




WECOOP NEWS BULLETIN

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1. INTRODUCTION

European Union – Central Asia Water, Environment and Climate Change Cooperation (WECOOP)

The EU renewed the project “**European Union – Central Asia Water, Environment and Climate Change Cooperation (WECOOP)**” in October 2019 to run for three and a half years. The project will continue strengthening the policy dialogue on sustainable development between the CA partner countries and to facilitate their cooperation with the EU on environment and climate change. Specifically, the project efforts will be focused on improving and rationalising policies and enhancing the capacities of national ministries and government agencies working in relevant fields.

The WECOOP project aims to enhance environment, climate change and water policies in Central Asia through **approximation to EU standards** and to promote green investments in relevant sectors with the aim of contributing to measurable reductions in man-made pollution, including CO₂ emissions.

Priority areas for consultations and cooperation include **environmental governance, circular economy and sustainable consumption and production, climate change adaptation and mitigation, and water resources management.**

The WECOOP News Bulletin regularly provides brief information on the recent developments in EU policies and legislation, as well as on new relevant reports and studies published by the European Environment Agency, OECD or other specialized agencies.

The WECOOP News Bulletin Special issues are released to inform on a specific topic or event of current interest and importance. The present special issue is focused on the new REPowerEU: A plan to rapidly reduce dependence on Russian fossil fuels and fast forward the green transition.

Detailed information on the WECOOP project is available at the project website <https://wecoop.eu>.



2. EU POLICIES AND LEGISLATION

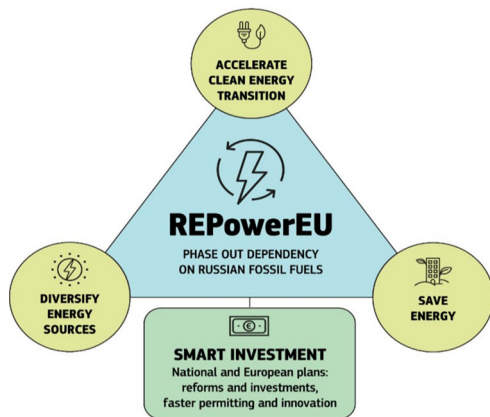
REPOWEREU: A PLAN TO RAPIDLY REDUCE DEPENDENCE ON RUSSIAN FOSSIL FUELS AND FAST FORWARD THE GREEN TRANSITION

Background

The European Green Deal is the EU's long-term growth plan to make Europe climate neutral by 2050. This target is enshrined in the European Climate Law, as well as the legally binding commitment to **reduce net greenhouse gas emissions by at least 55 % by 2030, compared to 1990 levels**. The European Commission presented its **'Fit for 55' package** of legislation in July 2021 to implement these targets; these proposals would already **lower EU's gas consumption by 30 % by 2030, with more than a third of such savings coming from meeting the EU energy efficiency target**.

REPowerEU Plan

The European Commission has presented on 18 May 2022 the **REPowerEU Plan**. There is a double urgency to transform Europe's energy system: **ending the EU's dependence on fossil fuels and tackling the climate crisis**. The measures in the REPowerEU Plan can respond to this ambition, through **energy savings, diversification of energy supplies, and accelerated roll-out of renewable energy** to replace fossil fuels in homes, industry and power generation.



The green transformation will strengthen economic growth, security, and climate action for Europe and its partners. The **Recovery and Resilience Facility (RRF)** is at the heart of the REPowerEU Plan, supporting coordinated planning and financing of cross-border and national infrastructure as well as energy projects and reforms. The European Commission proposes to make targeted amendments to the RRF Regulation to integrate dedicated REPowerEU chapters in Member States' existing recovery and resilience plans (RRPs), in addition to the large number of relevant reforms and investments which are already in the RRP. The country-specific recommendations in the 2022 European Semester cycle will feed into this process.

Documents:

Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions **REPowerEU Plan**. COM(2022) 230 final.

Link (English): <https://europa.eu/!KGTkbQ>

Annexes to REPowerEU Communication

Link (English): <http://linkto.eu/i4W3u>

Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2021/241 as regards REPowerEU chapters in recovery and resilience plans and amending Regulation 2021/1060, 2021/2115, 2003/87/EC and Decision 2015/1814

Link (English): <https://bit.ly/3MYtZot>

Saving energy

Energy savings are the quickest and cheapest way to address the current energy crisis, and reduce bills. The European Commission proposes to **enhance long-term energy efficiency measures, including an increase from 9 % to 13 % of the binding Energy Efficiency Target** under the 'Fit for 55' package. Saving energy now will help Europe to prepare for the potential challenges of next winter. Therefore, the European Commission also published an **'EU Save Energy Communication'** detailing short-term behavioural changes which could cut gas and oil demand by 5 % and encouraging Member States to start specific communication campaigns targeting households and industry. Member States are also encouraged to use **fiscal measures to encourage energy savings**, such as reduced VAT rates on energy efficient heating systems, building insulation and appliances and products. The European Commission also sets out contingency measures in case of severe supply disruption, and will issue guidance on prioritisation criteria for customers and facilitate a coordinated EU demand reduction plan.

