do you think renewable energy will be in delivering the EU's higher climate ambition for 2030 and carbon neutrality by 2050?

- Very important
- Important
- Not very important
- Not important

### 1.2 Do you think REDII needs to be modified? (multiple answers possible)

- Yes, it needs to be more ambitious as result of the higher climate ambition in the European Green Deal and Climate Target Plan
- Yes, it needs to be more prescriptive to ensure that the EU renewable energy objectives are reached
- Yes, it needs to be less prescriptive, giving Member States more freedom on how to achieve their renewable energy objectives

- Yes, but only those adjustments required to reflect the European Green Deal objectives
- No, it strikes the right balance as it is
- No, even if there could be areas of improvement, legislation should not be modified so shortly after its adoption
- Other

Please specify

*3000 character(s) maximum*

We note that the roadmap for RED II revision and certain questions set out in the present questionnaire (Qs 2.4-2.7 and section 3.2) suggest that the Commission is considering expanding the scope of RED II and potentially modifying the design of targets under the Directive to accommodate not only renewable but also low carbon energy carriers (in particular, in transport sector and heating and cooling). While we in EFET do not take a prescriptive approach to the function of a RED III under the broader revised 2030 climate and energy framework, we believe that suitable provisions related to low carbon energy carriers not qualifying as “renewable” should be included in the “Fit for 55 package.” Such provisions would introduce a possibility for Member States to combine renewable and non-renewable but low carbon sources in their national energy and climate plans, to help achieve overall EU decarbonisation goals.

Ultimately, the “Fit for 55 package” should provide for a level-playing field for technology developers and a framework that recognises the environmental benefit of a wide range of available renewable and low carbon technologies and rewards carbon abatement at least cost in a market based, technology neutral way.

In order to help achieve that, the package should encompass a set of standards and rules to enable the establishment of a comprehensive EU certification system covering all renewable and low carbon energy carriers. These standards and rules could underpin a “common currency” for certifying the carbon abatement value and sustainability characteristics of different decarbonisation technologies, covering all renewable and low carbon energy carriers.

Such a “common currency” could in turn deliver on one of the key objectives of RED II revision set by the Commission, that is, to develop a comprehensive certification system, which would facilitate energy system integration. That said, as discussed above, we keep an open mind on whether the provisions for the establishment of this comprehensive certification system should be included in RED III or in another piece of legislation under the “Fit for 55 package.” However, we believe it is crucial that provisions governing a comprehensive certification scheme are placed in the same convergent piece of EU legislation – and do not end up scattered across separate legislative proposals. This is important to facilitate the evolution of a transparent, liquid pan-European market in certificates evidencing energy sources with sustainable characteristics. Transparency, standardisation and mandatory issuance by all Member States are crucial to avert risks of inconsistent valuation and potential double counting. Ultimately, standardisation of certificates across sectors and countries and a liquid market should lead to establishment of a “common currency” for carbon reduction and abatement contributions.

**1.3 If you answered ‘yes’ to the previous question, which parts of RED II do you think should be amended? (multiple answers possible)**

- Overall Union target of at least 32% for renewable energy for 2030
- Target of at least 14% for renewable energy in transport by 2030.
- Indicative target of an annual increase of 1.3% point for renewable energy used in heating and cooling
- Indicative target of an annual increase of 1% point for renewable energy used in district heating and cooling and provisions on access to district heating networks
- Provisions on how to design support schemes for electricity from renewable sources
- Provisions on cooperation mechanisms between Member States
- Provisions on how to promote renewable energy in buildings
- Provisions simplifying administrative procedures for renewables project developers
- Requirements on guarantees of origin for energy from renewable sources
- Provisions on self-consumption and renewable energy communities
- Sustainability and GHG emission saving criteria for energy produced from biomass
- Provisions on sustainable low carbon fuels such as low-carbon hydrogen and synthetic fuels with significantly reduced full life-cycle greenhouse gas emissions compared to existing production
- Other

Please specify

*3000 character(s) maximum*

1. We believe that the revised RED II should reflect the following four policy priorities on the road to European carbon neutrality:
  - A. Pursuit of the EU 2030 Climate Target Plan (CTP) in ways which harness well-functioning European markets in energy commodities, related contracts and emission allowances, and which respect the integrity of the internal energy market
  - B. Reinforcement and expansion of the EU ETS as a policy priority in the implementation of the EU 2030 CTP, in order to allow a robust economy-wide carbon price to become the main driver of cost-effective decarbonisation in Europe. Alignment between the revision of RED II and the EU ETS Directive is therefore essential.
  - C. An inclusive approach to sources and technologies which can contribute to decarbonisation of the European economy, recognising the role of both renewable and low carbon energy carriers, based on their respective carbon abatement and sustainability characteristics.
  - D. Deployment of market-led carbon abatement obligations and decarbonisation incentives, by means of schemes which distinguish the renewable and/or low carbon attributes using standard EU instruments (such as emission allowances or certificates guaranteeing origin and/ or carbon content and sustainability characteristics) and operate as far as practically possible on a cross-border basis throughout the EU.
  
2. As per our comments to Q1.2, while we do not take a prescriptive approach to the function of RED III, we believe that the overall revision of the 2030 climate and energy framework should ultimately provide for a level-playing field for technology developers and a framework that recognises the environmental benefit of a wide range of available renewable and low carbon technologies and rewards carbon abatement at least cost in a market based, technology neutral way.

RED III should therefore be aligned with a broader EU approach to consumption targets by energy type or source, which are

  - A. Accommodating all types of renewable and low carbon energy carriers, recognising their respective carbon abatement and sustainability characteristics;
  - B. Underpinned by a set of EU rules and standards for certifying carbon content and sustainability characteristics of all renewable and low carbon energy carriers (please see the comment section to Q2.7, where we set out our recommendations for the establishment of such a legislative framework.)
  
3. Suitable provisions related to low carbon energy carriers not qualifying as “renewable” should be included in the “Fit for 55 package.” Such provisions would introduce a possibility for Member States to combine renewable and non-renewable but low carbon sources in their national energy and climate plans, to help achieve overall EU decarbonisation goals.
  
4. Ensuring that energy consumers are not implicitly disincentivised from responding to wholesale electricity market price signals (for further details, please see the comment section below).

**Please explain your answer**

*3000 character(s) maximum*

1. Ensuring alignment between the revision of RED II and the revision of the EU ETS Directive  
A credible, reinforced and expanded EU ETS must be recognised as the key instrument for achieving the European 2030 climate target and the 2050 climate neutrality objective in a cost-effective way. A more ambitious overall RE target for the Union, as well as any RE target in transport, should not be allowed to undermine the effectiveness of an expanded EU ETS or any temporary sector specific carbon pricing mechanism at EU level
2. Adhering to the principle of technological neutrality of the overall approach to decarbonisation of the EU economy (see our comment to Q2.1)
3. Suitable provisions related to low carbon energy carriers not qualifying as “renewable” should be included in the “Fit for 55 package.” Such provisions would introduce a possibility for Member States to combine renewable and non-renewable but low carbon sources in their national energy and climate plans, to help achieve overall EU decarbonisation goals.  
This would require changes to relevant provisions of RED II and IEM legislation to be implemented in tandem with relevant changes to the EEAG, so that:
  - A. Any temporary financial support schemes for renewable and low carbon energy sources-in so far as they still prove to be necessary-become strictly market-based, technology-neutral to the greatest extent possible, least-distortive of wholesale energy markets, and progressively open to participation across national borders within the EU;
  - B. The economic impact of any temporary financial support schemes is taken into account in the framework of the EU ETS, to the extent the carbon abatement they incentivise diminishes the need for generators and industrial emitters to purchase and use allowances; the objective being to preserve the integrity of the EU ETS and any temporary sectoral EU emission trading scheme and progressively strengthen rather than weaken the carbon price signals across the EU economy
4. Ensuring that energy consumers are not implicitly disincentivised from responding to wholesale electricity market price signals.  
Currently renewable energy communities and on-site (or behind-the-meter) generation and storage assets of prosumers often receive very different price signals compared to parties connected at higher voltages due to the implicit support they receive (not being subject to taxes and levies paid by consumers and assets connected to the grid). Such implicit support, if not properly addressed, can result into market distortions and overall system inefficiencies. This challenge could be tackled by way of minimising non-contestable charges accounting for a large share of end-consumer energy bill, which dilute the price signals coming from the wholesale market, thereby reducing the incentive for energy consumers to offer flexibility or to adjust consumption in response to price signals.  
In addition, there is an opportunity to clarify the term “self-consumption”

**1.4 In which sectors do you think additional efforts to increase the use of renewable energy are most needed for a potentially higher renewables target for 2030? (multiple answers possible)**

- Electricity
- Gas
- Heating and cooling
- District heating and cooling
- Buildings
- Services (including ICT)

- Industry
- Transport
- Agriculture
- Other

## Please specify

*3000 character(s) maximum*

1. Ensuring alignment between the revision of RED II and the revision of the EU ETS Directive

A credible, reinforced and expanded EU ETS must be recognised as the key instrument for achieving the European 2030 climate target and the 2050 climate neutrality objective in a cost-effective way. Net decarbonisation of non-ETS end use sectors, and ultimately all fossil fuel use, should be driven by a robust EU-wide carbon price.

