European Commission - Press release





Commission welcomes completion of key 'Fit for 55' legislation, putting EU on track to exceed 2030 targets

Brussels, 9 October 2023

The Commission welcomes today's adoption of two final pillars of its 'Fit for 55' legislative package for delivering the EU's 2030 climate targets. Ahead of the crucial COP28 UN Climate Conference, and next year's European elections, this **complete package of legislation shows that Europe is delivering on its promises** made to citizens and international partners to lead the way on climate action and shape the green transition for the benefit of citizens and industries.

Commission President Ursula **von der Leyen** said: "The European Green Deal is delivering the change we need to reduce CO² emissions. It does so while keeping the interests of our citizens in mind, and providing opportunities for our European industry. The legislation to reduce our greenhouse gas emissions by at least 55% by 2030 is now in place, and I am very happy that we are even on track to overshoot this ambition. This is an important sign to Europe and to our global partners that the green transition is possible, that Europe is delivering on its promises."

With the adoption today of the revised Renewable Energy Directive and the ReFuelEU Aviation Regulation, the EU now has **legally binding climate targets** covering all key sectors of the economy. The overall package includes emissions reduction targets across a broad range of sectors, a target to **boost natural carbon sinks**, and an **updated emissions trading system** to cap emissions, put a price on pollution and generate investments in the green transition, and **social support for citizens and small businesses**. To ensure a **level playing field** for European companies, the Carbon Border Adjustment Mechanism ensures that imported goods pay an equivalent carbon price on targeted sectors. The EU now has **updated targets on renewable energy and energy efficiency**, and will **phase out new polluting vehicles by 2035**, while **boosting charging infrastructure and the use of alternative fuels** in road transport, shipping and aviation.

The 'Fit for 55' package was tabled in July 2021 to respond to the requirements in the <u>EU Climate Law</u> to reduce Europe's net greenhouse gas emissions by at least 55% by 2030. It was updated when the Commission proposed increased ambition on renewable energy and energy efficiency in the <u>REPowerEU plan</u> to respond to Russia's invasion of Ukraine and boost Europe's energy security. The **final legislative package is expected to reduce EU net greenhouse gas emissions by 57% by 2030**. While this legislative package is a central part of the European Green Deal, work continues on other pending legislative files and proposals, and on the implementation of legislation in the Member States. The Energy Taxation Directive, an integral part of the Fit for 55 Package, remains to be completed, and the Commission urges Member States to conclude negotiations as soon as possible.

Cutting carbon, pricing emissions, investing in people

Carbon pricing and an annual emissions cap ensure that polluters pay, and that Member States generate revenues which they can invest in the green transition. The revised EU emissions trading system gradually extends carbon pricing to new sectors of the economy to support their emissions reductions, in particular transport and heating fuels, and shipping.

With this reform, Member States will now spend 100% of their emissions trading revenues on climate and energy-related projects and the social dimension of the transition. The **newly-created Social Climate Fund** will dedicate 65 billion euros from the EU budget, and **over 86 billion euros in total to support the most vulnerable citizens and small businesses with the green transition**.

The new Carbon Border Adjustment Mechanism will ensure that **imported products will also pay a carbon price at the border** in the sectors covered. This is a valuable tool for promoting global emissions reductions and leveraging the EU market to pursue our global climate goals. In combination with the EU Emissions Trading System, it reduces the risk of 'carbon leakage', whereby companies would move their production out of Europe to countries with less strict environmental standards.

Boosting renewables and saving energy

The agreement on the revised Renewable Energy Directive sets the EU's **binding renewable energy target for 2030 at a minimum of 42.5%**, up from the current 32% target. In practice, this would almost double the existing share of renewable energy in the EU. It is also agreed that Europe will **aim to reach 45% of renewables in the EU energy mix by 2030**.

On the Energy Efficiency Directive, negotiators agreed to a new EU-level target to **improve energy efficiency by 11.7% by 2030**. Member States will have to make annual savings of an average of 1.49% from 2024 to 2030. The public sector will lead the way, with a 1.9% annual savings target. The agreement also includes the first ever EU definition of energy poverty. Member States will now have to implement **energy efficiency improvements as a priority among people affected by energy poverty**.