Document:

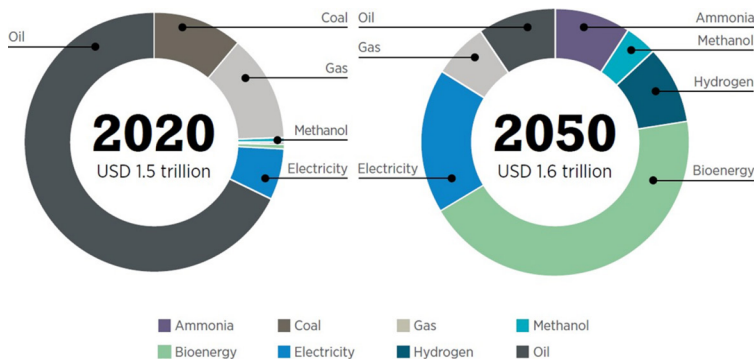
Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions EU 'Save Energy'. COM(2022) 240 final

Link (English): <https://europa.eu/!7NbCkq>

Diversifying supplies and supporting the EU's international partners

The EU has been working with international partners to diversify supplies for several months, and has secured record levels of LNG imports and higher pipeline gas deliveries. The newly created **EU Energy Platform**, supported by regional task forces, will enable voluntary common purchases of gas, LNG and hydrogen by pooling demand, optimising infrastructure use and coordinating outreach to suppliers. As a next step, and replicating the ambition of the common vaccine purchasing programme, the European Commission will consider the development of a **'joint purchasing mechanism'** which will negotiate and contract gas purchases on behalf of participating Member States. The European Commission will also consider legislative measures to require diversification of gas supply over time by Member States. The EU Energy Platform will also enable joint purchasing of renewable hydrogen.

The EU External Energy Strategy adopted on 18 May 2022 will facilitate energy diversification and building long-term partnerships with suppliers, including cooperation on hydrogen or other green technologies. In line with the Global Gateway, the Strategy prioritises the EU's commitment to the global green and just energy transition, increasing energy savings and efficiency to reduce the pressure on prices, boosting the development of renewables and hydrogen, and stepping up energy diplomacy.



- all existing public and commercial buildings with useful floor area larger than 250 m2 by 2027;
- all new residential buildings by 2029.
- Ensure that its legislation is fully implemented in all Member States allowing consumers in multi-apartment buildings to effectively exercise their right to collective self-consumption, without undue costs.

- **Doubling of the rate of deployment of heat pumps, and measures to integrate geothermal and solar thermal energy** in modernised district and communal heating systems.
- **A European Commission Recommendation to tackle slow and complex permitting for major renewable projects, and a targeted amendment to the Renewable Energy Directive** to recognise renewable energy as an overriding public interest. Dedicated 'go-to' areas for renewables should be put in place by Member States with shortened and simplified permitting processes in areas with lower environmental risks. To help quickly identify such 'go-to' areas, the European Commission is making available datasets on environmentally sensitive areas as part of its digital mapping tool for geographic data related to energy, industry and infrastructure.
- **Setting a target of 10 million tonnes of domestic renewable hydrogen production and 10 million tonnes of imports by 2030, to replace natural gas, coal and oil in hard-to-decarbonise industries and transport sectors.** To accelerate the hydrogen market increased sub-targets for specific sectors would need to be agreed by the co-legislators. The Commission is also publishing two Delegated Acts on the definition and production of renewable hydrogen to ensure that production leads to net decarbonisation. To accelerate hydrogen projects, additional funding of EUR 200 million is set aside for research, and the European Commission commits to complete the assessment of the first Important Projects of Common European Interest by the summer 2022.
- **A Biomethane Action Plan** sets out tools including a new biomethane industrial partnership and financial incentives **to increase production to 35bcm by 2030**, including through the Common Agricultural Policy.

Documents:

Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions. **EU Solar Energy Strategy**. COM (2022) 221 final
 Link (English): <https://europa.eu/pYtJgG>

Commission Recommendation on **speeding up permitting procedures for renewable energy projects and facilitating Power Purchase Agreements**. C(2022) 3219 final
 Link (English): <https://europa.eu/RVPqhf>

Proposal for a **Directive of the European Parliament and of the Council amending Directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources, Directive 2010/31/EU on the energy performance of buildings and Directive 2012/27/EU on energy efficiency**. COM/2022/222 final
 Link (English): <https://europa.eu/4y7ndG>

Commission Staff Working Document Implementing the Repower Eu Action Plan: **Investment Needs, Hydrogen Accelerator and Achieving the Bio-Methane Targets**. SWD(2022) 230 final
 Link (English): <https://europa.eu/lkPW9Rb>

Document:

Joint Communication to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions **EU external energy engagement in a changing world**.
 JOIN/2022/23 final

Link (English): <https://europa.eu/vBPKdx>

Accelerating the rollout of renewables

A massive scaling-up and speeding-up of renewable energy in power generation, industry, buildings and transport will accelerate EU's independence, give a boost to the green transition, and reduce prices over time. The Commission proposes to **increase the headline 2030 target for renewables from 40 % to 45 % under the Fit for 55 package**. Setting this overall increased ambition will create the framework for other initiatives, including:

- A dedicated EU **Solar Strategy to double solar photovoltaic capacity by 2025 and install 600GW by 2030**.
- **A Solar Rooftop Initiative with a phased-in legal obligation to install solar panels on new public and commercial buildings and new residential buildings**.

