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'I/A' ITEM NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee/Council

Subject: Draft DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Directive (EU) 2018/2001, Regulation (EU) 2018/1999 and Directive 98/70/EC as regards the promotion of energy from renewable sources, and repealing Council Directive (EU) 2015/652
(first reading)
- Adoption of the legislative act
= Statements

Statement by Belgium

Belgium recognizes the need to accelerate the energy transition and phase out fossil fuels in our efforts to achieve the objectives of the Paris Agreement. Belgium will support the adoption but would like to express its concerns regarding the challenges that come with the increased renewable energy targets contained in this 3rd Renewable Energy Directive. Serious demographical and geographical limitations, combined with the presence of large clusters of energy intensive industries, imply that the expected national contributions according to the formula referred to in Annex II to Regulation (EU) 2018/1999 are extremely difficult to achieve and seem unachievable,

in particular in a time frame of just 7 years. The same goes for the binding sectoral subtargets (regarding RFNBO's in industry, transport and heating and cooling), which do not seem to be coherent with a cost-effective achievement of our climate targets. Notwithstanding these challenges, Belgium will continue to deliver constructive contributions to the European goal.

Statement by Ireland

Ireland welcomes agreement on the update to the text of the Renewable Energy Directive and acknowledges the need to be ambitious in the renewable energy targets for 2030. The achievement of ambitious targets in a relatively short time frame will require an unprecedented effort from all in society, and it is crucial that we bring everyone with us on that journey.

It is Ireland's view that failure to consider all the implications of the significant increases to the renewable energy targets – such as the current operation of the interim targets under Regulation (EU) 2018/1999 on the Governance of the Energy Union and Climate Action - will be counterproductive.

The failure to consider the implications carries with it the risk of undermining the support required to promote renewable energy, when public funds are diverted away from the necessary investment in the energy systems of Member States, despite significant progress and investment having already been made and with much more committed.

The 2030 renewable energy target in the final text goes beyond what was originally proposed as part of the Fit for 55 Package. The impact of the increased renewable energy target, and any unintended consequences, may not become fully apparent until Member States have completed updates to their draft National Energy and Climate Plans.

The Governance Regulation provides for a review in response to a global stocktake of the 2015 Paris Agreement. Ireland believes that such a review of the Governance Regulation would be an opportune time to also review the operation of the interim targets and the compliance mechanisms available to Member States. Such a review may be informed by the analysis' contained in the updated draft National Energy and Climate Plans submitted by Member States.

Statement by Latvia

The Republic of Latvia emphasises the importance of developing renewable energy sources in order to strengthen energy security and independence, ensure price stability, reduce greenhouse gas emissions and achieve the European Union's climate objectives.

Latvia supports the proposal for a Directive as regards the promotion of energy from renewable sources and in particular the agreement reached on key elements of the proposal, such as sectoral targets, the heating sector and bioenergy.

Latvia will do its utmost to implement all necessary measures to increase the use of renewable energy in the transport sector, and it will work to increase the production of renewable electricity, in order to create the capacities required to produce renewable hydrogen in Latvia. However, Latvia considers that the agreement on the objectives and obligations set out in Article 25 regarding renewable energy, and in particular the use of hydrogen in transport, is beyond Latvia's capacity to implement and achieve, taking into account Latvia's national situation.

Latvia considers it important to take into account a country's economic and social conditions, national energy balances and starting points when setting requirements for renewable energy promotion measures.

Statement by Poland

Poland is one of the fastest-growing renewable energy markets in Europe.

In recent years, our renewable energy capacity has grown exponentially, especially in the solar sector, thanks to government support and public involvement. In order to scale up the development of clean energy, we have created a stable legal framework and set up appropriate support schemes. Simplifying and speeding up permitting procedures are elements of the proposal which are to be welcomed, but they are not enough to ensure that its objectives are met. The rapid introduction of renewable energy sources on the scale proposed in the amended Renewable Energy Directive (RED), and the growth in the share of weather-dependent energy sources in energy production jeopardise both the stability of the grid and overall energy security. Poland has constantly stressed the need to carry out the energy transition at a pace that is achievable for the energy system, accessible to society and favourable to European industry. The targets must be realistic and allow Member States flexibility in choosing the appropriate tools for implementing them.

Furthermore, given the impact of the draft Regulation on the energy mix of the Member States and the resulting negative social consequences, in Poland's view, the legal basis for the proposed act should be Article 192(2), point (c) TFEU.

Poland cannot, therefore, support the proposed revised Directive on energy from renewable sources.