A more ambitious overall Union RE target, as well as any RE target in transport, should not be allowed to undermine the effectiveness of an expanded EU ETS or any temporary sector specific carbon pricing mechanism at EU level.

2. Adhering to the principle of technological neutrality of the overall approach to decarbonisation of the EU economy

See our comment to Q 1.2. While recognising that the carbon abatement and sustainability characteristics and the maturity of renewable, carbon abatement and decarbonisation technologies and solutions vary, it is important that EU policy and legislation observe technological neutrality as far as possible.

Ultimately, as part of the “Fit for 55 package” RED II revision should facilitate a level-playing field for technology developers and a framework that recognises the environmental benefit of a wide range of available renewable and low carbon technologies and rewards carbon abatement at least cost in a market based, technology neutral way.

3. Suitable provisions related to low carbon energy carriers not qualifying as “renewable” should be included in the “Fit for 55 package.” Such provisions would introduce a possibility for Member States to combine renewable and non-renewable but low carbon sources in their national energy and climate plans, to help achieve overall EU decarbonisation goals.

This would require changes to relevant provisions of RED II and IEM legislation to be implemented in tandem with relevant changes to the Energy and Environment State Aid Guidelines (see separate EFET response to the recent DG COMP consultation on the revision of EEAG), so that:

- A. Any temporary financial support schemes for renewable and low carbon energy sources – in so far as they still prove to be necessary by EU law - become strictly market-based, technology-neutral to the greatest extent possible, least-distortive of wholesale energy markets, and progressively open to participation across national borders within the EU;
- B. The economic impact of any temporary financial support schemes is taken into account in the framework of the EU ETS, to the extent the carbon abatement they incentivise diminishes the need for generators and industrial emitters to purchase and use allowances; the objective being to preserve the integrity of the EU ETS and any temporary sectoral EU emission trading scheme and progressively strengthen rather than weaken the carbon price signals across the EU economy.

### 1.5 Do you see scope for simplifying RED II or reducing regulatory burdens, including administrative burdens?

3000 character(s) maximum

Please see our response to Q2.7

### 1.6 Do you think the level of the 2030 Union target for renewable energy should be raised within the range indicated in the 2030 Climate Target Plan (38 - 40%)?

- Yes
- No, it should be higher than 40%
- Other

### 1.7 Should the overall renewable target be binding at EU level or at national level?

- At both levels
- Only at EU level
- Only at national level
- At neither of the levels

## 2. Technical questions on Transversal Energy System Integration Enablers

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In order to achieve climate neutrality cost-effectively the energy system needs to operate in a more integrated manner, across multiple energy carriers, infrastructures and consumption sectors. The Energy System Integration and Hydrogen Strategies published by the Commission in July set the vision to build an integrated energy system fit for climate-neutrality and turn hydrogen into a viable solution. This vision is established around three main pillars: 1) a more circular energy system, with 'energy-efficiency-first' at its core; 2) accelerating the electrification of energy demand, building on a largely renewables-based energy system; 3) promote renewable and low-carbon fuels, including hydrogen, for hard-to-decarbonise sectors.

### 2.1 How important do you consider the following measures to build a more integrated energy system?

	Very important	Important	Not very important	Not important
Apply the Energy-Efficiency-First principle across the whole energy system	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Increase the mobilisation of waste heat, for instance from industry or data centres	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Accelerate the deployment of smart district heating and cooling networks that use renewable energy and thermal storage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Accelerate the use of renewable energy in buildings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Accelerate the use of renewable electricity in industry	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Accelerate the use of renewable electricity in the transport sector	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Accelerate the production of renewable liquid fuels	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Accelerate the production of sustainable biogas and biomethane	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Increase the production and use of renewable hydrogen	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Accelerate the digitalisation of the energy system	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Any other view or ideas related to the use of renewables that could contribute to building a more integrated energy system? Please specify.

*3000 character(s) maximum*



1. Energy system integration in Europe to rest on continuation and strengthening of the European Internal Energy Market (IEM)

There is a crucial omission in the list of measures to build an integrated energy system listed above, which is the need for energy system integration in Europe to rest on a continuation and strengthening of the EU IEM. Especially the preservation of competition and liquidity at the wholesale level of energy commodity and energy derivative markets is essential. Precise price signals enabled by Europe's well-functioning wholesale energy markets are key to ensure the most efficient decarbonisation solutions – including renewable energy technologies - are deployed in the most cost-effective locations across Europe. We acknowledge that, in addition to price signals in the wholesale energy market, project developers need to factor in locational signals for investments and divestments, including connection charges, and transmission tariffs

2. An EU wide carbon price to become the long-term driver for decarbonisation across the European economy, encouraging uptake of least cost emission reduction technologies and solutions and facilitating energy system integration.

As per our responses to the previous questions, a credible, reinforced and expanded EU ETS is instrumental in achieving the European 2030 climate targets and the 2050 climate neutrality objective in a cost-effective way. With the expansion of the EU ETS, an EU wide carbon price should become the long-term driver for decarbonisation across the European economy, encouraging uptake of least cost emission reduction technologies and solutions and facilitating energy system integration.

3. RED II and the EU Strategy for Energy System Integration should facilitate electrification and RE uptake only to the extent that the substitution of alternative energy carriers by electricity and RE is commercially viable, in open competition with other carbon neutral and low carbon means of delivering energy to consumers. It is therefore important to ensure that producers and suppliers using various decarbonisation technologies face whole system price signals reflecting the costs they impose on gas and power networks respectively, and that economic behaviour and commercial decisions are not distorted by misallocation of legacy system costs that have been irreversibly incurred nor by the costs of unwarranted expansion and reinforcement of grids in future.

4. RED III should therefore be aligned with a broader EU approach to consumption targets by energy type or source, which are

A. Accommodating all types of renewable and low carbon energy carriers, recognising their respective carbon abatement and sustainability characteristics;

B. Underpinned by a set of EU rules and standards for certifying carbon content and sustainability characteristics of all renewable and low carbon energy carriers (please see the comment section to Q2.7)

Please see our responses to Qs 1.2 -1.4

The Energy System Integration Strategy recommends to advance towards a more circular energy system, with 'energy-efficiency-first' at its core.

## 2.2 How do you think the energy efficiency first principle should be reflected in the Renewable Energy Directive?

	Very appropriate	Appropriate	Not very appropriate	Not appropriate
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Promote the use of renewables in low-temperature efficient heating systems	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Promote the production of heat directly from renewable energy or waste heat with minimal energy transformation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Promote the installation of thermal energy storage together with the renewable heat generator	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Promote self-consumption of renewable thermal heat	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Promote the reuse of waste heat from industrial sites, data centres, or other sources	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Promote the use of renewable electricity in end-uses across all sectors where this is cost-efficient	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Prioritise the efficient use of renewable electricity by taking into account conversion efficiencies of renewable electricity in different end uses (eg. heat pumps have better efficiency than using hydrogen for space heating)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Provide information to consumers about the energy content of the energy they are purchasing, across carriers and sectors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Prioritise the use of available renewable energy carriers in those end use sectors where they have the greatest decarbonisation impact for each unit of energy consumed	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other? Please specify

*3000 character(s) maximum*

As with section 3.1, the choice of answers in this section suffers from a crucial omission. Energy system integration in Europe must rest on a continuation and strengthening of the European Internal Energy Market, as well as the EU carbon market. As described above, precise price signals enabled by Europe's well-functioning wholesale energy markets are key to ensure the most efficient decarbonisation solutions – including renewable energy technologies - are deployed in the most cost-effective sectors and locations across Europe.

Alongside well-functioning wholesale energy markets, a reformed and gradually expanded EU ETS will constitute a key tool for achieving cost-effective decarbonisation of sectors across the EU economy. A key prerequisite for enabling the EU ETS to play a reinforced role envisaged by the 2030 EU Climate Target Plan is to ensure that the effectiveness of the reinforced and expanded EU ETS is not undermined by policy overlaps. This means that at EU level ensuring alignment and consistency between the revision of the EU ETS, and other EU energy and climate policies, in particular, the revision of RED II, should constitute a policy priority in the framework of the EU 2030 CTP implementation.

