Proposal for an amended Renewable Energy Directive
CEDEC amendments

RECOMMENDATIONS FOR THE RENEWABLE ENERGY DIRECTIVE (RED)

CEDEC welcomes the Commission proposal to review the Renewable Energy Directive to further increase the share of renewables to at least 40% by 2030. The ambitious goals of the Green Deal cannot be achieved without **expanding and mainstreaming renewable energy in all end-use sectors**. The provisions to increase renewables in the transport, industry and building sector should be supported by faster permit procedures. To keep the proposal **technology neutral,** and to ensure an optimal framework for the development of **local renewable resources**, all renewable energies must play their role – depending on the availability of local infrastructures and local resources, including renewable gases, waste heat and energy from waste.

To make the decarbonisation of buildings **inclusive and affordable** for European citizens, a holistic and non-exclusive approach must consider all sustainable technologies that can contribute to the GHG emissions reduction.

The focus on **efficient district heating and cooling** is one of the most promising instruments for increasing the share of renewables in heating and cooling. Taking into account the business model of these grids, third party access brings only a solution if specific conditions are fulfilled.

For **hydrogen**, the new definition of "renewable fuels of non-biological origin", our proposal on "renewable fuels of biological origin" and the introduction of sectoral targets will support its growth. However, the too stringent "additionality" criteria as proposed by the Commission will evidently hamper the development of renewable hydrogen.

Besides this proposal, Member States should tackle labour market policies, permitting procedures and incentivising investment conditions for energy infrastructure operators.

Guidance: in ***bold italics*** we indicate where the Commission text is being modified and shows our related amendments; text struck through in the Commission text corresponds to existing provisions now being deleted by the Commission proposed review; text added or amended by the rapporteur is indicated in ***bold italics***, and text in ***red bold italics*** indicates where rapporteur text is being modified and shows our related amendments. Wherever no text is presented, no amendment is being proposed.

AM 1 – Renewable gases from all renewable energy sources

Article 1(1) amending Article 2 – Definitions (Amendment 19 by the Rapporteur)		
Text proposed by the Commission	**Text proposed by Rapporteur**	**CEDEC amendment**
(22a) 'renewable fuels' means biofuels, bioliquids, ***biomass fuels*** and renewable fuels of non-biological origin; (27) '***biomass fuels***' means gaseous and solid fuels produced from biomass.	***(36a) 'low carbon hydrogen' means hydrogen which energy content is derived from non-renewable sources and which meets a greenhouse gas emission reduction threshold of 70 %;***	(22a) 'renewable fuels' means biofuels, bioliquids, and renewable fuels of ***biological and*** non-biological origin; (27) '***renewable fuels of biological origin***' means gaseous***, liquid*** and solid fuels produced from biomass. ***(36a) 'low carbon hydrogen' means hydrogen which energy content is derived from non-renewable sources and which meets a greenhouse gas emission reduction threshold of 70 %;***
Justification: We propose to replace 'biomass fuels' with 'renewable fuels of biological origin' (produced from biomass) to be logically in line with 'renewable fuels of non-biological origin' (not from biomass). By doing so also the general definition of 'renewable fuels' (22a) becomes more logical and coherent. The term 'biomass fuels' should be adapted in order to reflect also new forms of renewable hydrogen production from biomass (electrolysis or pyrolysis/gasification). Examples would be hydrogen from waste-to-energy and from wastewater. Waste-to-energy plants allow to produce renewable hydrogen continuously and therefore at least costs, making the process more profitable already in the short term as the use of the electrolyser capacity is not limited by the intermittent character of renewable sources like solar and wind. This would allow to accelerate decarbonisation through a faster scale up of renewable hydrogen production already in the short term. This local hydrogen production is tipically connected to the distribution system, providing an immediate opportunity to reduce the use of natural gas and the carbon intensity of the gas volumes injected in the distribution system. For consistency, the use of this adapted terminology in article 26, 29, 30 (and releted recitals) has to be modified accordingly. CEDEC supports the rapporteur proposal to include a definition of 'low carbon hydrogen'.		

AM 2 – Public buildings to fulfil an exemplary role when technically feasible

Article 1(6) introducing Article 15a – Mainstreaming renewable energy in buildings		
Text proposed by the Commission	**Text proposed by Rapporteur**	**CEDEC amendment**
3. Member States shall ensure that public buildings at national, regional and local level, fulfil an exemplary role as regards the share of renewable energy used, in accordance with the provisions of Article 9 of Directive 2010/31/EU and Article 5 of Directive 2012/27/EU. Member States may, among others, allow that obligation to be fulfilled by providing for the roofs of public or mixed private-public buildings to be used by third parties for installations that produce energy from renewable sources.		3. Member States shall ensure that public buildings at national, regional and local level, fulfil an exemplary role as regards the share of renewable energy used, in accordance with the provisions of Article 9 of Directive 2010/31/EU and Article 5 of Directive 2012/27/EU***, as far as it is technically feasible and cost-effective***. Member States may, among others allow that obligation to be fulfilled by providing for the roofs of public or mixed private-public buildings to be used by third parties ***on reasonable commercial conditions*** for installations that produce energy from renewable sources.
Justification: Not all public buildings are suitable for fulfilling an exemplary role for the production and/or use of renewable energy due to their technical characteristics (e.g. historical buildings) and therefore, the obligation should apply only when it is technically feasible and cost-effective. When considering to open roofs of public and private-public buildings to third parties, reasonable commercial conditions should apply.		

