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# CLEAN ENERGY FOR PEOPLE

## RePower EU and its effects on heating and building renovation

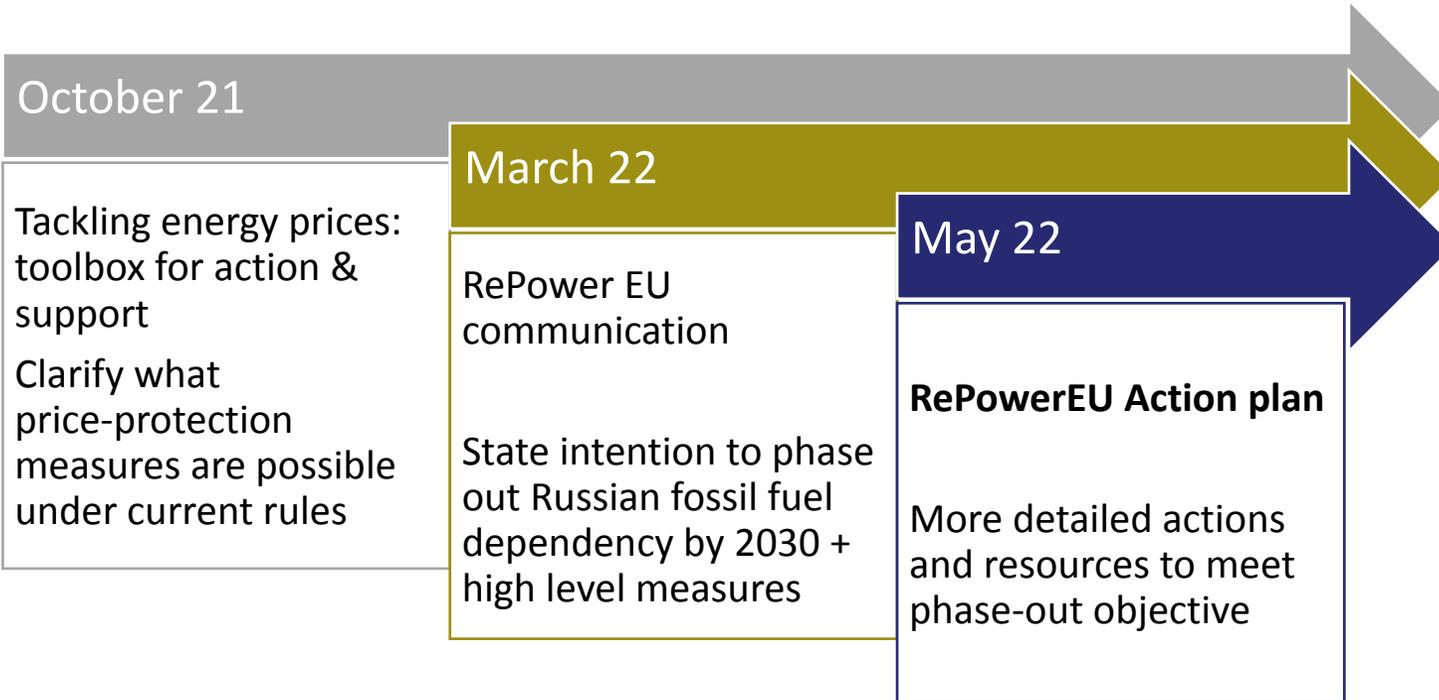
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# About RePower EU