## 2.3 How appropriate do you think the following measures would be in supporting the electrification of energy consumption?

	Very appropriate	Appropriate	Not very appropriate	Not appropriate
Sectorial targets for electrification of end-use sectors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Further specific measures for electrification of buildings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Further specific measures for electrification of transport	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Further specific measures for electrification of industry	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Further specific measures for consumer empowerment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Guidance to Member States to address the high charges and levies borne by electricity and ensure the consistency of non-energy price components across energy carriers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Align taxation of energy products and electricity with EU Climate and Energy Policy goals	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Further measures to foster digitalisation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Further development of interconnections	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Further development of transmission and distribution networks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Other? Please specify

*3000 character(s) maximum*

Electrification as a means to an end, not the end goal

RED II revision and the EU Strategy for Energy System Integration should facilitate electrification and RE uptake only to the extent that the substitution of alternative energy carriers by electricity and RE is commercially and technically viable, in open competition with other carbon neutral and low carbon means of delivering energy to consumers.

The role of the gas system should be recognised, in particular in providing a cost-efficient means of transporting large amounts of energy and integrating renewable power using already-invested assets as an alternative to expansion of the electricity transmission grid or increased localised production at the levels that would be needed.

We see a role for flexibility services provided by all types of energy carriers and technologies, including P2X. However, these services must be procured on the market and delivered by market players following a competitive, open, fair, and transparent tendering process. This market-based approach will deliver optimisation of the overall system cost and maximise social welfare.

A reinforced and expanded EU ETS – a cornerstone of Europe’s cost-effective transition to net zero  
Successful implementation of the EU 2030 CTP would require the expansion of the EU ETS to cover all the sectors listed among the policy measures above – and preferably all fossil fuel use. As discussed in our responses to previous questions in the present public consultation, a credible, reinforced and expanded EU ETS must be recognised as the key instrument for achieving the European 2030 climate targets and the 2050 climate neutrality objective in a cost-effective way. RED II revision should be underpinned by this policy priority and should ensure that the effectiveness of the reinforced and expanded EU ETS is not undermined by policy overlaps. In the framework of RED II review, the Commission should therefore refrain from introducing new sector-specific RE targets.

Network optimisation should constitute a policy priority and it should remain in scope of TEN-E and the Electricity Regulation, rather than RED III

Turning to the development of electricity infrastructure, it is crucial to have the focus of new policy measures placed on optimisation of electricity networks and their use, rather than on new investment in the networks. This issue is and should remain part of the Electricity Regulation and the core subject of TEN-E, rather than the revised RED II.

In addition, we note that consumer empowerment measures (such as the removal of regulated tariffs, the development of DSM-compatible balancing products, or the removal of administrative barriers to DSM and aggregation) already form part of the Electricity Directive and Regulation under the Clean Energy Package. It should therefore be ensured that no additional/ overlapping policy measures are introduced in the framework of RED II revision.

Going beyond and building on the existing certification and traceability framework, the Energy System Integration Strategy and the Hydrogen Strategy state that the Commission will consider additional measures to support renewable and low-carbon fuels, possibly through minimum shares or quotas in specific end-use sectors (including aviation and maritime), through the revision of REDII and building on its sectoral targets. Renewable fuels cover sustainable biofuels, bioliquids and biomass fuels, as well as renewable hydrogen and renewable synthetic fuels. Low carbon fuels cover hydrogen and synthetic fuels produced through a variety of processes, but with significantly reduced full life-cycle greenhouse gas emissions compared to existing production. According to the Strategies, the support regime for hydrogen will be more targeted, allowing shares or quota only for renewable hydrogen. They also state that the Commission will propose a comprehensive terminology for all renewable and low-carbon fuels and a European system of certification of such fuels, based notably on full life cycle greenhouse gas

emission

savings and sustainability criteria, building on existing provisions including in the Renewable Energy Directive.

**2.4 How do you consider that “low carbon” fuels that are not renewable but provide significant GHG emissions reduction compared to fossil fuels, such as non renewable hydrogen and synthetic fuels with significantly reduced full life-cycle greenhouse gas emissions compared to existing production, should be treated?**

- They should be promoted equally to renewable fuels and thus be mandatorily integrated in any end-use target or quota
- They should be promoted but less than renewable fuels
- Member States should have the freedom to decide whether to promote them alongside renewable fuels in any end-use target or quota
- They should not be promoted

**2.5 Do you think the use of hydrogen and e-fuels produced from hydrogen should be encouraged (multiple answers possible)?**

- Yes, regardless of the source used to produce them
- Yes, but only if produced from renewable energy
- Yes, but under a certain level of conversion losses
- Yes, but only if produced and used in a way that leads to no or low GHG emissions along their life cycle, compared to the fossil fuel they are replacing
- Yes, but only when its whole value chain is more energy efficient in comparison to alternative energy sources and carriers
- Yes, but only for limited uses where no other alternatives are feasible
- No
- Other

Please specify

*3000 character(s) maximum*

While recognising that the carbon abatement and sustainability characteristics and the maturity of renewable, carbon abatement and decarbonisation technologies and solutions vary, it is important that EU policy and legislation observe technological neutrality as far as practically possible.

RED II revision should as far as practicable be aligned with the approach set out in the EC Climate Law proposal, according to which “in taking the relevant measures at Union and national level to achieve the climate neutrality objective, Member States and the European Parliament, the Council and the Commission should take into account [...] cost-effectiveness and technological neutrality in achieving greenhouse gas emissions reductions and removals and increasing resilience.”

Ultimately, as part of the “Fit for 55 package” RED II revision should facilitate a level-playing field for technology developers and a framework that recognises the environmental benefit of a wide range of available renewable and low carbon technologies and rewards carbon abatement at least cost in a market based, technology neutral way.

As per our comments on sections 1.2 - 1.4 in the present questionnaire, RED III should therefore be aligned with a broader EU approach to consumption targets by energy type or source, which are

- A. Accommodating all types of renewable and low carbon energy carriers, recognising their respective carbon abatement and sustainability characteristics;
- B. Underpinned by a set of EU rules and standards for certifying carbon content and sustainability characteristics of all renewable and low carbon energy carriers. (Please see the comment section to Q2.7, where we set out our recommendations for the establishment of such a legislative framework.)

We would also like to add a comment on Q 2.4 specifically, as it includes neither an “other” tick box nor a comment section. In line with the approach set out above, we believe the Commission should use the legislative revisions under the “Fit for 55 package” as an opportunity to allow Member States some discretion in their NECPs to resort not only to RES but also other types of decarbonisation technologies and low carbon energy carriers that can contribute to meeting the EU-wide 2030 and 2050 targets.

Harnessing marketplaces in wholesale energy and emission allowances will allow delivering Europe’s climate targets in the most cost-effective way. Should any temporary national or EU wide support schemes prove to be necessary to support the uptake of renewable and other technologies/ energy carriers facilitating the decarbonisation of the energy system, such schemes should be designed in a way, which minimises market distortions. More specifically, any temporary support measures for renewable and low carbon energy sources should also be strictly market-based, technology-neutral, harmonised from the outset, tradable and open across EU borders.

## 2.6 How effective do you think the following measures would be in supporting the uptake of RES and low-carbon fuels?

	Very appropriate	Appropriate	Not very appropriate	Not appropriate
Minimum shares or quotas of renewable and low carbon fuels, including renewable hydrogen, in specific end-use sectors	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Carbon Contracts for difference[1]	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Supply-side quotas	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Market based support schemes	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Supply-side GHG-based targets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

[1] Carbon contracts for difference are long term contract with a public counterpart that would remunerate the investor by paying the difference between the CO2 strike price and the actual CO2 price in the ETS in an explicit way, bridging the cost gap compared to conventional fossil-based production.

## Other? Please specify

*3000 character(s) maximum*

Suitable provisions related to low carbon energy carriers not qualifying as “renewable” should be included in the “Fit for 55 package.” Such provisions would introduce a possibility for Member States to combine renewable and non-renewable but low carbon sources in their national energy and climate plans, to help achieve overall EU decarbonisation goals. This would require changes to relevant provisions of RED II and IEM legislation to be implemented in tandem with relevant changes to the Energy and Environment State Aid Guidelines (see separate EFET response to the recent DG COMP consultation), so that:

A. Any temporary financial support schemes for renewable and low carbon energy sources – in so far as they still prove to be necessary by EU law - become strictly market-based, technology-neutral to the greatest extent possible, least-distortive of wholesale energy markets, and progressively open to participation across national borders within the EU;

B. The economic impact of any temporary financial support schemes is taken into account in the framework of the EU ETS, to the extent the carbon abatement they incentivise diminishes the need for generators and industrial emitters to purchase and use allowances; the objective being to preserve the integrity of the EU ETS and any temporary sectoral EU emission trading scheme and progressively strengthen rather than weaken the carbon price signals across the EU economy.

