

# Fit for 55: enabling local and regional climate transitions

CEMR position paper on revision of the directives on

- energy efficiency (EED)
- renewable energy (RED)
- energy performance of buildings (EPBD)

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"We need more than ever to step up a long-term sustainable investment policy to combat both climate change and the challenge of rising energy prices. There is a strong case that energy efficiency and renewable energy can break our dependence on fossils fuels. This is at the core of the Fit for 55 package, which has the potential to boost a green and just recovery. Local and regional governments have developed strong knowledge and expertise, and they have a key role to play in the transition to an ambitious and inclusive EU climate policy."

— Tijsse Stelpstra, Regional Minister of Drenthe and CEMR spokesperson on Energy

#### Context

Under the <u>European Green Deal</u> published in 2019, the European Commission committed to stronger action on climate change with a long-term objective to reach climate neutrality by 2050. Presented in July and December 2021, the new <u>Fit for 55 package</u> outlines the legislative measures to ensure the contribution of all sectors (energy, transport, housing, etc) to a fair transition. In this paper, we will lay the foundations for the development of further technical contributions and amendments in view of the negotiations at the European Parliament and Council regarding the revision of the EU directives on energy efficiency, renewable energy and the energy performance of buildings directive,.

The production and use of energy account for more than 75% of the EU's greenhouse gas emissions. Decarbonising the EU's energy system is therefore critical to reaching our 2030 climate objectives of reducing greenhouse gas emissions by 55% by 2030 and achieving carbon neutrality by 2050. To meet these targets, the European Commission has presented concrete proposals on energy efficiency, with many provisions directly impacting local and regional governments

Legislation on energy increasingly recognises the key role that local and regional authorities must play to achieve a secure, accessible and sustainable energy system. The Covenant of Mayors for Climate and Energy is a practical demonstration of the results that municipalities, provinces and regions can achieve on energy and climate issues. Such efforts should be further supported and local and regional authorities better empowered in the future.

## **CEMR** main messages

- CEMR supports ambitious climate and energy targets in line with 2050 climate neutrality for EU Member States and for non-EU countries where EU legislation applies. Increasing energy efficiency and developing renewable energy are necessary approaches to promote energy security, competitiveness and climate action, as well as to counter high energy costs and social vulnerability. Keeping a primary focus and binding national targets on greenhouse gas reduction, the EU should only set indicative national contributions on energy efficiency and renewable energy.
- Adequate pricing of carbon and energy should be a cornerstone of policy along with technology-neutrality and holistic view of energy systems, in order to reflect varying conditions on local, regional and national levels.
- Local and regional authorities have a central and exemplary role in increasing energy efficiency and renewable energy through local and regional planning, investments and public procurement as tools for enhancing sustainability. Thus, we emphasise the need to involve local and regional governments in both planning and implementation of the directives.

- Local and regional authorities play a significant role in delivering the UN sustainable development goals and the EU climate and energy goals. They have shown strong leadership, especially during the COVID-19 pandemic, during which they have directly and regularly mobilised and communicated with citizens. This ability is of great added value in taking action on climate, energy efficiency and renewable energy.
- Implementation at local and regional level needs to be accompanied by **appropriate financial resources** and supportive measures, while avoiding over-regulation and increased administrative burdens.
- CEMR opposes the proposed mandatory renovation rates for public buildings and obligations for public procurement in the Energy Efficiency Directive (EED). In both areas we see a need for extensive capacity building through technical, financial and policy support and exchange of good practice. Any targets for the public sector should be subject to assessment and modification according to the relevant MS context.
- We reject specific detailed and extended reporting requirements in the proposed Renewable Energy Directive (RED) on the use of of biomass. We support increasing the shares of renewables and waste heat in heating and cooling, but targets should combine these sources on an equal footing. Shares of renewable energy in buildings should primarily be treated as an issue for the wider energy system and only secondly at building level.
- Energy-efficient Waste-to-Energy should be considered sustainable in the taxonomy as well as in the "Fit for 55" package and in upcoming new or revised legislative proposals
- We oppose Minimum Energy Performance Standards (MEPS) as EU requirements for renovating specified classes of existing buildings in the revision of the Energy Performance of Buildings Directive (EPBD), but would welcome indicative levels and guidance, with due regard to each MS context, individual building specifics and backed with enabling technical and financial support. EU regulation must allow LRAs to work from an integrated and territorial approach with a high level of flexibility to accomplish targets, e.g. by applying district, neighbourhood and portfolio approaches. A life cycle perspective is needed to reduce GHG-impact and increase circularity, to avoid that a push for renovation and new energy-efficient buildings would increase emissions.
- Cooperation is an important success factor, both among LRAs and with other levels of governance, such as through the Covenant of Mayors and other relevant platforms and partnerships. It enables synergies, exchange of knowledge and dissemination of good practice.

#### **Further information**

CEMR has contributed to previous consultations on energy directives:

- Joint response to public consultation on EED and RED, Feb 2021
- Response to public consultation on EPBD, June 2021
- Response to consultation on EED, November 2021
- Response to consultation on RED, November 2021

Local and regional authorities' good practices and cooperation on energy and climate action

CEMR also has gathered around 70 examples of good practices:

#### **About CEMR**

CEMR is the broadest organisation of local and regional governments in Europe, with over 60 national associations of municipalities and regions from 41 European countries. These represent some 130,000 local and regional governments. CEMR's objectives are twofold: to influence European legislation on behalf of local and regional governments and to provide a platform for exchange between its member associations and their elected officials and experts. Moreover, CEMR is the European section of United Cities and Local Governments, the worldwide organisation of local government.

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