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Revision of Renewable Energy Directive

Europe's technology industries, represented by Orgalim, welcome the revision of the Renewable Energy Directive (EU) 2018/2001 (henceforth RED II) as an opportunity for further alignment with the new climate ambition.

We believe that renewable energy will play a key role in delivering the higher greenhouse gas emission reduction target for 2030 and carbon neutrality by 2050. To achieve this, the **renewable energy target** should be raised to **38-40%** and it should be **binding at EU level**.

Enabling Energy System Integration

To deliver on the EU strategy for Energy System Integration, which aims to link various energy carriers – electricity, heat, cold, gas, solid and liquid fuels – with each other and with the end-use sectors, such as buildings, transport and industry, it is important to:

- Apply the **Energy Efficiency First principle** across the whole energy system in particular, by giving priority to **demand-side flexibility** whenever that is more cost effective than investments in the expansion of the grid.
- Accelerate the creation of markets for **energy demand flexibility**.
- Speed up the **digitalisation** of the **energy system**.
- Increase **renewable energy deployment** in the heating and cooling, transport and industry sectors.
- Improve the use of **waste heat**, for instance from industry or data centres.
- Boost the development of **renewable hydrogen** and **renewable liquid fuels** in those sectors where direct electrification is not feasible.

Sectorial measures

If the EU is to achieve its climate goals, all sectors must make additional efforts to increase their share of renewables.

Electricity

To tackle the remaining barriers for the uptake of renewable electricity which matches the expected demand, it is important to further support the growth of **energy communities** and **self-consumption**. In addition, **regional cooperation** in the deployment of renewable electricity needs to be strengthend and **permitting procedures** streamlined.

Heating and cooling

The current **target should be increased** to a level leading to a 40% share of renewable energy in heating and cooling. However, it should not become binding at national level. To increase the uptake of renewable energy in heating and cooling, it is **necessary to promote direct renewable electricity use** (in electric heat pumps using ambient energy), **direct renewable heat use,** and the use of **renewable gases**.

District heating and cooling

To accelerate the deployment of **smart district heating and cooling networks** that use renewable energy and thermal storage, the sectorial RES target should be more ambitious – however not binding.

Furthermore, it is important to look at the following measures to **encourage the use of waste heat and cold** by district heating and cooling networks:

- Obligation for district heating and cooling network operators to connect waste heat and cold suppliers.
- Obligation for industrial and service sector companies (e.g., data centres) producing significant waste heat and cold to make available their waste heat and cold to district heating and cooling companies.
- Requirement for the relevant competent authorities to encourage cooperation between industrial and service sector companies and to prepare the necessary plans, policies or regulations enabling the feeding of waste heat and cold into district networks.

Transport

The level of ambition in the transport sector, which is responsible for 27% of total greenhouse gas (GHG) emissions in the EU, and which has only an 8.9% share of RES, needs to be considerably increased. We **support the 24% target by 2030**.

While for light-duty vehicles direct electrification is generally the most efficient way to reduce GHG emissions, there are certain applications such as maritime, aviation or even long-distance road transport where today's technologies for storing the required amount of electrical energy are limited. These applications require gaseous or liquid energy carriers with a high energy density. Therefore, renewable fuels of non-biological origin (including hydrogen and synthetic fuels) should be considered as an essential addition to renewable electricity and be incentivised in the regulatory framework.

To encourage the use of renewable electricity in the transport sector, it is important to **ensure the availability and interoperability of public recharging infrastructure**. Orgalim's recommendations on the revision of the Alternative Fuels Infrastructure Directive are available here.

Orgalim represents Europe's technology industries, comprised of 770,000 innovative companies spanning the mechanical engineering, electrical engineering, electronics, ICT and metal technology branches. Together they represent the EU's largest manufacturing sector, generating annual turnover of €2.126 billion, manufacturing one-third of all European exports and providing 11.326 million direct jobs. Orgalim is registered under the European Union Transparency Register – ID number: 20210641335-88.

Orgalim aisbl
BluePoint Brussels
Boulevard A Reyers 80
B1030 | Brussels | Belgium

+32 2 206 68 83
secretariat@orgalim.eu
www.orgalim.eu
VAT BE 0414 341 438