



Upcoming Fit for 55 regulations and their implications

DELOITTE CONSULTANTA, NOVEMBER 2022



Agenda

- 01 RED II in the EU vs. RED II transposed in RO law
- 02 RED II in the EU vs RED II Revision proposals
- 03 RED II Revision proposals – impact assessment



RED II in the EU vs. RED II transposed in Romanian law (draft)

Following the risk of infringement, Romania is in the process of transposing RED II targets (2018) in national law via emergency ordinance

Current RED II 2030 targets		RED II RO Draft Emergency Ordinance (GEO) Targets to 2030
Overarching target	32% (cumulative impact of all NECPs: 33.1-33.7% RES share)	GEO stipulates NECP target of 30.7% (PNRR RES target 34%)
RES-E	Not specified by RED. Each country decides whether to use RES-E to close the whole gap to overarching target or do more in RES-H&C and RES-T than specified by RED.	GEO stipulates NECP target of 49.4%
RES-H&C	H&C– overall Indicative +1.3 p.p./a (baseline RES H&C year 2020) average calculated for the periods 2021 - 2025 and 2026 – 2030 Indicative +1.1 p.p./a for Member States where waste heat and cold is not used	GEO draft: Indicative +1.3 p.p./a average calculated for the periods 2021 - 2025 and 2026 - 2030, baseline RES H&C year 2020 (NECP 2020 RES H&C = 25.2%) Indicative +1.1 p.p./a if waste heat and cooling are not used NECP 2030 target: 33.0% (therefore if baseline is NECP 2020 and applying GEO text leads to higher H&C overall target than NECP 2030)
	District H&C +1.0 p.p./a (baseline RES H&C year 2020) average calculated for the period 2021 - 2025 and for the period 2026 - 2030	+1.3 p.p./a*; Obligation of district H&C to connect suppliers of energy from RES and waste H&C
RES-T	Transport fuels RES share target: 14%	GEO draft: RES share target – at least 14% by 2030 NECP: 14.2%
	2nd Gen. biofuels sub-target 3.5% share of final energy consumption in the transport sector with double-counting** for reaching RES targets	at least 0.2% in 2022, at least 1% in 2025 and at least 3.5% in 2030 (NECP 2030 target: 63,6 ktoe; intermediary 2025 target: 40,5 ktoe)
	RFNBO*** in transport No specific target set	No specific target set

RED II vs RED II Revision proposals - EU

		RED II	RED II revision proposals (RED III)		
		In force	COM	Council	Parliament
Overarching EU target		32% (cumulative impact of all NECPs: 33.1-33.7% RES share)	40% REPowerEU: 45%	40% Council does not yet consider 45%	45% (out of which 5% new energy capacity from innovative technologies)
RES-E		Not specified by RED. Each country decides whether to use RES-E to close the whole gap to overarching target, or do more in RES-H&C and RES-T than specified by RED.			
RES-H&C	H&C– overall	Indicative +1.3 p.p./a (baseline RES H&C year 2020); Indicative +1.1 p.p./a for MS where waste heat and cold is not used	+1.1 p.p./a binding, with indicative top-ups for MS	+0.8 p.p./a (2021-25), +1.1 p.p./a (2026-30) binding, with indicative top-ups for MS	+1.1 p.p./a binding, +2.3 p.p./a indicative (+2.8 p.p./a if waste heat is included)
	District H&C	+1.0 p.p./a (baseline RES H&C year 2020) average calculated for the period 2021 - 2025 and for the period 2026 - 2030	+2.0 p.p./a indicative	+2.0 p.p./a indicative	+2.3 p.p./a indicative
RES-T	Transport Fuels	RES share target: 14%	GHG intensity -13% (equivalent of 28% RES share)	GHG intensity -13% (or 29% RES share)	GHG target: -16%
	2nd Gen. biofuels sub-target	3.5% with double-counting ²	2.2% without double-counting*	4.4% with double-counting	2.2% without double-counting
	RFNBO** in transport	Not specified	2.6% binding REPowerEU: 5%	5.2% indicative	5.7% binding
Buildings (NEW)	Overall share	Not specified	49% indicative RES share	49% indicative RES share	49% indicative RES share
Industry (NEW)	Overall share	Not specified	+1.1 p.p./a indicative	+1.1 p.p./a indicative waste heat counted up to 0.4 p.p./a	+1.9 p.p./a indicative
	RFNBO in industry	Not specified	50% of hydrogen used in industry (energy and non-energy use) in 2030 REPowerEU: 75%	35% in 2030 and 50% in 2035	50% in 2030 70% in 2035

RED II Revision proposals – overall impact

		Impact
Overarching target		<ul style="list-style-type: none"> • More than doubling current renewables share in just a decade (from 2020 levels) reaching 1,23 TW by 2030 at EU level (REPowerEU) • Updates of NECPs is required by 2023-2024
RES-E		<ul style="list-style-type: none"> • Flexibility of setting RES-E depending on RES-T and RES-H&C will help MS adjust as per national contexts • Overall demand of renewable electricity will rise significantly -> speeding up the permitting processes for the deployment of renewables (COM recommendations on permitting); European Solar Rooftop Initiative; REPowerEU: +600 GW solar newly installed by 2030
RES-H&C	H&C– overall	<ul style="list-style-type: none"> • Additional demand for heat pumps’ implementation: 10 mil. units over the next 5 years (REPowerEU) • Heating and cooling sub-targets increase more gradually
	District H&C	<ul style="list-style-type: none"> • Decrease share of fossil fuels in district H&C • Focus on large-scale heat pumps, geothermal and solar thermal energy; possibly exploiting industrial waste heat
RES-T	Transport fuels	<ul style="list-style-type: none"> • Higher GHG intensity reduction target implies an increase in uptake of biofuels, biogas, electricity and RFNBOs
	2nd Gen. biofuels sub-target	<ul style="list-style-type: none"> • Key emission reduction facilitator • Will generate feedstock supply pressures • On the long term, focus will switch to RFNBOs
Buildings (NEW)	Overall share	<ul style="list-style-type: none"> • The new targets for RES shares in buildings sector may translate in substitution of gas-based energy by heat pumps and electricity; however, target is indicative
	RFNBO in transport & industry	<ul style="list-style-type: none"> • Supports the 40GW electrolyser strategic goal (EU’s hydrogen strategy); REPowerEU: 10 million tonnes of domestic renewable H2 production and 10 million tonnes of renewable H2 imports by 2030 (necessary investments of € 28-38 bn. In EU-internal pipelines and € 6-11 bn. In storage) • Establishment of Hydrogen Valleys; preliminary hydrogen infrastructure needs by March 2023 • Consultation on Delegated Acts on the definition and production of renewable hydrogen -> further transposition in national laws
Industry (NEW)	Overall share	<ul style="list-style-type: none"> • Initiative to provide indicative targets to industry due to focus on sectors where progress in integrating renewables has been slower to date • This will pose increased challenges for energy-intensive industries



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