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WORKING DOCUMENT

From:	General Secretariat of the Council
To:	Working Party on Energy
Subject:	Revision of the Renewable Energy Directive - Presidency non-paper

In view of the Working party on Energy on 26/01, delegations will find in the annex the Presidency nonpaper on the proposal of the revision of the Renewable Energy Directive.

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PCY non-paper

At the Interinstitutional Technical Meetings (ITMs) on 12 and 13 of January, the Presidency and the European Parliament exchanged on the transport provisions as contained in the Proposal of the Revision of the Renewable Energy Directive. In view of the upcoming fourth trilogue, the Presidency would like to seek Delegations' views and flexibilities around Articles 25, 26, 27 and 28.

- Regarding Article 25 (Greenhouse gas intensity reduction in the transport sector from the use of renewable energy), the two institutions found a preliminary agreement on a text of its paragraph 1 as reflected in the Annex to this non-paper. However, several elements, in brackets, are still open. In particular, the Parliament insists for a 16% greenhouse gas intensity reduction target by 2030. It is also to be noted that the Parliament would be open to move towards the Council and allow Member States the possibility to choose between a greenhouse gas intensity reduction target and the energy-based target only if the Council would be able to move toward a RFNBO sub-target that is at least in part binding.
- Against this background, the Presidency would explore the Delegations' flexibility and views on the compromise as reflected in the Annex to this note as well as, as regards the following elements:
 - The possible introduction of a low, but binding, target of renewable fuels of non-biological origin of around 1.5%. Such a binding share would be complemented by a non-binding part. In exchange, the Presidency would seek to secure for the Member States the possibility to choose between a greenhouse gas intensity reduction target and the energy-based target as well as the multipliers as reintroduced by the General Approach.
 - Possible flexibilities to move towards the Parliament when it comes to the greenhouse gas intensity reduction target for 2030.
- Maritime-related provisions (as contained in Article 7, line 111 and Article 27, line 257a). On maritime bunkering provisions, the EP maintains strong reservations and wants to have a binding RFNBO target in the maritime sector. Against this background, the Presidency would like to explore the Delegations' flexibility to agree to the introduction of an indicative sub-target for RFNBOs in the maritime sector (line 225a) in return for keeping maritime bunkering provisions in Article 7 and Article 27 according to the General Approach. As an alternative, the Presidency would be interested in Delegations' views and flexibilities as regards to changing the multiplicator for maritime in line 257.
- **Fossil fuel comparator** (Article 27, line 244). Here, the Parliament has proposed some amendments on which the Presidency would seek delegations' views. In particular, the Presidency would explore Delegations' openness to discuss EP amendments, possibly by extending the proposed deadlines (from 2029 to 2032) to count their contributions towards the 2030-target before changing the comparator.
- Article 27(3) (Delegated Act on additionality). Regarding this Delegated Act, the Parliament has been proposing to replace it with some concrete amendments. During the first trilogue co-

legislators have however agreed to wait for the delegated Act from the Commission. Whilst the Commission has now announced its imminent publication, the prolonged absence of such Delegated Act is now hampering the swift conclusion of the negotiation. Against this background, the Presidency would like to explore Delegation's openness to engage with the Parliament on their amendments. The Presidency would also be interested in having the Delegation's views on the amendments as proposed by the Parliament as well as on important elements of the Commission draft Delegated act that could possibly be reflected in the operative part of this Directive.

Together with this non paper, Delegations will find the <u>4column document</u> reflecting the state of play of the interinstitutional negotiations on this file. The 4column document reflects the outcome of the third trilogue under the CZ Presidency, in particular regarding Articles 7 and 22a, as well as further progress on Article 31a.

ANNEX I

Article 25 Paragraph 1

- 1. Each Member State shall set an obligation on fuel suppliers to ensure that:
- (a) the amount of renewable fuels and renewable electricity supplied to the transport sector leads:
 - (i) to a share of renewable energy within the final consumption of energy in the transport sector of at least [29 %] by 2030; or
 - (ii) to a greenhouse gas intensity reduction of at least [13/16] % by 2030, compared to the baseline set out in Article 27(1), point (b), in accordance with an [indicative] trajectory set by the Member State:
- (b) the share of advanced biofuels and biogas produced from the feedstock listed in Part A of Annex IX in the energy supplied to the transport sector is at least [0,2] % in 2022, [1] % in 2025 and [4.4] % in 2030.
- (c) [the share of renewable fuels of non-biological origin is at least 1.5% in 2030, endeavouring to achieve a share of 5.2%].

Member States shall, in their progress reports submitted pursuant to Article 17 of Regulation (EU) 2018/1999, report on the share of renewable energy within the final consumption of energy in the transport sector as well as on the greenhouse gas intensity reduction.

If the list of feedstock set out in Part A of Annex IX is amended in accordance with Article 28(6), Member States may increase their minimum share of advanced biofuels and biogas produced from the feedstock in the energy supplied to the transport sector accordingly.

For the calculation of the targets referred to in the first subparagraph, point (a), indents (i) and (ii), and the shares referred to in the first subparagraph, points (b) and (c), Member States:

- (a) shall take into account renewable fuels of non-biological origin also when they are used as intermediate products for the production of:
- (i) conventional transport fuels; or
- (ii) biofuels, provided that the greenhouse gas emissions reduction achieved by the use of renewable fuels of non-biological origin is not considered in the calculation of the greenhouse gas emission savings of the biofuels.
- (b) may take into account biogas that is injected into the national gas transmission and distribution infrastructure

With regard to point (a), (b), or (c) of the first subparagraph of Article 7(1), biogas shall be considered only once for the purposes of calculating the share of gross final consumption of energy from renewable sources. [NB: this should be moved to Article 7]

For the calculation of the targets referred to in point (a), indents (i) and (ii), Member States may take into account recycled carbon fuels.

When setting the obligations on fuel suppliers, Member States may:

- (a) exempt fuel suppliers supplying electricity or renewable liquid and gaseous transport fuels of non-biological origin from the requirement to comply with the minimum share of advanced biofuels and biogas produced from the feedstock listed in Part A of Annex IX with respect to those fuels;
- (b) design the obligation by means of measures targeting volumes, energy content or greenhouse gas emissions;
- (c) distinguish between different energy carriers;
- (d) distinguish between maritime transport and other sectors.