



Organizan:



# The Role of Renewable Heat in the Fit For 55: Challenges & Opportunities for the Biomass Sector

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**Soluciones** con BIOMASA y GAS RENOVABLE  
ante el cambio de **MODELO ENERGÉTICO**  
RETOS URGENTES de la bioenergía en Iberoamérica

El reto de la Sostenibilidad en la Bioenergía

Con la colaboración de:





## Companies



## Associations



## Academia



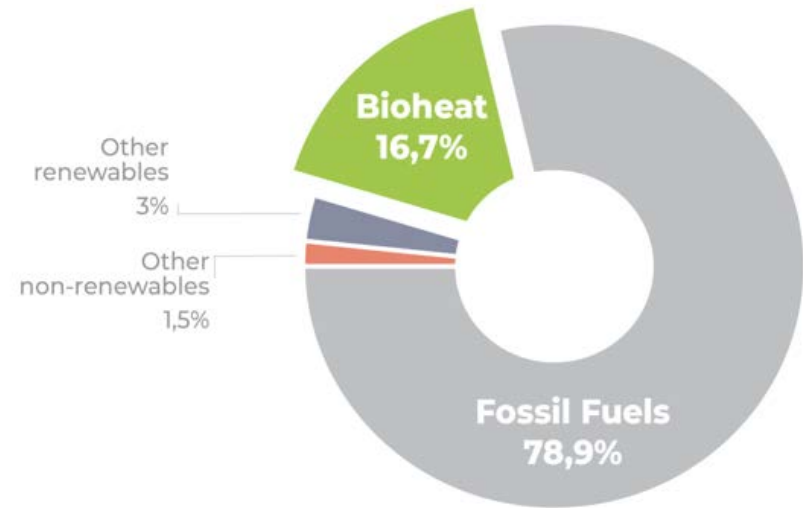
## The European energy cont

- Fit for 55 Package published in July, presenting 13 legislative proposals to revise the EU 2030 targets
- Unlocks opportunities for renewable heat solutions like biomass

Carbon neutrality is the goal by 2050, but what does the current energy mix look like?

Contribution of the different energy sources in heating and cooling in EU28 in 2018\* (in %)

(Source: Eurostat, SHARES 2018, Bioenergy Europe's calculation)



## ELECTRICITY

## INDUSTRY

## TRANSPORT

## BUILDINGS



Revision of EU Emission Trading Scheme – EU ETS

Revision of Effort Sharing Regulation - ESR



Revision of Renewable Energy Directive - REDIII

Revision of Energy Efficiency Directive - EED

CO2 emissions for cars and vans  
– revision of performance  
standards

ReFuelEU Aviation Initiative

FuelEU Maritime Initiative



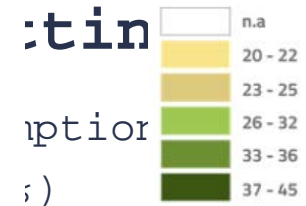
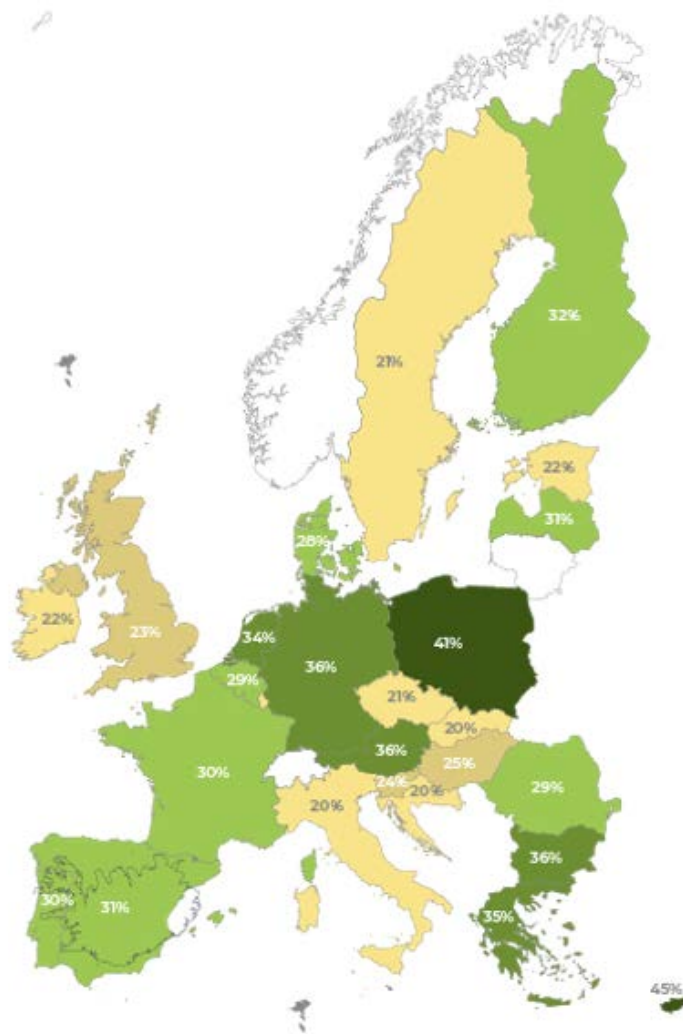
Revision of Energy Taxation Directive