European Solar Rooftops Initiative

According to some estimates, rooftop PV (photovoltaics) could provide almost 25 % of the EU's electricity consumption – this is more than the share of natural gas today. These installations – on residential, public, commercial and industrial roofs – can shield consumers from high energy prices, contributing to public acceptance of renewable energy. They can be deployed very rapidly, as they utilise existing structures and avoid conflicts with other public goods like the environment.

The EU-wide **European Solar Rooftops Initiative**, announced in the European Commission's REPowerEU Communication, aims at unlocking the vast, underutilised solar generation potential of rooftops to make the EU's energy cleaner, more secure and affordable. To achieve this swiftly, immediate action is necessary by end 2022.

The EU will:

- Increase its 2030 target for renewables share to 45 %.
- Limit the length of permitting for rooftop solar installations, including large ones, to a maximum of 3 months.
- Adopt provisions to ensure that all new buildings are "solar ready".
- Make the installation of rooftop solar energy compulsory for:
 - all new public and commercial buildings with useful floor area larger than 250 m2 by 2026;

Reducing fossil fuel consumption in industry and transport

Replacing coal, oil and natural gas in industrial processes will reduce greenhouse gas emissions and strengthen security and competitiveness. **Energy savings, efficiency, fuel substitution, electrification, and an enhanced uptake of renewable hydrogen, biogas and biomethane by industry could save up to 35 billion cubic metres (bcm) of natural gas by 2030 on top of what is foreseen under the Fit for 55 proposals.**

The European Commission will roll out **carbon contracts for difference to support the uptake of green hydrogen by industry** and specific financing for REPowerEU under the Innovation Fund, **using emission trading revenues** to further support the switch away from Russian fossil fuel dependencies. The European Commission is also giving **guidance on renewable energy and power purchase agreements** and will provide a technical advisory facility with the European Investment Bank. To maintain and regain technological and industrial leadership in areas such as solar and hydrogen, and to support the workforce, the European Commission proposes to establish an **EU Solar Industry Alliance** and a large-scale skills partnership. The European Commission will also intensify work on the supply of critical raw materials and prepare a legislative proposal.

To enhance energy savings and efficiencies in the transport sector and accelerate the transition towards zero-emission vehicles, the European Commission will present a **Greening of Freight Package**, aiming to significantly increase energy efficiency in the sector, and consider a legislative initiative to increase the share of zero emission vehicles in public and corporate car fleets above a certain size. **The EU Save Energy Communication also includes many recommendations to cities, regions and national authorities that can effectively contribute to the substitution of fossil fuels in the transport sector.**

Smart Investment

Delivering the REPowerEU objectives requires an additional investment of EUR 210 billion between now and 2027. This is a down-payment on the EU's independence and security. Cutting Russian fossil fuel imports can also save us almost EUR 100 billion per year. These investments must be met by the private and public sector, and at the national, cross-border and EU level.

To support REPowerEU, EUR 225 billion is already available in loans under the RRF (the Recovery and Resilience Facility). The European Commission adopted legislation and guidance to Member States on 18 May 2022 on how to modify and complement their RRFs (recovery and resilience plans) in the context of REPowerEU. In addition, the European Commission proposes to increase the RRF financial envelope with EUR 20 billion in grants from the sale of EU Emission Trading System (ETS) allowances currently held in the Market Stability Reserve, to be auctioned in a way that does not disrupt the market. As such, the ETS not only reduces emissions and the use of fossil fuels, it also raises the necessary funds to achieve energy independence.

Under the current MFF (Multiannual Financial Framework), **cohesion policy will already support decarbonisation and green transition projects with up to EUR 100 billion by investing in renewable energy, hydrogen and infrastructure.**

An additional EUR 26.9 billion from cohesion funds could be made available in voluntary transfers to the RRF. A further EUR 7.5 billion from the Common Agricultural Policy is also made available through voluntary transfers to the RRF. The Commission will double the funding available for the 2022 Large Scale Call of the Innovation Fund this autumn to around EUR 3 billion.

The Trans-European Energy Networks (TEN-E) have helped to create a resilient and interconnected EU gas infrastructure. Limited additional gas infrastructure, estimated at around EUR 10 billion of investment, is needed to complement the existing Projects of Common Interest (PCI) List and fully compensate for the future loss of Russian gas imports. The substitution needs of the coming decade can be met without locking in fossil fuels, creating stranded assets or hampering EU's climate ambitions. Accelerating electricity PCIs will also be essential to adapt the power grid to the EU's future needs. The Connecting Europe Facility will support this, and the Commission is launching now a new call for proposals with a budget of EUR 800 million, with another one to follow in early 2023.

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