Poland also maintains its negative position on the entire Fit for 55 package, which sets unrealistic targets and ambitions and significantly impacts Member States' energy mixes. Poland is of the opinion that most of the package is being realised on an incorrect legal basis, creating a dangerous precedent.

Statement by Romania

Romania is firmly engaged on a decarbonization path and is committed to reaching EU net zero objectives.

RED III is a significant milestone in the Fit for 55 package and was intended to allow the unlocking of investments necessary to achieve significant GHG emissions reductions across all sectors thus streamlining the efforts of Member States to reach climate targets.

However, as Romania has indicated during negotiations, the EU global targets for renewable sources as well as the sectorial ones for RES and hydrogen production should be based on national specificities and potential in order to make them effective. The level of ambition in the final text is high and difficult to achieve taking into account Romania's realistic projections, going beyond the implementable targets that Romania supported during the negotiations on this file. Romania is concerned that a higher level of ambition might have a discouraging effect and lead to increased costs for certain sectors which do not have the option to implement a sustainable energy transition in the 2030 timeframe, risking to become un-competitive.

Romania is also of the opinion that the formula stipulated in Annex II, although it is non-binding, is not sufficiently designed to take into account national specificities and different energy mixes. We would like to reiterate the right of each Member State to determine the conditions for exploiting its energy resources, its choice between different energy sources and the general structure of its energy supply, in line with art. 194 of TFUE.

Romania is a firm supporter of the principle of technology neutrality and the complementarity between renewable and low-carbon technologies. Although the final text reflects the possibility to use other types of renewable hydrogen in order to avoid a competition between technologies, we believe that conditions in art. 22b do not completely solve our concerns during negotiations: ensuring a level playing field and equal incentive for all low-carbon energy sources able to contribute to decarbonization.

Statement by Slovak Republic

Slovakia considers the overall EU RES target for 2030 to be very ambitious and very difficult to achieve. With regard to the national energy mix and its development, the Slovak Republic does not see a real possibility for any significant increase in its ambition in this area and stresses that any additional contribution to the RES targets calculated on the basis of the non-binding formula set out in Annex II to Regulation (EU) 2018/1999 may not take into consideration all the relevant factors at national level and may therefore not reflect the real potential for the development of renewables in the country.

Although we consider the ambitious transport and heating targets to be difficult to achieve and there is a risk that they will not be met, the Slovak Republic will strive to achieve them by setting targets and measures in its NECP.

We also have a reservation with regard to support for the production of hydrogen from low-carbon sources, which is a key issue for Slovakia and which has not been satisfactorily addressed in the Directive.

Statement by the Commission on Article 22a and Article 22b

Article 22a of the Renewable Energy Directive, in combination with Article 22b, will drive the necessary replacement of fossil fuels used as feedstock in industry and the reduction of greenhouse gas emissions in industrial processes difficult to electrify.

Given the novelty of the target and the early stage of the hydrogen market transition, the Commission recognises that the achievement of the target, at least until 2030, will require important efforts from Member States and significant investments by public and private stakeholders.

The Commission acknowledges that meeting the target provided in Article 22a, paragraph 1, fifth subparagraph, also in combination with Article 22b, will, in certain cases, entail high adaptation costs of plants which require retrofitting their processes. This is the case of certain ammonia production plants which require significant investment in the production process to replace use of hydrogen produced from the steam methane reforming. Therefore, in its assessment under Article 22a, paragraph 1, fifth subparagraph, and Article 22b, first paragraph point b, the Commission, on a case by case basis and when duly justified, will not take into account these existing plants while considering whether they have been fully amortised and when the final investment decision for retrofitting has been taken.

More generally, the Commission recognises that the achievement of the objectives set out in the Directive, in particular the overall renewable energy target, the targets for the transport and industry sectors will require important efforts from the Member States and significant investments by public and private stakeholders and potentially from national budgets. The Commission acknowledges that there is a need to assist Member States in the implementation of these objectives.

The Commission acknowledges that other sources of fossil-free energy than renewable energy contribute to reaching climate neutrality by 2050 for Member States who decide to rely on such sources of energy.

The Commission also acknowledges that the renewable energy targets should go hand in hand with the complementary decarbonisation efforts based on other non-fossil energy sources towards reaching climate neutrality by 2050, taking into account their specific national circumstances and the structure of their energy supply. In order to achieve that objective, the Commission considers that the deployment of renewable energy in the framework of the increased binding overall Union target should be integrated into complementary decarbonisation efforts involving the development of other non-fossil energy sources that Member States decide to pursue.