One possibility is to introduce targets for end-use sectors enabled by a tradable certificate scheme covering renewable and low carbon fuels as a temporary market-based support mechanism. The Frontier report to EFET\* shows how a quota and certificate scheme, if open across borders, can provide efficient market led decarbonisation incentives for energy supply into end use sectors remaining outside the EU ETS currently.

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\*See "Gas decarbonisation and sector coupling: ensuring a market-based approach", report by Frontier Economics for EFET at [https://efet.org/Files/Documents/Short\\_Form\\_Report\\_A\\_market\\_based\\_approach\\_to\\_gas\\_decarbonisation\\_and\\_sector\\_coupling\\_Frontier\\_report\\_for\\_EFET.pdf](https://efet.org/Files/Documents/Short_Form_Report_A_market_based_approach_to_gas_decarbonisation_and_sector_coupling_Frontier_report_for_EFET.pdf)

## 2.7 How important do you think the following principles are for a robust and comprehensive certification and verification system covering all renewable and low carbon fuels? (Multiple answers possible)

	Very important	Important	Not very important	Not important
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The certification and verification system should cover all end-use sectors	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The certification and verification system should cover all renewable and low carbon fuels	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The certification and verification system should demonstrate that renewable hydrogen and renewable synthetic fuels are produced from additional renewable electricity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
The certification and verification system should follow as closely as possible the real energy flows and ensure that consumption of renewable and low carbon fuels takes place in certain target sectors (e.g. transport) in the Union, for instance by using a mass balance system.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The certification and verification system does not need to follow the real energy flows as it is sufficient to incentivise the promotion of renewable and low carbon fuels independently of where they are consumed in the Union, for instance by using a book-and-claim approach such as for Guarantees of Origin.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The certification and verification system should follow as closely as possible the real energy flows only for liquid renewable and low carbon fuels, but allowing a book-and-claim approach such as for Guarantees of Origin is more appropriate for gaseous renewable and low carbon fuels injected into the natural gas grid	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
The certification and verification system should ensure that the GHG impact of energy conversions along the value chain (e.g. renewable electricity used to produce renewable hydrogen) are fully taken into consideration, while avoiding double counting	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Where CO2 is used in the production of a fuel, the certification system should distinguish between fuels using CO2 of fossil origin and CO2 of non-fossil origin	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other principles? Please explain

*3000 character(s) maximum*



Please see our feedback in comment section under Q1.2 as an introduction to this section.

If introduced under RED III, a comprehensive certification system covering all renewable and low carbon fuels would we need to be underpinned by Implementing Acts, based on the following main principles, ensuring that an overhauled legislative framework.

1.Introduces EU-wide standardisation (at least per commodity and per quality, irrespective of end-use sector)

2.Provides for a combination of a book and claim system based on GoOs for energy carriers injected in the grid and a mass balancing system to be applied for fuels not injected in the grid.

3.Enables choice for producers, suppliers and consumers of energy about how they use GoOs and/ or certificates contractually

In view of the principles outlined in the MCA to question 2.7, we highlight that an overhauled legislative framework covering the issuance and use of such GoOs and/ or certificates must enable producers, suppliers and consumers of energy to choose how they use GoOs and/ or certificates contractually. In particular, whether or not they would like to link these GoOs and/ or certificates evidencing GHG and/ or sustainability attributes of a given energy carrier to the specification of that energy carrier as a commodity within their overall sale and purchase transactions.

4.Provides for mandatory issuance of GoOs and certificates by designated Member State (MS) authorities, upon requests of producers or suppliers, and corresponding mandatory verification and registration processes.

5.Establishes a harmonised set of criteria for cancellation of certificates when energy is consumed or when energy is converted from one carrier to another, a common methodology for determining the effect of such cancellation. The basis on which MS may cancel or devalue such GoOs and/or certificates, in cases where related financial support is claimed by the recipient, must be the same across the EU, so that trade in such instruments across borders is not hindered. Naturally EU mechanisms will also be required to ensure that, in the absence of cancellation, double counting is avoided.

6.Allows MS to use certificates to

a.Substantiate their attainment of RES and or low carbon energy consumption targets, in a manner more conducive to cross border participation in financial support schemes than the current practice in respect of RES-E of taking national renewable power production as a proxy for consumption and then adjusting by means of statistical transfers between MS

b.Justify the content of their periodically submitted NECPs

c.Verify claims made by producers and suppliers for financial support under RES and/ or low carbon energy national promotion schemes or carbon pricing schemes

d.Be redeemed against green or low carbon national sectoral supply quotas if such are introduced.

7.Enables alignment of the harmonised EU-wide regime of certificates with the operation of the EU ETS.

**2.8 In the current system, only electricity suppliers are required to certify to consumers the share of energy from renewable sources by guarantees of origin. Do you think that this obligation shall be extended to suppliers of renewable fuels (such as biogas, biomethane or renewable hydrogen)**

**as well, and possibly of “low carbon” fuels?**

- Yes, for renewable fuels
- Yes, for renewable fuels and low carbon fuels
- No

**2.9 Do you think the cooperation mechanisms set out in RED II should be extended to cover renewable hydrogen regardless of its end use, so that Member States can support renewable hydrogen projects in other Member States and in third countries while counting the energy produced as their own?**

- Yes
- No

Please explain your reply

*3000 character(s) maximum*

The existing cooperation mechanisms envisaged under RED II have proven to be ineffective because no Member States have invoked them. Revision of RED II as well as the EEAG must enable compulsory, progressive opening of national financial support schemes to participation by producers in other Member States and to exports of power/ gas from at least neighbouring Member States.

Revision of RED II as well as the EEAG should provide for compulsory, progressive opening of national support schemes, including those designed for offshore renewable energy technologies.

The EU’s 2050 decarbonisation scenarios and other international reports suggest that renewables, energy efficiency and electrification will have to deliver most of the required emission reductions. However, carbon capture technologies will potentially be needed to create the negative emissions required to reach climate neutrality and address emissions from hard-to-abate sectors.

**2.10 Carbon-capture and storage/usage in the EU should play a prominent role in...**

	Strongly agree	Agree	Disagree	Strongly disagree
Decarbonising the power sector	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Decarbonising energy intensive industries (e.g. chemicals, cement, steel)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Production of hydrogen (i.e. based on natural gas with CCS)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Creating negative emission / carbon removal, e.g. via CCS applied to bioenergy[1] (BECCS) or direct air capture and storage	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Providing captured CO2 as a feedstock for other industries	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

**2.11 In addition to how CCS and CCU are treated in other EU legislation, do you think REDII should be revised to encourage the uptake of CCS and CCU?**

- Yes
- No

Please specify

*3000 character(s) maximum*

As discussed in the comment section under Q1.2, we in EFET do not take a prescriptive approach to the function of a RED III under the broader revised 2030 climate and energy framework. We believe that ultimately, the “Fit for 55 package” and the revised RED II as part of it, should provide for a level-playing field for technology developers and a framework that recognises the environmental benefit of a wide range of available renewable and low carbon technologies and rewards carbon abatement at least cost in a market based, technology neutral way.

**3. Technical questions on specific sectors**

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This section covers specific sectors covered by REDII and asks for your opinion on whether they should be changed/strengthened in order to improve the chances of achieving the EU’s 2030 climate ambitions.

**3.1 RENEWABLES IN ELECTRICITY**

Mobilising private investment for the development in renewables is essential in the context of increased ambition. In REDII, there are new several provisions aiming to promote the use of renewable power purchase agreements (contract under which a natural or legal person agrees to purchase renewable electricity directly from an electricity producer "PPAs").

**3.1.1 How would you rank the appropriateness of the following measures in tackling the remaining barriers for the uptake of renewable electricity that matches the expected growth in demand for end- use sectors?**

	Very appropriate	Appropriate	Not very appropriate	Not appropriate
Further foster regional cooperation in the deployment of renewable electricity	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Further streamline permitting procedures	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Further support the uptake of private renewable PPAs	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Establish minimum mandatory green public procurement (GPP) criteria and targets in relation to renewable electricity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Further support the uptake of energy communities and self-consumption	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

### Other? Please specify

*3000 character(s) maximum*

1. The existing cooperation mechanisms envisaged under RED II have proven to be ineffective because no Member States have invoked them. Revision of RED II as well as the EEAG must enable compulsory, progressive opening of national financial support schemes to participation by producers in other Member States and to exports of power/ gas from at least neighbouring Member States. Revision of RED II as well as the EEAG should provide for compulsory, progressive opening of national support schemes, including those designed for offshore renewable energy technologies.