AM 3 – Facilitating system integration of all renewable energy sources

Article 1(10) introducing Article 20a – Facilitating system integration of renewable ~~*electricity*~~ *energy*		
Text proposed by the Commission	**Text proposed by Rapporteur**	**CEDEC amendment**
1. Member States shall require transmission system operators and distribution system operators in their territory to make available information on the share of renewable ***electricity*** and the greenhouse gas emissions content of the electricity supplied in each bidding zone, as accurately as possible and as close to real time as possible ***but in time intervals of no more than one hour***, with forecasting where available. This information shall be made available digitally in a manner that ensures it can be used by electricity market participants, aggregators, consumers and end-users, and that it can be read by electronic communication devices such as smart metering systems, electric vehicle recharging points, heating and cooling systems and building energy management systems.		1. Member States shall require transmission system operators and distribution system operators in their territory to make available information on the share of renewable ***energy*** and the greenhouse gas emissions content of the electricity supplied in each bidding zone, as accurately as possible and as close to real time as possible, with forecasting where available, ***as far as this information is available to system operators.*** This information shall be made available digitally***, as far as it is technically feasible and cost-effective,*** in a manner that ensures it can be used by electricity market participants, aggregators, consumers and end-users, and that it can be read by electronic communication devices such as smart metering systems, electric vehicle recharging points, heating and cooling systems and building energy management systems.
Justification: • The new Article 20a limits the concept of energy system integration only to renewable electricity and electricity infrastructure. In line with the EC Communication on Energy System Integration, the concept should be broadened to other energy-related infrastructures like gas and heating and cooling. Therefore, "electricity" should be replaced with "energy". • The requirement for TSOs and DSOs to digitally inform market participants and consumers on the share of renewable electricity and of the GHG emissions content of the supplied electricity in each bidding zone is not always feasible. First, there is no consistent link between renewables in a distribution area and the bidding zone		

where it is situated. Also, DSOs do not dispose of the content of supplier contracts which determine if a consumer buys renewable energy. Finally, a common basis for the calculation of GHG emissions content is not available. This requirement can be fulfilled only as far as this information is available to system operators.

- The requirement for TSOs and DSOs to digitally inform market participants and consumers close to real-time, readable by smart meters, EV recharging points, etc. raises questions. There are questions on the feasibility of extensive digital communications with all electronic communication devices and systems that are mentioned, including those devices and systems that are "behind the meter".

AM 4 – Rules on smart and bi-directional charging to apply in a reasonable timeframe

Article 1(10) introducing Article 20a – Facilitating system integration of renewable ~~electricity~~ *energy*		
Text proposed by the Commission	**Text proposed by Rapporteur**	**CEDEC amendment**
3. In addition to the requirements in [the proposal for a Regulation concerning the deployment of alternative fuel infrastructure, repealing Directive 2014/94/EU], Member States shall ensure that non–publicly accessible normal power recharging points installed in their territory from [the transposition deadline of this amending Directive] can support smart charging functionalities and, where appropriate based on assessment by the regulatory authority, bidirectional charging functionalities.		3. In addition to the requirements in [the proposal for a Regulation concerning the deployment of alternative fuel infrastructure, repealing Directive 2014/94/EU], Member States shall ensure that ***newly installed*** non–publicly accessible normal power recharging points installed in their territory from [the transposition deadline of this amending Directive] can support smart charging functionalities and, where appropriate based on assessment by the regulatory authority, bidirectional charging functionalities. ***A transitional period until 2027 is foreseen for existing normal power recharging points.***
Justification: According to this article, operators of non-publicly accessible recharging points will have to support smart and, where appropriate, bi-directional charging. This obligation would apply as from 31 December 2024, which means that only a too short transition period is foreseen. This article should provide for a reasonable transition period, necessary for grid and charging point operators to provide for smart and where appropriate bi-directional charging functionalities. Therefore, the rules on smart and bi-directional charging charging defined in Article 20a.3 (and Article 5.7 and 5.8 AFIR) should only apply to new charging points, while a transitional phase until 2027 is required for existing normal power recharging points.		