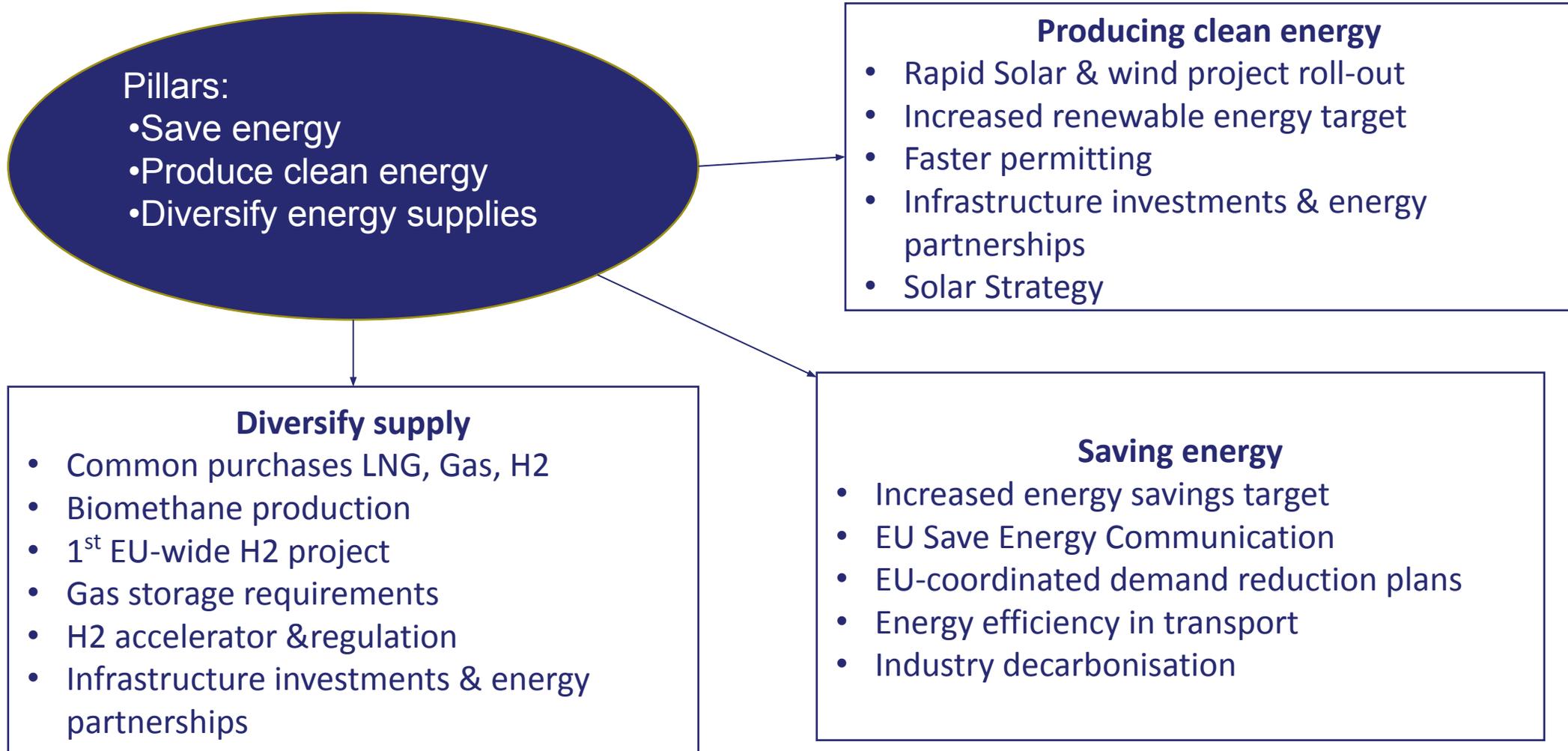


## Overarching messages:

- European **Green Deal** is the way forward for security
- Gas consumption to **fall faster**, limiting role as transition fuel
- Implementation, **cooperation**, and joined approach needed



# What's in the RePowerEU Action plan





# Key elements for buildings

*“Savings are the quickest and cheapest way to address the current energy crisis.”*

Awareness, information and support schemes, energy audits & energy management plans, saving targets... (suggested)

Increased energy efficiency target (binding)

New product regulation (solar PV) + revamp Heat pumps (binding)

Reduced VAT rates for heating and insulation materials (suggested)

Structural energy saving measures + behavioural change (suggested)

Increased renewable energy target (binding)

European Solar Rooftop Initiative (binding obligation for certain buildings)

Target for heat pump deployment; recognition geothermal, solar thermal, district heating fuel switch, communal heating, industrial heat