2. We welcome the Commission's intention to support the uptake of private renewable PPAs. In June 2019, together with RE-Source platform we launched the EFET standard Corporate Power Purchase Agreement (CPPA), which represents the first standard CPPA for Europe. EFET CPPA has already proven to be a very useful tool to facilitate the uptake of renewable energy PPAs by simplifying transactions, helping to reduce costs and negotiation time, ultimately contributing towards the EU 2030 energy and climate targets. The uptake of PPAs should therefore be facilitated not only for the private sector, but also for public authorities.

3. As per our response to Q1.3, we believe that the revision of RED II presents an opportunity to ensure that energy consumers are not implicitly disincentivised from responding to wholesale electricity market price signals.

Currently renewable energy communities and on-site (or behind-the-meter) generation and storage assets of prosumers often receive very different price signals compared to parties connected at higher voltages due to the implicit support they receive (not being subject to taxes and levies paid by consumers and assets connected to the grid). Such implicit support, if not properly addressed, can result into market distortions and overall system inefficiencies. This challenge could be tackled by way of minimising non-contestable charges accounting for a large share of end-consumer energy bill, which dilute the price signals coming from the wholesale market, thereby reducing the incentive for energy consumers to offer flexibility or to adjust consumption in response to price signals.

In addition, there is an opportunity to clarify the term "self-consumption."

### 3.1.2 How do you think regional cooperation in deploying renewables electricity could be further promoted?

We note that in September 2020 the Commission published the Implementing Regulation on EU renewable energy financing mechanisms, which provides for voluntary opening of support schemes for electricity from renewable sources across MS. While we welcome the introduction of this voluntary mechanism, it is crucial in the course of RED II revision to take a step further, drawing on learnings from the past experience with RES-E support schemes.

Full integration of RES-E in the wholesale power market should be reached as soon as possible. The cost burdens stemming from the inefficiencies of some legacy national financial support schemes eventually fall on European power consumers, and such legacy support schemes have a negative impact on the European electricity market. In this context, in parallel to RED II revision, the Commission must revisit the operational privileges granted to RES-E generators under the Electricity Regulation and the extent of state aid allowed under the State Aid Guidelines for Environmental Protection and Energy (EEAG). In particular, it must be ensured that:

- Priority dispatch for legacy RES plants is removed;
- Renewable energy generators have no incentive to generate energy in times of negative prices.

Secondly, the revision of RED II and EEAG should ensure that any temporary national or EU wide support schemes which prove to be necessary to support the uptake of renewable technologies and energy carriers facilitating the decarbonisation of the energy system, including RE, must adequately take into account the CO2 abatement and sustainability characteristics of the technologies and be:

- A. Strictly market-based, technology-neutral as far as practicable, and non-distortive of wholesale energy markets
- B. Opened progressively to participation by producers in other Member States and to exports of power/gas from at least neighbouring Member States.
- C. Subject to sunset provisions
- D. Taken into account in the framework of the EU ETS for their carbon abatement effect to ensure that the integrity of the EU ETS is preserved and strengthened.

### 3.1.3 How appropriate do you think the following measure would be in promoting the use of private renewable power purchase agreements?

	Very appropriate	Appropriate	Not very appropriate	Not appropriate
Financial solutions/instruments	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Removing administrative/legal barriers	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Creating green labels for buyers of renewables-based products	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
None, market participants are already actively engaging	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

Other? Please specify

Green labels or eco-labels for energy procurement based on GoOs will facilitate transparency and public awareness about GoOs, boosting the use of these instruments. Consumers would benefit from green labels based on an EU standard, as proposed in RED II, rather a patchwork of different eco-labels across MS markets.

Public authorities, thanks to their purchasing power and often high electricity consumption, can be real drivers for change. RED II does not contain any provisions on renewable energy obligations in public procurement.

### **3.1.4 Should there be specific obligations for public authorities to contribute to achieving a high level of renewable energy (multiple answers possible)?**

- Yes, all public authorities should be obliged to buy green energy
- Yes, but only larger public authorities should be obliged to buy green energy
- Yes, but only if it does not cost more
- Yes, but only if the green tender is likely to trigger investment in additional green energy generation
- No

Please explain your reply

*3000 character(s) maximum*

### **3.1.5 Do you think modifying REDII would be appropriate in order to further promote offshore renewable energy, following the adoption of the EU Offshore Renewable Strategy?**

*3000 character(s) maximum*

We note that the EU Offshore Renewable Strategy states that “the range of cooperation mechanisms available under the Renewable Energy Directive (RED II) is promising as regards achieving a higher share of cross-border projects in the form of joint and hybrid projects.” However, as mentioned in our response to Q2.9 of the present public consultation, the existing cooperation mechanisms under RED II have proven to be insufficient. Revision of RED II as well as the EEAG must enable compulsory, progressive opening of national support schemes, including those designed for offshore renewable energy technologies.

## **3.2 RENEWABLES IN HEATING AND COOLING**

Under REDII, Member States must endeavour to increase the share of renewable energy in heating and cooling by an indicative 1.3 percentage point (ppt) per year up to 2030. Sources of waste heat and cold can be counted towards the 1.3 ppt up to 40%, and in Member States where waste heat or cold is not

used, the yearly increase that the Member States must endeavour to achieve is 1.1 ppt.

The impact assessment accompanying the 2030 Climate Target Plan indicates that the share of renewable energy in heating and cooling would constitute around 40% in 2030. This would require an increase of the share of renewable energy in heating and cooling in Member States significantly higher than the yearly increase of 1.3 ppt.

### 3.2.1 How appropriate do you consider the following options for increasing the uptake of renewable energy in heating and cooling?

	Very appropriate	Appropriate	Not very appropriate	Not appropriate
Increased energy efficiency	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Direct renewable heat use (from sustainable biomass, geothermal, solar thermal...)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Direct renewable electricity use (in electric heat pumps using ambient energy)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Use of renewable gases	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Use of district heating and cooling networks that can supply in the same system waste heat and renewable heat	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

#### Other? Please explain

*3000 character(s) maximum*

Please see our feedback in the comment sections to Qs 1.2 and 1.4 in the present public consultation.

Establishment of a separate pilot ETS for transport and buildings or - preferably - for all fossil fuel use and the subsequent integration of this scheme into the existing EU ETS should be considered in the context of potential introduction of any new measures facilitating renewable and low carbon energy uptake in heating and cooling.

### 3.2.2 Should the current indicative target of 1.3 ppt (or 1.1 ppt, if waste heat and cold is not used), annual average increase of renewable energy in heating and cooling set for the period of 2021-2030 in Article 23 become a binding target for Member States?

- Yes
- No

### **3.2.3 Should the annual average target of 1.3 ppt be increased?**

- Yes, to the level leading to the 40% share of renewable energy in heating and cooling indicated in the Climate Target Plan
- Yes, to a lower level than that leading to the 40% share of renewable energy in heating and cooling indicated in the Climate Target Plan
- Yes, to a more ambitious level than that leading to the 40% share of renewable energy in heating and cooling indicated in the Climate Target Plan
- No

Under REDII, neither renewable electricity nor hydrogen and synthetic fuels produced from renewable electricity that is used for heating and cooling can be counted towards the target for heating and cooling, only thermal heating produced from renewable energy sources.

### **3.2.4 Do you think renewable electricity used for heating and cooling should be counted towards the target for heating and cooling?**

- Yes
- No

### **3.2.5 Do you think that renewable hydrogen and synthetic fuels produced using renewable electricity and used in heating and cooling should be counted towards the target for heating and cooling?**

- Yes
- No

The current Article 23 of REDII provides a list of measures that Member States can use to increase the share of renewables in heating and cooling. These are physical incorporation of renewables in energy fuels supplied, direct and indirect mitigation measures (e.g. installation of renewable heating systems), and other policy measures, e.g. fiscal measures and financial incentives.

### **3.2.6 Do you think the list of measures provided in the Directive that Member States can use to increase the share of renewables in heating and cooling should be expanded or made more detailed?**

- Yes
- No



### 3.2.7 Do you think these measures should be made binding?

- Yes
- Only some of them
- No

### 3.2.8 How would you rank the appropriateness of the following measures in increasing the share of renewable energy in heating and cooling?

