

### **Policy Working Group**

15 July 2022

#### Agenda



- 1. Welcome & Approval of the agenda
- 2. <u>Updates on activities</u>
- 3. Latest updates on EU institutions' activities
- Czech presidency of the EU
- Fit for 55 where do we stand
- Gas Package where do we stand
- EU Taxonomy
- New European Innovation Agenda and Synergies Guidelines
- 4. Reports and Studies

## Updates onactivities

#### **Update on activities**



#### Latest activities:

- Publication of the REPowerEU reaction
- Answers the submitted to the two delegated acts on renewable hydrogen production & GHG emissions calculation methodology
- Meeting with Mohammed Chahim and upcoming publication of a press release on the CBAM

#### Foreseen activities:

- Autumn 2022: Horizon 2020 programme final evaluation (here) Public consultation will open in Q4 2022
- Autumn 2022: Horizon Europe interim evaluation (here) Public consultation will open in Q4 2022
- Paper on an approach to sustainability criteria for energy production Hydrogen Europe Research view on the current European approach and how to improve it

#### Upcoming proposals, for information:

- Emergency Plan in case of total cut from Russian gas (20 July)
- Regulation on carbon offset certification (expected on 30/11/2022)
- Revision of CO2 emission standards for heavy duty vehicles (expected on 30/11/2022)

# Latest updates on EU institutions' activities

#### Czech presidency of the EU

On 1st July 2022, the Czech presidency of the EU has started. It will last for the next 6 months as part of the rotating presidency of the EU.

#### **Hydrogen is mentioned in the Czech programme:**

"In terms of security of energy supply and decarbonisation, CZ PRES will give priority to negotiating legislative proposals in the area of the so-called gas decarbonisation package (Regulation on the internal market in renewable gases, natural gas and hydrogen and Directive on common rules for the in-ternal market in renewable gases, natural gas and hydrogen). CZ PRES aims to achieve a general approach towards these proposals."

"Given the commitment to reduce dependence on fossil fuel imports from Russia, <u>CZ PRES will also highlight</u> the role of nuclear energy and low-emission hydrogen as effective tools for de-carbonisation, including in its Presidency events."

For more information click <u>here</u>.

#### Fit for 55 - Update July 2022



Revision of the EU Emission Trading System (EU ETS)

**Start of the trialogue negotiations on 11 July.** The second ETS should be the topic of tought negotiation as both positions are very different.

Carbon border adjustment mechanism (CBAM)

Start of the trialogue on 11 July.

HER met with Mohamed Chahim beginning of July, rapporteur on this text.

Amendment of the regulation setting <u>CO2 emission standards for cars and vans</u>

EP: position adopted 8/06, Council position adopted 29/06.

ReFuelEU Aviation - on sustainable aviation fuels

**EP:** Adopted in plenary session on 7 July.

• Electricity and hydrogen are included in the report to be part of the overall energy mix of airports, and should propose other innovative aircraft propulsion technologies. Airports should promote access to these energies through the installation of charging points and refuelling stations.

Council adopted its general approach.

#### Fit for 55 - Update July 2022



 Amendment of the Renewable Energy Directive to implement the ambition of the new 2030 climate target (RED)

**EP:** Adoption of the finalised report in the ITRE committee, to be adopted in plenary. Alignment it with the REPowerEU Plan.

- 45% renewable energy by 2030
- Transport: higher GHG emission reduction target (16% against 13% proposed) with a 5,7% target for RFNBOs (initially 2,6%) and a sub target of at least 1,2% RFNBOs in the maritime sector
- Industry target: 50% RFNBOs by 2030, as proposed and a new 75% by 2035

12/09 indicative plenary sitting date.

Council: Position adopted.

- 40% renewable energy by 2030
- Transport: more flexibility given on the targets (GHG emissions intensity of fuels reduction or share of renewables in the final consumption of the sector), maritime transport could have a sub target (not mandatory). Objective for RFNBOs is optional 5,2%.
- Lower the share of renewable energy in H2 for industry (40 to 35%)

#### • FuelEU Maritime - on greening Europe's maritime space

**EP:** the report must still be accepted in the TRAN committee, this is foreseen for October. **Council**, position adopted.

#### Fit for 55 - Update July 2022



Revision of the alternative fuels infrastructure directive (AFID)

EP: 12/09 indicative plenary sitting date. Council adopted its position.

#### **Gas Package**

Ongoing discussions on the two reports from the rapporteurs in the European Parliament. Discussions around:

- The reduction in GHG emissions linked to the use of low-carbon fuels should be at least 70% compared to a fossil fuel comparator with a 94 gCO2eq/MJ threshold. This would also include life-cycle emissions, taking into account methane leakage as well as emissions from the production, transport and distribution and end-use of low-carbon fuels and hydrogen.
- A series of amendments aimed at ensuring that the use of hydrogen should, in the first instance, be prioritised in sectors that are difficult to decarbonise "where no other more energy and cost efficient options are available".
- Sub sutrcture for hydrogen within the ENTSO rather than create a fully new structure (ENHO)
- Proposed that the Commission provide incentives, including EU funds, to encourage the penetration of renewable and low-carbon gases, including hydrogen and biomethane, into the energy system of coal and carbon intensive regions.

#### **EU Taxonomy**

#### **Parliament**

The intergroup mobilised to oppose the delegated act on Taxonomy has not passed its veto proposal on 6 July (+278, -328, abst. 33). An absolute majority was required (353)

#### What does it mean?

> The production of electricity from gas and nuclear energy will be integrated to the taxonomy if it respects some conditions set in the delegated act.

Some NGOs already announced that they would seize the European Union Court of Justice over the delegated act.

#### Council

No majority to oppose the delegated act. 10 Member States called in a public statement to accept the DA: Bulgaria, Croatia, Finland, France, Hungary, Poland, Czechia, Romania, Slovakia, Slovenia), mainly to include nuclear energy.

## Adoption of the New European Innovation Agenda and Synergies Guidelines

New European Innovation Agenda (available <u>here</u>)

Developed to mobilise under-exploited R&I potential across Europe, to improve access to Excellence, reduce the innovation divide, to boost stronger R&I ecosystems and to succeed in the green and digital transition. 4 key axis of actions are envisaged, more details are available in the document.

"The Commission will establish a new open innovation test bed in renewable hydrogen in 2023 under Horizon Europe to provide access to physical facilities, capabilities and services. [...] the implementing parties will seek guidance on compliance with the European legal and regulatory frameworks and on increasing circularity by design (life cycle assessment), to support the development of a vibrant hydrogen economy across the entire value chain."

 Guidance document on synergies between Horizon Europe and the European Regional Development Fund programmes (available <u>here</u>) Reports and studies

#### **Stakeholders News & Reports**

- The European Commission launched the Alliance for Zero-Emission Aviation with the goal to prepare the aviation ecosystem for the entry into service of hydrogen- and electric-powered aircraft, to ensure that air transport contributes to Europe's 2050 climate neutrality objective. Focus on the fuel and infrastructure requirements of hydrogen and electric aircraft at airports, standardisation and certification, and the implications for airlines and air traffic management.
- T&E published an analysis of how consumer goods prices would be impacted by shipping decarbonization measures (here). The analysis concluded that the likely impact on seaborne transport costs would be negligible (model with an average large container vessel sailing between China and Belgium.
- **DG RTD published its report on SCIENCE, RESEARCH AND INNOVATION PERFORMANCE OF THE EU 2022**, accessible <a href="here">here</a>. It aims at evaluating the performances of science, research and innovation and concludes in the EU in 2022 and provides key data, and analysis, as well as recommendations.



## Thank you for your participation!

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