Important projects of common European interests across value chains

R&D, raw materials, circularity and supply chain initiatives (suggested)

*“A massive speed-up and scale-up in renewable energy” in all sectors to accelerate phase-out; lower electricity prices, reduce fossil fuel imports*



# The good

- Amendment to Energy Efficiency Directive to lift overall ambition from 9% to 13% by 2030
- Amendment to Renewable Energy Directive to lift overall renewable energy target from 40% to 45% by 2030
- Amendment to EPBD to mass-deploy rooftop solar
- Solar strategy to accelerate the uptake of solar power
- Recognition of need for skills, value-chain deployment for key technologies, circularity



# The not-so-good

- Stronger renovation pathway with better MEPS regime proposed (*indicative only*)
- Full fossil heating and cooling phase out from 2029 (*indicative only*)
- Big risks around biogas and renewable hydrogen targets, potentially overestimated, could lead to prolonging lock-in in fossil gas
- Target for heat pump deployment (*indicative*); acknowledgement of alternative non-fossil heating technologies (*no practical action*)
- Generally disproportionate focus on supply over demand



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# The gaps

- Financing is not fully convincing (divert cohesion money)
- Demand side flexibility insufficiently addressed
- Inclusion of local authority limited, role in the transition poorly acknowledged
- Renovation supply chain mentioned but not addressed – a bit on jobs, but almost nothing on material availability and logistics



# What next?

- A LOT depends on delivery - ball in the court of capitals and the European Parliament to materialise the good elements.
- REPower can only give a sense of direction, but must be translated in legal texts to be implemented
- Next steps in process
  - Energy and environment council meetings end of June.
  - Parliament committee votes RED & EED mid July, plenary vote September
  - EPBD committee vote in October and plenary in December



# What next for CEE?

- RepowerEU ignited a wave of ambition in some member states (NL, DE, AU...)
  - massive opportunity for region to participate in new supply chains; shift to domestic production
  - skills, market development, regional development
  - step towards energy security & limiting geopolitical risks
  - addressing energy poverty, lowering inflation, investing in R&D
- Vast experience in delivering programmes
  - share, engage, learn from best practices
  - roll-out new financing instruments

# Expected outcomes (1/2)

RePOWER PLAN	Equivalent gas saved	Actions	Investment needs (EUR)
Citizens: Behavioural change	10 bcm	EU Save Energy communication Play my part campaign	-
Residential sector: energy efficiency and heat pumps	37 bcm	EU Save Energy communication Higher 13% EED target by amended EED Ecodesign and energy labelling requirements for solar PVs heat pumps Potential Important Projects of Common European Interest (IPCEI) focused on breakthrough technologies and innovation	56 bn
Industry: energy efficiency and electrification	12 bcm	Higher 13% EED target by amended proposal Higher 45% RES target by amended proposal Innovation fund RRF chapter	41 bn

Source: RePowerEU Action plan <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52022DC0230&from=EN>



# Expected outcomes (2/2)

RePOWER PLAN	Equivalent gas saved	Actions	Investment needs (EUR)
Solar & Wind	21 bcm	Higher 45% RES target by amended RED PPA guidance Solar strategy Solar roof top initiative by amended RED RRF chapter Solar alliance Potential Important Projects of Common European Interest (IPCEI) focused on breakthrough technologies and innovation	86 bn
Infrastructure		Integrated EU-wide infrastructure gaps and needs assessment for gas, electricity and hydrogen	29 bn (power grids) + 10 bn (power storage) + 10 bn (gas) Oil for security of supply 1,5 bn [hydrogen infrastructure see Staff work document]



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## About E3G

E3G is an independent European climate change think tank with a global outlook. We work on the frontier of the climate landscape, tackling the barriers and advancing the solutions to a safe climate. Our goal is to translate climate politics, economics and policies into action.

E3G builds broad-based coalitions to deliver a safe climate, working closely with like-minded partners in government, politics, civil society, science, the media, public interest foundations and elsewhere to leverage change.

More information is available at [www.e3g.org](http://www.e3g.org)