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The Voice of the European Fuel Distributors

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FIRST EU CLIMATE LAW PUBLISHED

As announced in the [EU Green Deal](#), the new EU growth strategy with a climate-neutrality focus, the European Commission published the first ever [EU Climate Law](#) in March 2020. The law will set a legally binding target of net zero greenhouse gas (GHG) emissions EU wide by 2050. To this end, the Commission will be empowered to issue recommendations to EU Member States whose actions are inconsistent with the climate-neutrality objective, and which will be obliged to take due account of these recommendations or to explain their reasoning if they fail to

do so. National governments will also be required to develop and implement adaptation strategies to climate change.

To achieve its climate-neutrality objective by 2050, the EU needs to adapt its existing 2030 target for greenhouse gas emissions reductions. Currently set at 40%, the Commission is considering increasing it to 50 or 55%, as explained in the recently published [Roadmap on 2030 Climate Target Plan](#). This document lists different assessments to be conducted by the institution, looking into the impact of an increased target and how existing EU legislations

(on climate, energy, transport, taxation etc) could contribute to achieving higher climate mitigation. Stakeholders will be invited to share their views during a forthcoming online public consultation.

Besides, the recently unveiled [EU Industrial Strategy](#) and [Circular Economy Action Plan](#) are also echoing the Green Deal and Climate Law decarbonisation ambition, through enhanced support to the EU green and digital transition, advanced circularity in key sectors such as constructions, batteries and plastics, while also maintaining global competitiveness and a

level playing field.

The European Commission's climate package also includes a [European Climate Pact](#), consisting of a broad initiative to encourage people and organisations to commit to concrete actions to reduce their greenhouse gas emissions. In this framework, the Commission will promote pledges and targeted support to buildings, by stimulating advisory services, facilitating smart financing and assisting local authorities for energy efficient housing; it will also focus on mobility and invest in tree-planting.

In the effort to achieve its climate objectives, the Commission will also explore the potential of sustainable aviation fuels to reduce aviation's GHG footprint. As explained in a recently published [Roadmap on ReFuelEU Aviation](#), the EU executive will consider several policy options to boost the production and uptake of

sustainable alternative fuels. Stakeholders will be invited to share their feedback through incoming public consultation.

Reacting to the Climate Law proposal, NGO Transport & Environment [stated](#) that cars and trucks will need a rapid shift to electric vehicles, which will have to be powered by renewable electricity. It also insisted on the essential deployment of hydrogen, ammonia and e-fuels, representing the zero emission solutions for aviation and shipping. Greenpeace [expressed](#) disappointment, considering the new law not consistent with its own targets. Moreover, it criticized the lack of provisions phasing out subsidies for fossil fuels, nor addressing the political influence and greenwashing of the fossil fuel industry. It eventually called for a ban of new petrol and diesel cars.

BUILDING RENOVATION AND DECARBONISATION: A FOCUS ON HEATING AND COOLING

A 'Renovation wave' for the building sector is among the actions that the European Commission is expected to put forward in 2020, with the aim to ensure both energy and resource efficiency while achieving climate neutrality. Announced already in the [EU Green Deal](#), it was recently confirmed in the new [Circular Economy Action Plan](#) and the [EU Industrial Strategy](#), published this March 2020. As next steps, the European Commission plans on enforcing the legislation related to the energy performance of buildings, starting with an assessment in 2020 of Member States' national long-term renovation strategies. It will also consider including emissions from buildings in the European Emissions Trading Scheme, a market-based tool allowing parties to buy and sell permits for emissions or reductions in emissions from sectors such as energy-intensive industries, power and heat generation, and aviation. In parallel, the Commission aims to work with stakeholders on a new initiative on renovation in 2020 to address the existing barriers. EU funds will be earmarked for this initiative and particular attention will be paid to social housing renovation and the fight against energy poverty.

Discussions and campaigns about the decarbonisation of the heating sector are also ongoing among stakeholders and the topic will likely play a prominent role in the climate debate in 2020. Eurogas, (rep-

resenting the European gas wholesale, retail and distribution sectors), commissioned a [poll](#) conducted among 12,000 Europeans across 13 EU Member States, to understand citizens' opinions on home heating in the context of climate change. According to the [results](#), most Europeans are aware of their responsibility to combat climate change and understand that home heating is one of the most important contributors to CO2 emissions. However, in many countries such as France, Italy and Germany, the costs are the most important factor when choosing a new heating system. Around two in five people in several markets including Spain, the Netherlands, Latvia and Ireland are unlikely to upgrade their heating system to one that is more environmentally friendly if this would entail renovations or paying money up front. The poll also shows that most citizens consider gas as a practical, cost-efficient and environmentally acceptable choice and a logical option to start or continue heating their homes.

The European heating industry (EHI), the European heat pump association (EHPA) and the European partnership for energy and the environment (EPEE), also published a joint [paper](#) urging a renovation of heating and cooling to make the building renovation wave successful. They call on the EU to accelerate the replacement of old heating systems with new and re-

newable-based ones, together with the promotion of renovation packages that include financial incentives and make the heater replacement easier for the end consumer.