Investing in clean transport

The revised CO2 standards regulation will ensure that **all new cars and vans registered in Europe will be zero-emission by 2035**. As an intermediary step towards zero emissions, average emissions of new cars will have to come down by 55% by 2030, and new vans by 50% by 2030.

The new Regulation for the deployment of alternative fuels infrastructure (AFIR) sets mandatory deployment **targets for electric recharging and hydrogen refuelling** infrastructure along European roads. In this way, the publicly accessible recharging infrastructure for cars and vans grows at the same speed as the electric vehicle fleet.

ReFuelEU Aviation sets out EU-wide harmonised rules for the **promotion of sustainable aviation fuels (SAF)**, with an increasing minimum share of SAF required to be blended with kerosene by aviation fuel suppliers and supplied to EU airports. The FuelEU Maritime Regulation will promote the uptake of renewable and low-carbon fuels through the establishment of **a target for gradual reductions for the annual average GHG intensity of the energy used onboard by ships**.

Next steps

The implementation of the 'Fit for 55' legislation is now starting in the Member States. The <u>National Energy and Climate Plans (NECPs)</u> currently being finalised by Member States will need to integrate this new legislation and demonstrate how the 2030 climate and energy targets will be met at national level.

As announced by President **von der Leyen** in her annual State of the European Union speech, the Commission will be engaging in a series of dialogues with citizens and industry on the implementation of the European Green Deal legislation, under the guidance of Executive Vice-President Maros **Šefčovič**. In addition to climate legislation, development and implementation continues of the other, complementary, pillars of the European Green Deal. The European Parliament and the Council are currently negotiating several energy, circular economy, pollution and nature-related laws, with the Commission providing intensive support to make sure all these are agreed in the coming months.

Background

The <u>European Green Deal</u>, presented by the Commission on 11 December 2019, set out a new growth strategy for Europe. It aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy with zero net greenhouse gas emissions by 2050 and with economic growth decoupled from resource use.

The <u>European Climate Law</u> enshrines in binding legislation the EU's commitment to climate neutrality and the intermediate target of reducing net greenhouse gas emissions by at least 55% by 2030, compared to 1990 levels. The EU's commitment to reduce its net greenhouse gas emissions by at least 55% by 2030 was <u>communicated to the UN Climate Convention</u> in December 2020 as the EU's contribution to meeting the goals of the Paris Agreement. As a result of the EU's existing climate and energy legislation, the EU's greenhouse gas emissions have already fallen by 30% compared to 1990, while the EU economy has grown by around 60% in the same period, decoupling growth from emissions.

For More Information

<u>Questions and Answers - Strengthening and expanding EU Emissions Trading with a dedicated Social Climate Fund</u>

Questions and Answers – Increasing the ambition of the EU's Effort Sharing Regulation and boosting natural carbon sinks

Questions and Answers - Making our energy system fit for our climate targets

Questions and Answers - Sustainable transport, infrastructure and fuels

Questions and Answers - Carbon Border Adjustment Mechanism

Factsheet

<u>EU Emissions Trading System reform</u> (including Market Stability Reserve, maritime and separate ETS system for buildings and road transports)

Social Climate Fund

Revised EU Emission Trading System for aviation

Notification on the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)

Monitoring, Reporting and Verification (MRV) Maritime Regulation

Effort Sharing Regulation (ESR)

Land Use, Land Use Change and Forestry Regulation (LULUCF)

Renewable Energy Directive

Energy Efficiency Directive

CO2 emission standards for new cars and vans

Alternative Fuels Infrastructure Regulation (AFIR)

ReFuelEU Aviation Regulation

FuelEU Maritime Regulation

Carbon Border Adjustment Mechanism

Webpage - Fit for 55 package

Webpage - Carbon Border Adjustment Mechanism

Audiovisual library - Fit for 55 package

IP/23/4754

Quotes:

The European Green Deal is delivering the change we need to reduce CO² emissions. It does so while keeping the interests of our citizens in mind, and providing opportunities for our European industry. The legislation to reduce our greenhouse gas emissions by at least 55% by 2030 is now in place, and I am very happy that we are even on track to overshoot this ambition. This is an important sign to Europe and to our global partners that the green transition is possible, that Europe is delivering on its promises. Ursula von der Leyen, President of the European Commission - 09/10/2023

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