Land use,  
forestry and  
agriculture -  
LULUCF

## European older

- Buildings
- With foss
- Almost 1
- 60% of a
- C, D, or
- Map show:

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# The revision of the Renewable Energy Directive (RED III)





## Why is the revision so important?



1. To be accounted for RES-target and sectorial sub-targets
2. To be eligible for public financial support
3. To be zero-rated in ETS system



Sustainabi  
lity  
requiremen



LULUCF  
requiremen  
ts



GHG emissions  
savings  
requirements

- ▶ **Biomass fuels produced from waste and residues:** only GHG criteria and soil quality requirements for agricultural biomass apply
- ▶ **Small installations** below 20 MW for solid biomass fuels and 2 MW for gaseous biomass fuels of thermal capacity are exempted (but MS may set lower threshold)
- ▶ **Energy efficiency criteria** apply only to large-scale bioelectricity installations (above 50 MW)



## Main changes proposed

- **Lower exemption threshold:** from installations with thermal input below 20MW to systems above 5MW
- **NO GO areas** extended to forest biomass (previously only applicable to agricultural biomass to prevent deforestation or land use change)
- Details on **SFM and harvesting practices** complementing the harvesting criterion (Art.

New restrictions on granting support:

- No support for specific wood categories (**saw logs, veneer logs, stumps and roots**)
- **End of support for power only** from 2027 with exceptions (BECCS, Just transition territories)





## Renewable heat in the RED III

### NEW TARGETS

Articles 3 &

15  
**Higher  
Ambition on  
Renewables**



- New actions to increase demand, with sectoral targets for industry and buildings (even though indicative)
- Higher **EU RES target of 40%** compared to 32.5% (Art.3)

### INDUSTRIAL SECTOR

Article 22


**New RES  
Targets in  
Industry**



- **New 49% EU benchmark** RES in building to be included in codes and support schemes (Art.15)
- **Annual increase of 1.1pp of RES** in the industrial sector
- **Non-binding measures**, but Member States need to monitor their use of RES in industry
- **Green Products** - Commission to label sustainable industrial products and define RES role there



# Renewable heat in the

 HEATING AND COOLING  
Articles 17-19  
**Renewable Heat Obligations**



- From 1.3pp RHC indicative target to **1.1pp binding** one
- Member States to assess their H&C potential




## List of possible measures to achieve the target

- Physical incorporation of RES in heating and cooling
- Promotion of heat purchase agreements
- Planned replacement of fossil systems or phase-out with milestones

• Renewable heat planning & other policy measures



## Renewable heat in the RED III

 INFORMATION &  
Article 18 TRAINING

Training of  
RHC  
installers



 DISTRICT HEATING  
Article 24

RES  
increase in  
district  
networks



- Need for skilled installers for renewable heat sources and recognition of the key role of thermal storage (Art.18)
- Overall positive steps forward and increased attention to renewable heat sources
- **Soft measure: indicative increase of 2.1pp RES in districts**
- **More transparency** for consumers on the use of RES
- Could lead to heavier burden for DH operators





# Renewable heat in the Energy Efficiency Directive (EED)



## Renewable heat in the EED

- Focus on public buildings
- New and higher efficiency objectives, +9% EU binding targets by 2030
- “Energy Efficiency First” principle new legal basis
- New definition of efficient district heating (timeline until 2050)



# Renewable heat in the EED


**ENERGY SAVINGS**  
 Article 18  
**Annual energy saving obligations**  

**INFORMATION TO CONSUMERS**  
 Article 21  
**RES increase in district networks**



- **Information**, awareness raising, technical and financial advice also for renewable installations
  - **One-stop shops**, single points of contact and out-of-court mechanisms for the settlement of disputes
  - From **0.8% to 1.5%** of annual savings obligations (2024-2030)
  - Focus on **vulnerable consumers, energy poverty issues** and **social housing**
  - Considers the use of **revenues of EU ETS** allowances
- Measures promoting **fossil fuels** and under the **EU ETS** cannot be accounted