AM 5 – Support DHC role in increasing renewables in buildings

Article 1(13)(c) amending <u>Article 24 – District heating and cooling</u> (Amendment 52 by the Rapporteur)		
Text proposed by the Commission	**Text proposed by Rapporteur**	**CEDEC amendment**
4a. Member States shall ensure that operators of district heating or cooling systems above 25 MWth capacity are obliged to connect third party suppliers of energy from renewable sources and from waste heat and cold or are obliged to offer to connect and purchase heat or cold from renewable sources and from waste heat and cold from third-party suppliers based on non-discriminatory criteria ***set by the competent authority of the Member State concerned,*** where such operators need to do one or more of the following: (a) meet demand from new customers; (b) replace existing heat or cold generation capacity; (c) expand existing heat or cold generation capacity.	4a. Member States shall ensure that operators of district heating or cooling systems above 25 MWth capacity are obliged to connect third party suppliers of energy from renewable sources and from waste heat and cold or are obliged to offer to connect and purchase heat or cold from renewable sources and from waste heat and cold from third-party suppliers based on non-discriminatory criteria ***if such a connection is technically and economically feasible and*** where such operators need to do one or more of the following: (a) meet demand from new customers; (b) replace existing heat or cold generation capacity; (c) expand existing heat or cold generation capacity.	4a. Member States shall ensure that operators of district heating or cooling systems above 25 MWth capacity are obliged to connect third party suppliers of energy from renewable sources and from waste heat and cold or are obliged to offer to connect and purchase heat or cold from renewable sources and from waste heat and cold from third-party suppliers based on non-discriminatory criteria ***if such a connection is technically and economically feasible and*** where such operators need to do one or more of the following: (a) meet demand from new customers; (b) replace existing heat or cold generation capacity; (c) expand existing heat or cold generation capacity.
Justification: District heating and cooling is recognised as one of the most promising instruments for contributing to increasing the share of renewables in the building sector. However, the proposal for operators above 25MWth to connect 3rd party suppliers of RES and waste heat & cold is economically feasible as long as there is new customers demand and/or there is need to replace existing generation capacity or expand it. It is consistent to complement this article with a condition on technical and economic feasibility for the connection to the system. Therefore, CEDEC supports the rapporteur's amendment.		

AM 6 – Do not let additionality criteria hamper the development of renewable hydrogen

Article 1(16) amending Article 27 – Calculation rules in the transport sector and with regard to renewable fuels of non-biological origin ~~regardless of their use~~ (Amendment 60 to 66 by the Rapporteur)		
Text proposed by the Commission	**Text proposed by Rapporteur**	**CEDEC amendment**
(d): 3.[…] ***Where electricity is used for the production of renewable fuels of non-biological origin, either directly or for the production of intermediate products, the average share of electricity from renewable sources in the country of production, as measured two years before the year in question, shall be used to determine the share of renewable energy.*** ***However,*** electricity obtained from direct connection to an installation generating renewable electricity may be fully counted as renewable electricity where it is used for the production of renewable fuels of non-biological origin, provided that the installation: (a) comes into operation after, or at the same time as, the installation producing the renewable liquid and gaseous ***transport*** fuels of non-biological origin; ***and*** (b) is not connected to the grid or is connected to the grid but evidence can be provided that the electricity	3.[…] ~~***Where electricity is used for the production of renewable fuels of non-biological origin, either directly or for the production of intermediate products, the average share of electricity from renewable sources in the country of production, as measured two years before the year in question, shall be used to determine the share of renewable energy.***~~ Electricity obtained from direct connection to an installation generating renewable electricity may be fully counted as renewable electricity where it is used for the production of renewable fuels of non-biological origin, provided that the installation ***is not connected to the grid or is connected to the grid but evidence can be provided that the electricity concerned has been supplied without taking electricity from the grid.***	(d): 3.[…] ~~***Where electricity is used for the production of renewable fuels of non-biological origin, either directly or for the production of intermediate products, the average share of electricity from renewable sources in the country of production, as measured two years before the year in question, shall be used to determine the share of renewable energy.***~~ Electricity obtained from direct connection to an installation generating renewable electricity may be fully counted as renewable electricity where it is used for the production of renewable fuels of non-biological origin, provided that the installation: (a) comes into operation after, or at the same time as, the installation producing the renewable liquid and gaseous fuels of non-biological origin; ***or*** (b) is not connected to the grid or is connected to the grid but evidence can be provided that the electricity