	Very appropriate	Appropriate	Not very appropriate	Not appropriate
Pricing instruments (taxes, levies and charges)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
EU guidance on support schemes for renewable heating and cooling	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Renewable heating and cooling obligation on energy suppliers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Stricter product regulation for heating and cooling appliances to ensure that gradually only renewable and climate neutral heating technologies can be placed on the market	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Binding regulations on technical building systems for heating and cooling	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mandatory heat planning and implementation at the appropriate level (local, municipal, regional) to ensure fulfilling the renewable heating and cooling target	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Strengthen corporate energy purchase agreements for heating and cooling	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

#### Other? Please specify

*3000 character(s) maximum*

Please see our feedback in the comment sections to Qs 1.2 and 1.4 in the present public consultation.

Decarbonisation of the buildings sector, as well as transport and ultimately all fossil fuel use, should be driven by a robust EU-wide carbon price. Establishment of a separate pilot ETS for transport and buildings or - preferably - for all fossil fuel use and the subsequent integration of this scheme into the existing EU ETS should be considered in the context of potential introduction of new measures facilitating RE uptake in heating and cooling.

**3.2.9 Which of the following measures do you think could be appropriate to encourage public authorities to identify renewable heating and cooling potentials and plan their exploitation?**

	Very appropriate	Appropriate	Not very appropriate	Not appropriate
Strengthening the obligation to assess renewable potentials for heating and cooling in the frame of the comprehensive heating and cooling assessments under Article 14 (1) of EED and Article 15(4) of REDII	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A separate assessment obligation of renewable potentials for heating and cooling under RED II	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mandatory long-term strategies for decarbonising heating and cooling with binding milestones and measures taking into account synergies with other policy areas, such as the comprehensive heating and cooling assessments under Article 14 (1) of the EED and the longterm building renovation strategies under Article 2a of the directive amending the EPBD.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other? Please specify

*3000 character(s) maximum*

**3.3 RENEWABLES IN DISTRICT HEATING AND COOLING**

Efficient district heating and cooling can play an important role in mainstreaming renewable energy in heating and cooling. Under REDII Member States must endeavour to increase the share of renewable energy in district heating and cooling by an indicative 1 percent point per year up to 2030. Alternatively, Member States must ensure, subject to limited exceptions, that third party suppliers can connect and sell renewable energy and waste heat or cold to district energy networks. The 1 ppt target of annual average increase in renewables can be fulfilled by waste heat and cold in district heating networks (waste heat flexibility).

**3.3.1 Should the current indicative target of 1 ppt annual average increase of renewable energy in district heating and cooling set for the period of 2021-2030 become a binding target?**

- Yes
- No

**3.3.2 Should the level of the current indicative target of 1 ppt annual average increase of renewable energy in district heating and cooling be increased?**

- Yes
- No

**3.3.3 How would you rank the appropriateness of the following measures in encouraging the use of waste heat and cold by district heating and cooling networks?**

	Very appropriate	Appropriate	Not very appropriate	Not appropriate
Obligation for district heating and cooling network operators to connect waste heat and cold suppliers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Obligation for industrial and service sector companies (e.g. data centres) producing significant waste heat and cold to make available their waste heat and cold to district heating and cooling companies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Requirement for the relevant competent authorities to encourage cooperation between industrial and service sector companies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Requirement for the relevant competent authorities to prepare the necessary plans (heat plans, energy plans, energy infrastructures plans, spatial plans, etc.), policies or regulations enabling the feeding of waste heat and cold into district networks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Specific target for waste heat and cold use	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other? Please specify

*3000 character(s) maximum*

**3.3.4 Do you consider that third party access to district heating networks by renewable heat suppliers should be strengthened?**

- Yes
- No

Please explain your reply

*3000 character(s) maximum*

**3.3.5 Which of the following measures do you think would be appropriate in strengthening the rights of consumers in district heating and cooling networks?**

	Very appropriate	Appropriate	Not very appropriate	Not appropriate
Improve information to consumers on the energy performance and renewable shares of district heating and cooling, including to low-income and vulnerable consumers.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Increased transparency of heat and cold supply prices to consumers and their components (e.g. energy and, network costs, taxes, levies)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Strengthen disconnection [1] rules for consumers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Make it easier for consumers to switch to renewable supplies within a network via either a single buyer model or third party access or guarantees of origin	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Make it possible for consumers to feed renewable heat or waste heat and cold into the network (prosumer rights)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

[1] RED II allows customers to disconnect from those district heating or cooling systems that are not efficient or do not become efficient by 31 December 2025, in order to produce heating or cooling from renewable sources themselves.

Other? Please specify and/or explain your choice of the previous questions.

### 3.3.6 How appropriate do you think the following measures are in making district heating and cooling systems be better integrated within the overall energy system?

	Very appropriate	Appropriate	Not very appropriate	Not appropriate
Better coordination with electricity and gas TSOs and DSOs to plan network investment and integrate flexibility to maximise renewable integration	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Removing barriers to renewable thermal energy storage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Promotion of the use of flexible renewable generation capacities (e.g. heat pumps, cogeneration, power to heat)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Better integration of district heating and cooling systems in EU, national and local energy infrastructure planning	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Better integration of variable renewable electricity and heat in urban planning	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## 3.4 RENEWABLE ENERGY IN BUILDINGS

Buildings account for 40% of energy use in the EU, and heating and cooling is responsible for around 50-80% of that energy consumption. Three quarters of heating and cooling in buildings is still supplied from fossil fuels. The EU building stock should be carbon-neutral by 2050. The Renovation Wave initiative aims to address the current low renovation rates across the EU and accelerate the transformation of the EU building stock into a highly energy efficient and decarbonised building stock by 2050. Contributing in this perspective, REDII requires Member States to introduce measures in their building regulations and codes to increase the share of energy from renewable sources in the building sector, but does not set any particular target or level for this. On average the percentage use of renewables in buildings is 23.5%.

### 3.4.1 Do you think that Member States should require a minimum percentage of renewable energy in the energy use of new buildings or buildings subject to major renovation?

- Yes
- Yes, only for new buildings
- Yes, only for buildings subject to major renovation
- No

**3.4.2 If yes, what minimum percentage of energy consumed by a building do you think must come from renewable sources?**

- 10%
- 20%
- 30%
- 40%
- 50%
- 100%
- Other

Please specify

*3000 character(s) maximum*

As mentioned above, decarbonisation of buildings sector, transport and ultimately all fossil fuel use, should be driven by a robust EU-wide carbon price.

Establishment of a separate pilot ETS for transport and buildings or - preferably - for all fossil fuel use and the subsequent integration of this scheme into the existing EU ETS should be considered in the context of potential introduction of any new measures facilitating renewable and low carbon energy uptake in heating and cooling.

**3.4.3 How would you rank the following measures in terms of their appropriateness in ensuring that buildings’ heating and cooling systems are increasingly based on renewable energy while fossil fuels are gradually phased out?**

	Very appropriate	Appropriate	Not very appropriate	Not appropriate
Set minimum renewable energy levels (see 3.4.1) in REDII and ensure conformity in building regulations and codes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Simplify permitting and administrative procedures for the integration of renewable energy solutions in buildings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Set minimum renewable energy shares for heating and cooling in national building stocks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Set specific renewable energy requirements at district or neighbourhood levels, i.e. nearly zero-energy districts.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Extend REDII provisions on selfconsumption, applicable to electricity, to heating and cooling	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Strengthen consumer information and accessibility of measures to deploy renewables in buildings' heating and cooling systems, in particular in low-income or vulnerable households	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

### Other? Please specify

*3000 character(s) maximum*

Please see our feedback in the comment sections under Q 1.4 in the present public consultation.

Decarbonisation of buildings sector, transport and ultimately all fossil fuel use, should be driven by a robust EU-wide carbon price.

Establishment of a separate pilot ETS for transport and buildings or - preferably - for all fossil fuel use and the subsequent integration of this scheme into the existing EU ETS should be considered in the context of potential introduction of any new measures facilitating renewable and low carbon energy uptake in heating and cooling.

A revised RED II should help ensuring the effectiveness of the reinforced and expanded EU ETS is not undermined by policy overlaps.

Heating systems in building are generally replaced when they break down, usually during winter when it is urgent, leading to suboptimal decisions favouring replacement with the same, generally fossil fuel appliance. A planned replacement of heating systems would enable consumers to make informed choices and prepare the installation of renewable and more efficient heating.

### 3.4.4 How would you rank the appropriateness of the following measures in improving the replacement of heating systems, in particular to encourage the replacement of fossil fuel appliances by renewable heating systems?