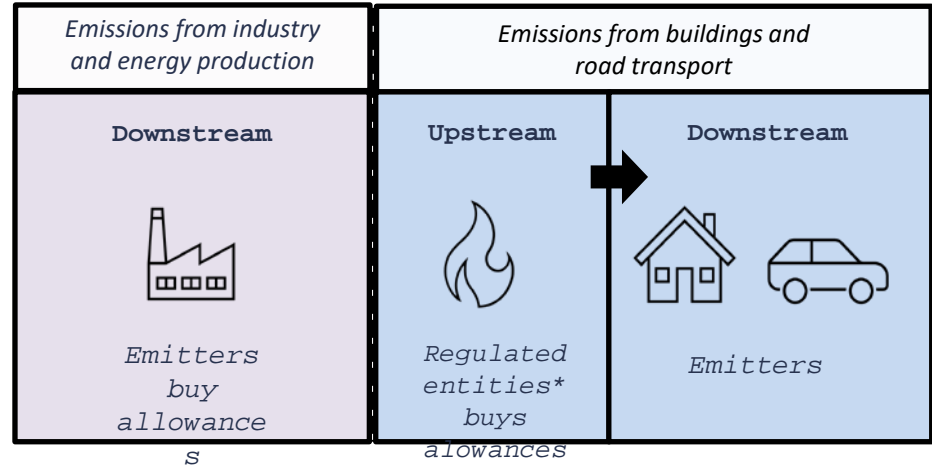


# The EU ETS extension to building and transport



# The EU ETS extension to building and transport

- 2021-25: kick off period.
- 2026: start
- **Goal** → 43% emissions reduction by 2030 compared to 2005
- **Separate but adjacent emissions trading** & dedicated Market Stability Reserve **MSR** (auctioning and MSR are independent)



- **No free allowances**
- Upstream approach: regulation on the supply chain (regulated entities) **not households**

\* **Regulated entities:** release fuels used for combustion in buildings and transport

2021

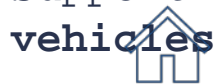
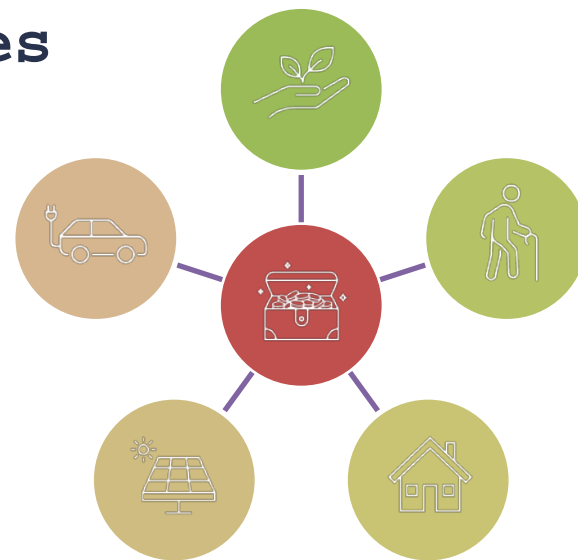
Will not replace the Effort Sharing Regulation, but complement it



## The new ETS - use of revenues

The revenues generated from the auctioning of allowances shall be used for:

- **Innovation** fund (€150 million allowances)
- Decarbonisation of **heating and cooling** in buildings
- **Reducing energy needs** in buildings
- Integrating **renewable** energies
- Support uptake of **zero-emissions**



At least **50%** of revenues to support **low-income households**

A Social Climate Fund will be established



## OBLIGATIONS

### Indicative Targets for RHC penetration

- 1.1 pp/y Binding Target

### District Heating (EED)

- DH integrating 60% RES by 2050
- **High-efficiency cogeneration** - emission performance standard of 270grCO<sub>2</sub>

## SOFT MEASURES

### Indicative Targets for RHC penetration

- 1.1 pp/y RES in Industry
- 2.1 pp/y RES in DH
- **Green Products** - Commission to label sustainable industrial products

## INCENTIVES

### Energy Taxation Directive

Fossil fuels (except for gas for some instances) no longer eligible for discounted rated excise duties

### Extension EU ETS for Buildings

**Social Climate Fund** to target renovation of heating stock among other priorities (€72.2 billion)



## EU Sustainable Energy Week (



TOWARDS 2030: RESHAPING  
THE EUROPEAN ENERGY SYSTEM  
#EUSEW2021

**Bioenergy and Fit for 55:  
Delivering for 2030,  
preparing for 2050**

12 October 2021 | 13:00 - 15:00



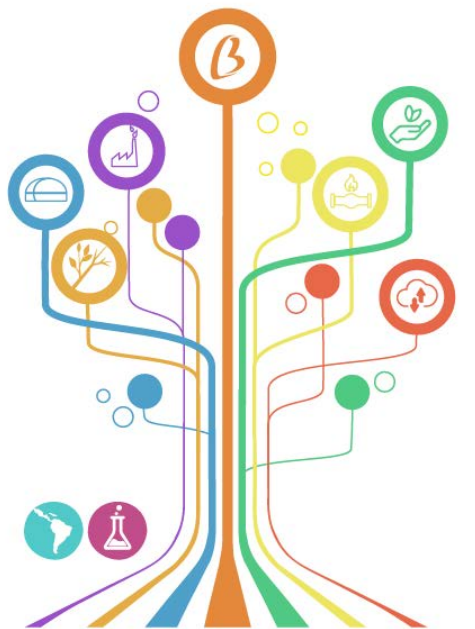
**Sustainable Bioenergy: The  
Nexus of Energy System  
Integration**

29 October 2021 | (Online) TBC



More info and registration coming soon.  
**Stay tuned!**





**B** CONGRESO INTERNACIONAL  
**BIOENERGÍA**

**2021**

VALLADOLID  
21, 22 Y 23  
SEPTIEMBRE



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**GRACIAS POR SU ATENCIÓN**

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