concerned has been supplied without taking electricity from the grid. Electricity that has been taken from the grid may be counted as fully renewable provided that it is produced exclusively from renewable sources and the renewable properties and other appropriate criteria have been demonstrated, ensuring that the renewable properties of that electricity are claimed only once and only in one end-use sector.	Electricity that has been taken from the grid may be counted as fully renewable provided that it is produced exclusively from renewable sources and the renewable properties have been demonstrated, ensuring that the renewable properties of that electricity are claimed only once and only in one end-use sector. ***This can be achieved by either following any of the following:*** ***(a) to demonstrate the renewable properties, producers of renewable fuels of non-biological origin should be required to conclude one or more renewable power purchase agreements generating electricity for an amount that is at least equivalent to the amount of electricity that is claimed as fully renewable.*** ***The balance between the renewable electricity purchased through one or several power purchase agreements and the amount of electricity taken from the grid to produce renewable fuels of non-biological origin shall be achieved on a quarterly basis.*** ***From 1 January 2026, the balance between the renewable electricity purchased through one or several power purchase agreements and the amount of electricity taken from the grid to produce***	concerned has been supplied without taking electricity from the grid. Electricity that has been taken from the grid may be counted as fully renewable provided that it is produced exclusively from renewable sources and the renewable properties and other appropriate criteria have been demonstrated, ensuring that the renewable properties of that electricity are claimed only once and only in one end-use sector. ***This can be achieved by either following any of the following:*** ***(a) to demonstrate the renewable properties, producers of renewable fuels of non-biological origin should be required to conclude one or more renewable power purchase agreements generating electricity for an amount that is at least equivalent to the amount of electricity that is claimed as fully renewable.*** ***The balance between the renewable electricity purchased through one or several power purchase agreements and the amount of electricity taken from the grid to produce renewable fuels of non-biological origin shall be achieved on a quarterly basis.*** ***From 1 January 2026, the balance between the renewable electricity purchased through one or several power purchase agreements and the amount of electricity taken from the grid to produce renewable fuels of non-biological origin shall be achieved on a daily basis.***

	renewable fuels of non-biological origin shall be achieved on a daily basis. ***A power purchase agreement can be signed with an existing installation producing renewable electricity provided that the installation does not receive support in form of operating aid or investment aid at the date the contract enters into force, or such support has ended.*** ***(b) a granular guarantee of origin pursuant to Article 19(2) may be used in order to demonstrate the renewable properties of the electricity used for the production of renewable fuels of non-biological origin and to ensure that the renewable properties of that electricity are claimed only once and only in one end-use sector.*** ***Member States shall ensure that any additional electricity demand used for the production of renewable fuels of non-biological origin is included in their National Energy and Climate Plans.*** By ...[***one year after the entry into force of this amending Directive]***, the Commission shall adopt a delegated act in accordance with Article 35 to supplement this Directive by establishing ***a methodology for the implementation of this Article.*** ***The requirements in this Article, or, where not applicable, equivalent requirements shall apply to***	***A power purchase agreement can be signed with an existing installation producing renewable electricity provided that the installation does not receive support in form of operating aid or investment aid at the date the contract enters into force, or such support has ended.*** ***(b) a granular guarantee of origin pursuant to Article 19(2) may be used in order to demonstrate the renewable properties of the electricity used for the production of renewable fuels of non-biological origin and to ensure that the renewable properties of that electricity are claimed only once and only in one end-use sector.*** ***Member States shall ensure that any additional electricity demand used for the production of renewable fuels of non-biological origin is included in their National Energy and Climate Plans.*** By ...[***one year after the entry into force of this amending Directive]***, the Commission shall adopt a delegated act in accordance with Article 35 to supplement this Directive by establishing ***a methodology for the implementation of this Article.*** ***The requirements in this Article, or, where not applicable, equivalent requirements shall apply to renewable fuels of non-biological origin imported in the Union.***
By ***31 December 2021,*** the Commission shall adopt a delegated act in accordance with Article 35 to supplement this Directive by establishing a Union methodology setting out detailed rules by which economic operators are to comply with the requirements laid down in the fifth and sixth subparagraphs of this paragraph.		

	renewable fuels of non-biological origin imported in the Union.	

Justification:

The scope of Art. 27 is extended to RFNBOs (= renewable hydrogen) when used in end-use sectors other than transport (addition in the title: *"regardless of their end-use"*). However, renewable electricity used for hydrogen production is only recognised as renewable if the generation installation is new (additional) capacity and not connected to the grid or taking electricity from the grid. These unreasonable limitations hamper the development of renewable hydrogen.

Too restrictive criteria on additional and simultaneous generation for renewable hydrogen would severely limit the hydrogen market development and would be at odds with the hydrogen needed to make this technology contribute to decarbonisation.

Therefore, CEDEC supports all proposed amendments by the rapporteur in paragraph 3 as they address the issues of additionality and simultaneity in a logic and consistent manner. Concerning subparagraph 2, the amendment proposed by CEDEC ("a or b") is equivalent to the amendment proposed by the rapporteur. Finally, it should also be clear that the delegated act (still to be adopted by the Commission) shall take into account the final content of this article.