NEWS IN BRIEF

EMISSION REDUCTIONS IN EFFORT SHARING SECTORS: A FOCUS ON TRANSPORT AND HEATING AND COOLING

The European Environmental Agency (EEA) [published](#) a briefing on sectoral trends, projections of GHG emissions, planned policies and measures under the EU Effort Sharing (ESR) legislation. The ESR sets binding national emissions reduction targets for sectors such as transport, buildings, agriculture and waste. According to the briefing, heating and cooling in residential and commercial buildings delivered about half of the reductions from 2005 to 2018. This is mainly due to the increasing energy efficiency of buildings and the switch to less carbon intensive fuels, including renewable energy sources for heating. Emission reductions in the sector are expected to continue thanks to the promotion of zero energy buildings; the increasing of the renovation rate in residential and commercial buildings; a fuel switch away from oil heating and the promotion of renewables in residential housing. Conversely, emission cuts in transport - excluding aviation - have been very limited between 2005 and 2018, mainly due to a growing demand for passenger and freight transport. The low net reductions achieved so far can be attributed to the improved energy efficiency of vehicles and the introduction of low carbon fuels. A significant change in transport emission trends is expected in EU countries, relying on additional measures such as the promotion of low carbon fuels or electric vehicles, the promotion of a modal shift to more efficient, public or non-motorised transport systems, and the promotion of vehicle efficiency improvements.

NATIONAL GOVERNMENTS CALL FOR 100% RENEWABLE ENERGY SCENARIO IN 2050

Austria, Denmark, Ireland, Lithuania, Luxembourg and Spain addressed a [joint letter](#) to the European Commission calling for the inclusion of a 100% renewable energy scenario in 2050. The EU executive indeed unveiled in November 2018 eight [energy scenarios](#) for 2050 as possible solutions to achieve EU climate-neutrality goals. The scenarios cover a wide range of options, from business-as-usual to net-zero emission cuts, but 100% renewable energy is not included. The governments urged the Commission to initiate this work as soon as possible, especially in light of the recently published proposal for an EU Climate Law. Two leading NGO coalitions fighting climate change, the European Environmental Bureau and Climate Action Network Europe, also [called](#) on the European Commission to stop funding new fossil fuel infrastructures, including gas, when drafting the next list of projects aimed at implementing cross-border energy infrastructure in the EU (Projects of Common Interest).

EU REPORT ON ENERGY POVERTY

The Joint Research Center (JRC), representing the European Commission's science and knowledge service, published a [report](#) highlighting emerging trends in efforts to tackle energy poverty in the EU and contributing to the ongoing debate on how research and innovation funding can help achieving this objective. The JRC experts analysed many EU-funded research and innovation pro-



jects in the EU Member States and other countries (the UK, Norway, Serbia and North-Macedonia), focusing on digital technologies, behavioural change, financing and sharing of best practices. Emerging from the study is the need for more projects specifically focused on vulnerable consumers' needs and the wider societal aspects of energy poverty. Another identified need is a wider geographical coverage at EU level, as organisations active in energy poverty projects are not always present in the areas most severely hit by energy poverty issues. JRC encourages the participation of key stakeholders such as distribution system operators, utilities and technology manufacturers in future innovation projects dealing with energy poverty for optimal results. It warns about the development of indicators as energy and cost savings may not be appropriate in case of energy poverty, while indicators such as market value added to the property, greater comfort, health or well-being should be investigated.

THE INTERNATIONAL ENERGY AGENCY CALLS FOR EMISSIONS REDUCTION IN GERMAN TRANSPORT AND HEATING SECTOR

The International Energy Agency (IEA) published a [report](#) reviewing the German Energy Policy . Based on its conclusions, it called on the German government to refocus its efforts to achieve stronger emissions reductions in several sectors, notably transport and heating. According to the IEA, Germany needs additional policies and measures to support emissions reductions outside of the power sector. Transport has been the biggest laggard

on emissions reductions and the most significant impediment to Germany meeting its GHG targets. It also highlighted the high reliance of the heating sector on fossil fuels (25% of oil heating in the residential sector, partly due to a low taxation on heating oil), with a large share of co generated district heating being produced from fossil energy sources. The IEA suggests increasing energy efficiency in new buildings as well as through higher rates of renovation. Moreover, it insists on the need of using more renewable energy in heating systems to decarbonise Germany's heating sector, especially in light of the country's rapid renewable electricity growth. The Agency however warns that high electricity costs driven by levies, charges and taxes are impeding opportunities to use more electricity in the heating sector, especially in a context of low taxation on fossil fuels.



ECFD ACTIVITIES

9 June 2020: ECFD General Assembly (videoconference)

2020 CALENDAR

Q2 2020 - Public consultation on the revision of the Energy Taxation Directive

Q2 2020 - Strategy for smart sector integration (non-legislative)

22-26 June - *EU Sustainable Energy Week*, organised by the European Commission in Brussels

1 July - Germany takes the Presidency of the Council of the European Union

Q3 2020 - 2030 Climate Target Plan (non-legislative, incl. impact assessment)

Q3 2020 - Renovation wave (non-legislative)

Q4 2020 - New EU Strategy on Adaptation to Climate Change (non-legislative)

Q4 2020 - Strategy for sustainable and smart mobility (non-legislative)

Q4 2020 - ReFuelEU Aviation - Sustainable Aviation Fuels (legislative, incl. impact assessment)

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(FR) Fédération française des Combustibles et Carburants - FF3C



(UK - IE) The UK and Ireland Fuel Distributors Association - UKIFDA