	Very appropriate	Appropriate	Not very appropriate	Not appropriate
Heating system replacements should be coordinated with and be part of building renovation whenever there is major renovation of a building or at other trigger points in the life-cycle of a building for carrying out energy efficiency renovations [1].	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Building renovation programmes (at national, municipal and district levels) should specifically support the	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

modernisation of heating systems by their replacement with renewable technologies				
Energy Performance Certificates and heating system inspections should indicate recommended dates, steps and possible options for renewable heating systems	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
National building renovation strategies should specifically address the transition from fossil fuel to renewable and climate neutral heating with related investment plans	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fossil fuel heating systems replacement with renewable and other climate neutral ones (like waste heat) should be part of neighbourhood and district approaches to building renovation and urban renewal programmes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Information campaigns should also target heating system replacement programmes with appropriate advice and information, including regarding financing and public support opportunities and solutions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Digitalization should give early warnings on the need for repair/maintenance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

[1] A trigger point could be: a transaction (e.g. the sale, rental or lease of a building, its refinancing, or a change in its use) a renovation (e.g. an already planned wider non-energy-related renovation).

Other? Please specify

*3000 character(s) maximum*

### 3.5 RENEWABLE ENERGY USE IN INDUSTRY

Industry is a big energy user being responsible for 25% of the final energy consumption. However currently there are no specific provisions or targets related to the use of renewable energy for the sector. The Commission's Energy System Integration Strategy and Hydrogen Strategy have however identified industry as an economic sector where rapid progress is required to increase the use of renewable energy, be it through direct use of renewable heat, through electrification, or through the use of renewable and lowcarbon fuels to replace fossil fuels as feedstock and fuel.

#### 3.5.1 Do you think there should be an obligation on industry or certain industrial sectors to use a minimum amount of renewable energy?



- Yes, on industry in general
- Yes, but for specific industries only
- No

### 3.5.2 How would you rank the appropriateness of the following additional measures to encourage the use of renewable energy in industry?

	Very appropriate	Appropriate	Not very appropriate	Not appropriate
Creation of renewables-based industrial parks/clusters	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Technical support, including training and skills development, for uptake and integration of renewables in small- and medium-size enterprises	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Specific innovation programmes to develop renewables- and electricity based production processes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Energy audits required under the Energy Efficiency Directive should cover renewable energy used by the enterprise	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Simplified permitting and administrative support for corporate sourcing of renewables, including for on-site and near-site generation as well as corporate renewable power purchase agreements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Contracts for difference for zero-carbon products and services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

#### Other? Please specify

*3000 character(s) maximum*

The EU ETS has proven its effectiveness, and a robust EU carbon price must remain the key driver for decarbonisation of the industry. We fully support the expansion of the EU ETS to cover all emissions of fossil fuel combustion considered in the framework of the implementation of the EU 2030 Climate Target Plan.

A revised RED II should therefore help ensuring the effectiveness of the reinforced and expanded EU ETS is not undermined by policy overlaps.

### 3.6 RENEWABLE ENERGY IN TRANSPORT

Under REDII, each Member State must set an obligation on fuel suppliers to ensure that renewable energy makes up at least 14%<sup>[1]</sup> of the energy used in that Member State in the transport sector.

The achievement of the target is facilitated by **several multipliers on energy content**:

- a multiplier of 4 for renewable electricity consumed in **road transport**
- a multiplier of 1.5 for renewable electricity consumed in **rail transport**
- a multiplier of 1.2 for renewable fuels consumed in **maritime and aviation transport**
- a multiplier of 2 for advanced **biofuels and biogas**

The impact assessment accompanying the 2030 Climate Target Plan indicates that the share of renewable energy in transport would constitute around 24% in 2030, calculated according to the methodology described above. Both the aviation and maritime sectors will need to scale up efforts to increase the use of sustainably produced renewable and low-carbon fuels. This will be assessed in greater detail in the context of the ReFuelEU Aviation and FuelEU Maritime initiatives.

[1] Member States have the right to lower their target if they set limitations on food and feed-based biofuels going beyond RED II

### 3.6.1 Do you think that the level of the renewable target in transport should be increased?

- Yes, but less ambitious than indicated in the 2030 Climate Target Plan
- Yes, as ambitious as indicated in the 2030 Climate Target Plan (24%)
- Yes, but more ambitious than indicated in the 2030 Climate Target Plan (for instance 24% without multipliers)
- No

Please explain your reply

*3000 character(s) maximum*

Please see our feedback in the comment sections under Qs 1.2 and 1.4 in the present public consultation.

Decarbonisation of transport, buildings and ultimately all fossil fuel use, should ultimately be driven by a robust EU-wide carbon price. Establishment of a separate pilot ETS for transport and buildings or for all fossil fuel use and the subsequent integration of this scheme into the existing EU ETS should be considered in the context of potential introduction of any new measures facilitating RE uptake in transport.

RED III should be aligned with a broader EU approach to consumption targets by energy type or source, which are

A. Accommodating all types of renewable and low carbon energy carriers, recognising their respective carbon abatement and sustainability characteristics;

B. Underpinned by a set of EU rules and standards for certifying carbon content and sustainability characteristics of all renewable and low carbon energy carriers (please see the comment section to Q2.7, where we set out our recommendations for the establishment of such a legislative framework.)

Any target in transport should not undermine the effectiveness of any temporary sector specific emissions trading system at EU level and/ or an expanded EU ETS.

Decarbonisation of the transport, as well as heating and cooling sectors, and ultimately all fossil fuel use,

should be driven by a robust EU-wide carbon price. We support the Commission's view that transitional arrangements/ a pilot period is necessary before these new sectors can be gradually integrated into the EU ETS. This means that

- A. In the short to medium term, a separate EU-wide emissions trading system for road transport and buildings or – preferably – for all non-ETS fossil fuel use should be put in place;
- B. A clear timeline for integrating a new ETS for all fossil fuel use in the existing EU ETS is necessary;
- C. A revision of the overall Union RE target or any RE target for transport should not undermine the effectiveness of a reinforced and gradually expanded EU ETS. The establishment of a separate ETS for transport and, most importantly, its gradual integration into the EU ETS should be recognised as a policy priority.

A credible, reinforced and expanded EU ETS should be recognised as the key instrument for achieving the European 2030 climate targets and the 2050 climate neutrality objective in a cost-effective way. RED II revision should be underpinned by this policy priority and should ensure that the effectiveness of the reinforced and expanded EU ETS is not undermined by policy overlaps.

**3.6.2 Member States can count renewable electricity, sustainable biofuel and biogas, hydrogen produced from renewable electricity (except if such electricity comes from biomass) and recycled carbon fuels[1] towards the 14% target in transport. Do you think Member States should also be able to count other low carbon fuels which have fewer emissions than fossil fuels, such as low carbon hydrogen?**

- Yes
- No

[1] 'recycled carbon fuels' means liquid and gaseous fuels that are produced from liquid or solid waste streams of non-renewable origin which are not suitable for material recovery in accordance with Article 4 of Directive 2008/98/EC, or from waste processing gas and exhaust gas of non-renewable origin which are produced as an unavoidable and unintentional consequence of the production process in industrial installations.

**3.6.3 Do you think that some renewable and low carbon fuels should be specifically promoted in transport, beyond being part of the obligation on fuel suppliers ?**

- Yes
- No

**3.6.4 If you answered 'yes' to the previous question, which of the following types of renewable and low carbon fuels do you think should be specifically promoted ? (Multiple answers possible)**

- Advanced biofuels and other fuels produced from biological wastes and residues
- Renewable hydrogen and renewable synthetic fuels
- Low-carbon hydrogen and low carbon synthetic fuels (including through applying CCS techniques)
- Renewable electricity
- Recycled carbon fuels
- Other

Please specify

*3000 character(s) maximum*

RED III should be aligned with a broader EU approach to consumption targets by energy type or source, which are

A. Accommodating all types of renewable and low carbon energy carriers, recognising their respective carbon abatement and sustainability characteristics;

B. Underpinned by a set of EU rules and standards for certifying carbon content and sustainability characteristics of all renewable and low carbon energy carriers (please see the comment section to Q2.7, where we set out our recommendations for the establishment of such a legislative framework).

### **3.6.5 Which types of renewable and low carbon fuels can be best promoted by an obligation on fuel suppliers, based either on energy content or GHG emissions, compared to other instruments?**

- Liquid renewable fuels
- Liquid low carbon fuel
- Gaseous renewable fuels such as hydrogen
- Gaseous low carbon fuels such as hydrogen
- Renewable electricity
- Other

Please specify

*3000 character(s) maximum*

Please see our feedback in the comment sections under Qs 1.2 and 1.4 in the present public consultation.

RED III should be aligned with a broader EU approach to consumption targets by energy type or source, which are

A. Accommodating all types of renewable and low carbon energy carriers, recognising their respective carbon abatement and sustainability characteristics;

B. Underpinned by a set of EU rules and standards for certifying carbon content and sustainability

characteristics of all renewable and low carbon energy carriers (please see the comment section to Q2.7, where we set out our recommendations for the establishment of such a legislative framework).

### 3.6.6 How would you rate the appropriateness of the following measures regarding the use of renewable and low carbon fuels in transport?

	Very appropriate	Appropriate	Not very appropriate	Not appropriate
The scope of fuels that can be counted should be harmonised to ensure that all fuels that are eligible for counting towards the renewable energy target are supported in all Member States	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Member States should have flexibility to design the supply obligation using one of the following approaches: in terms of volume, energetic value or GHG emission intensity.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
The fuels supply obligation should be based on GHG emissions targets to stimulate the uptake of best performing fuel options on the fuel market	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The level of ambition should be fixed at the same level for all Member	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
States to create a level playing field and avoid market fragmentation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The multiplication factors for different types of renewable energy sources should be abolished to simplify the legislation and to increase the ambition level (limitations and sub targets would remain)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Set out specific measures to promote the use of renewable and low carbon fuels in aviation and maritime transport such as dedicated supply obligations, sub-targets or other incentives.[1]	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

[1] In parallel, the ReFuelEU Aviation and FuelEU Maritime initiatives are assessing legislative options to boost the production and uptake of sustainable fuels in the aviation and maritime sectors.

#### Other? Please specify

*3000 character(s) maximum*

We note that the roadmap for RED II revision and certain questions set out in the present questionnaire (Qs 2.4-2.7 and section 3.2) suggest that the Commission is considering expanding the scope of RED II and

potentially modifying the design of targets under the Directive to accommodate not only renewable but also low carbon energy carriers (in particular, in transport sector and heating and cooling). While we in EFET do not take a prescriptive approach to the function of a RED III under the broader revised 2030 climate and energy framework, we believe that suitable provisions related to low carbon energy carriers not qualifying as “renewable” should be included in the “Fit for 55 package.” Such provisions would introduce a possibility for Member States to combine renewable and non-renewable but low carbon sources in their national energy and climate plans, to help achieve overall EU decarbonisation goals.

Ultimately, the “Fit for 55 package” should provide for a level-playing field for technology developers and a framework that recognises the environmental benefit of a wide range of available renewable and low carbon technologies and rewards carbon abatement at least cost in a market based, technology neutral way.

In order to help achieve that, the package should encompass a set of standards and rules to enable the establishment of a comprehensive EU certification system covering all renewable and low carbon energy carriers. These standards and rules could underpin a “common currency” for certifying the carbon abatement value and sustainability characteristics of different decarbonisation technologies, covering all renewable and low carbon energy carriers.

Such a “common currency” could in turn deliver on one of the key objectives of RED II revision set by the Commission, that is, to develop a comprehensive certification system, which would facilitate energy system integration. That said, as discussed above, we keep an open mind on whether the provisions for the establishment of this comprehensive certification system should be included in RED III or in another piece of legislation under the “Fit for 55 package.” However, we believe it is crucial that provisions governing a comprehensive certification scheme are placed in the same convergent piece of EU legislation – and do not end up scattered across separate legislative proposals. This is important to facilitate the evolution of a transparent, liquid pan-European market in certificates evidencing energy sources with sustainable characteristics. Transparency, standardisation and mandatory issuance by all Member States are crucial to avert risks of inconsistent valuation and potential double counting (for further information, please see our feedback in the comment section under Q2.7)

### 3.6.7 How appropriate do you think the following measures would be in encouraging the use of hydrogen and hydrogen-derived synthetic fuels in transport modes that are difficult to decarbonise?

	Very appropriate	Appropriate	Not very appropriate	Not appropriate
Include hydrogen and hydrogen-derived synthetic fuels in a dedicated sub-target together with advanced biofuels	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Set an additional dedicated sub-target for hydrogen and hydrogen-derived synthetic fuels	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Allow double counting of the contribution of hydrogen and hydrogen-derived synthetic fuels towards the transport target or the fuel supplier obligation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

### Other? Please specify

*3000 character(s) maximum*

Please see our feedback in the comment section to Q1.4 in the present public consultation.

RED III should be aligned with a broader EU approach to consumption targets by energy type or source, which are

- A. Accommodating all types of renewable and low carbon energy carriers, recognising their respective carbon abatement and sustainability characteristics;
- B. Underpinned by a set of EU rules and standards for certifying carbon content and sustainability characteristics of all renewable and low carbon energy carriers (please see the comment section to Q2.7, where we set out our recommendations for the establishment of such a legislative framework.)

### 3.6.8 How would you rank the effectiveness of the following measures in encouraging the use of renewable electricity in the transport sector?

	Very appropriate	Appropriate	Not very appropriate	Not appropriate
Support the purchase of electric vehicles	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Support the installation of electric vehicle chargers in households and enterprises	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Set stricter CO2 standards for cars	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ensure the availability and interoperability of public recharging infrastructure	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Establish a minimum level of renewable electricity as a part of the target for renewable energy in transport	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Giving consumers information on whether they are recharging their electric vehicle with renewable energy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

### Other? Please specify

*3000 character(s) maximum*

Please see our feedback in the comment sections under Q 1.4 in the present public consultation.

Decarbonisation of transport, buildings sector and ultimately all fossil fuel use, should be driven by a robust EU-wide carbon price.

Establishment of a separate pilot ETS for transport and buildings or - preferably - for all fossil fuel use and the subsequent integration of this scheme into the existing EU ETS should be considered in the context of potential introduction of any new measures facilitating renewable and low carbon energy uptake in heating and cooling.

A revised RED II should help ensuring the effectiveness of the reinforced and expanded EU ETS is not undermined by policy overlaps.

### 3.7 BIOENERGY SUSTAINABILITY

The Biodiversity Strategy[1] acknowledges that, to mitigate climate and environmental risks created by the increasing use of certain sources for bioenergy, REDII already includes strengthened sustainability criteria (to be implemented on the ground starting 1 July 2021 at the latest) and promotes the shift to advanced biofuels. According to the Strategy, the use of whole trees and food and feed crops for energy production should be minimised. Moreover, the Farm to Fork Strategy for a fair, healthy and environmentally-friendly food system[2] contains concrete measures for a sustainable use of biomass. The Commission is continuously assessing the EU and global biomass supply and demand and related sustainability. An ongoing study on the use of forest biomass for energy production is expected to be finalised and published by the end of 2020. This will inform the Commission's policy-making, including the review and revision, where necessary, of the level of ambition of the Renewable Energy Directive. In order for Member States to count energy from forest biomass towards their renewable energy targets, Article 29 paragraphs 6-7 of REDII requires that the country of origin has laws in place to ensure the legality of harvesting and forest regeneration. If that cannot be shown, sustainability compliance must be shown at the level of the biomass sourcing area (e.g. through forest management certification or equivalent tools)

[1] COM/2020/380 final

[2] COM/2020/381 final

#### 3.7.1 Do you think the sustainability criteria for the production of bioenergy from forest biomass in RED II should be modified? (only one reply possible)

- Yes, they should be made stricter
- No, they should not be modified

Please explain your reply

*3000 character(s) maximum*

#### 3.7.2 The obligation to fulfil sustainability criteria for biomass and biogas in heat and power applies to bioenergy installations of at least 20 MW for solid biomass and 2 MW for biogas. Should these thresholds be lowered to include smaller installations?

- Yes
- No



**3.7.3 Do you think that there should be limits on the type of feedstock to be used for bioenergy production under REDII?**

- Yes, it should only be possible to use feedstock listed in Part A) of Annex IX of REDII[1] (therefore excluding used cooking oil and animal fats)
- Yes, it should only be possible to use the feedstock listed in Part A) and Part B) of Annex IX of REDII
- Yes, it should only be possible to use wastes and residues
- Yes, it should only be possible to use feedstock that does not have higher added-value in nonenergy sectors
- Yes, in some other way
- No

**3.7.4 Do you think that the minimum GHG emission saving thresholds for biomass in heat and power, currently at 70% for installations starting operation from 2021 and at 80% for installations starting operation from 2026, should be extended and/or made stricter? (multiple answers possible)**

- Yes, by extending them to heat and power installations that started operation before January 2021
- Yes, by increasing the threshold for GHG emission savings
- No
- Other

**3.7.5 Do you think that the energy efficiency requirements applying to bio electricity-only installations (article 29, paragraph 11) should be made more stringent (multiple answers possible)?**

- Yes, they should be extended to plants of less than 50 MW total rated thermal input
- Yes, the energy efficiency requirements should be higher
- No
- Other

## Contact

ENER-REDII-REVIEW@ec.europa.eu