



European Commission - Speech [Check Against Delivery]



Opening remarks by Frans Timmermans and Kadri Simson at Press Conference on new European Green Deal proposals for more energy efficiency, increased carbon removals and a framework to decarbonise the gas market

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Opening remarks by Executive Vice-President Frans Timmermans

Good afternoon to all of you,

Kadri and I have several proposals for you today, beginning with the Energy Performance of Buildings Directive.

This is a very important piece of our Fit for 55 package. Buildings account for 40% of the energy we use, and 36% of greenhouse gas emissions. Most of the buildings today will still be there in 2050, so to bring down energy use and emissions we have to renovate them.

Change in the building sector has been too slow. And yet, the urgency to act on renovation is enormous. The opportunity is also enormous by the way.

Millions of Europeans cannot pay their energy bills. Often, they live in badly insulated homes with outdated energy systems. So we see that current energy prices have a disproportionate impact on vulnerable households.

A building in the lowest energy class consumes 10 times more than those at the top. So people living there – and these are most often the poorest people – are paying much more than they could, if only their buildings would be better.

Our revision today introduces several measures. Renovation passports will keep track of improvements, Energy Performance Certificates will be required for all buildings or apartments on sale, and, notably Minimum Energy Performance Standards will apply to all buildings with an energy label G. These buildings, which represent about 15% of buildings in each Member State must be upgraded to at least energy label F by 2030, and label E in 2033. For public buildings, the deadlines are 2027 and 2030, respectively.

E permettetemi di affrontare alcune delle preoccupazioni specifiche che abbiamo visto negli ultimi giorni:

"Bruxelles" non vi dirà che non potete vendere la vostra casa se non è ristrutturata. E nessun "burocrate di Bruxelles" confischerà la vostra casa se non è ristrutturata. Il patrimonio culturale è protetto e le case estive possono essere esentate.

La nostra proposta non contiene alcun divieto di vendita o affitto per gli edifici che saranno qualificati nella classe G, cioè per quel 15% degli edifici identificati come quelli con la peggiore efficienza energetica nel singolo paese.

La proposta lascia agli Stati Membri la libertà di decidere come far rispettare lo standard minimo. Ciò già accade con successo in vari Stati membri. Da queste esperienze, ogni Stato potrà trarre le lezioni necessarie per applicare nella maniera più giusta ed efficace la nostra proposta.

Un sostegno finanziario è e sarà sicuramente necessario in molti casi. Si potrà ottenere un sostegno dal governo italiano e dall'UE per aumentare il valore della propria casa e ridurre la propria bolletta energetica. Ci vuole un po' di sforzo, ma sicuramente ne vale la pena. A parte il fatto che così si aiuterà a ridurre emissioni che causano più di 400.000 morti premature in Europa. 400.000 ogni anno.

Upgrading a building does not happen overnight. But unlike decorative changes to our homes, energy renovation pays for itself. It leads to cheaper bills and cleaner air. So it's really about helping to overcome the initial investment hurdle. As you will see in the proposals, we have EU-funding available, and other upcoming measures including the new State Aid guidelines will help Member

States to provide more support.

Addressing the root causes of a problem is tough. But going through with this proposal will bring real solutions. It will help to end energy poverty and end the cycle of subsidizing energy consumption, which throws a lot of money at a problem without actually solving it. And in an unrenovated home, you're almost throwing money out of the window, quite literally, as the heat escapes from your windows, under your doors, and through uninsulated walls and roofs.

Now, moving on to our **other energy proposals**, on our **gas system** and on **methane emissions**.

On the gas system: we know that electricity alone cannot deliver all the energy we'll need in the future, and renewable and other low-carbon gases will increasingly replace fossil fuels.

Hydrogen, as you know, is in many ways front-and-centre to our efforts. By 2030, we want to have 40GW of electrolyser capacity in the EU. To deliver those volumes to end-users in the most effective and low-cost manner, we need competitive markets and infrastructure to connect production and consumption.

Today's proposal prepares the ground for a competitive European hydrogen market. A common set of rules will support fair competition, hydrogen trade within Europe and with our international partners, more energy security and investments in necessary infrastructure. The proposal also integrates important lessons from the current situation on the gas markets, and Kadri will tell you more about that in a minute.

On **methane**, we are following through on our Methane Strategy and the Global Methane Pledge launched at COP26 in Glasgow. With our proposals today, we can begin to make more substantial cuts in methane emissions from energy. We will better track emissions, prohibit venting and flaring, and require that leaks are detected and repaired. We will also start tackling methane emissions embedded in our imports.

Our focus is on energy, as this sector has the highest potential for delivering reductions, and also fast. Other sectors are not off the hook. Our environment legislation will help reduce emissions from waste, and in agriculture, we have several initiatives that will reduce emissions as well.

Which brings me nicely to our final proposal, which is our communication on **sustainable carbon cycles**. To reach climate neutrality in 2050, we need emissions cuts as well as sustainable solutions for removing and recycling carbon.

Part of the answer is in innovation and in technologies we are developing for the future. And part of it is in the nature-based solutions which are already available.

Carbon removals create new business opportunities. In the first place for farmers, for foresters, and other land managers. They can benefit from a new source of income in exchange for rolling out carbon farming practices and for storing carbon in soil, trees, shrubs, wetlands, and in peatlands. These practices are also great for nature and for the sustainability of our food supply.

Carbon removals need to be credible to have the desired effect. We will therefore develop a European certification scheme next year to make sure that carbon removals are truly that. So that it is good for climate, good for nature and good for the income of farmers and foresters. So it's three wins.

And with that, I hand over to Kadri.

Opening Remarks by Commissioner Kadri Simson

Thank you, Frans, and good afternoon, everyone!

Almost exactly two years ago, President von der Leyen announced the European Green Deal and our commitment to climate neutrality.

Today, we are turning that strategy into concrete rules for some of the last remaining areas of the energy sector – including some of the most difficult.

First, let me talk about gas.

Today's proposals are designed to make sure that the role of natural gas in our energy system declines and that of greener options - like renewable hydrogen, biomethane, biogas and e-gases - increases. Decarbonising our gas market by 2050 is a complex task and we must create the right conditions for it now.

We have already done this with our electricity market, where last year we saw more power produced with green energy than from fossil fuels.

And like in the electricity market, this challenge also provides opportunities for growth, jobs and innovation. For example, today only 2% of the biogas produced is used for household consumption, whilst there is sufficient biogas potential to supply households with a quarter of their gas demand by 2030.

These opportunities are equally available for traditional gas companies committed to transformation, as well as newcomers bringing fresh ideas and more competition.

With today's package, we have four main goals:

First, we will establish the framework for a European hydrogen market and enable the development of a dedicated infrastructure network. This is crucially important for industry, who need certainty to invest. It will also make us the first region in the world with a clear, forward-looking regulatory framework for hydrogen in place.

By 2030, we want Europe to have a competitive, open and dynamic hydrogen market, with hydrogen produced where it's most affordable, traded in liquid markets and easily accessible to consumers.

Europe is already the leader in hydrogen technologies, like electrolyzers, and we aim to become a strong industrial player across the entire value chain. A well-functioning hydrogen market will enable our companies to produce green steel, green fertilisers, and zero-carbon ships and planes.

Market rules will be applied in two phases: before and after 2030. This will allow the necessary flexibility in the beginning, when the emerging sector is scaling up and exploring different business models, and provide clarity for the future, when the market will be more mature.

We will establish a new dedicated governance structure for this new hydrogen sector - the European Network for Network Operators of Hydrogen, or ENNOH.

Second, we will make it easier for renewable and low-carbon gases to access the existing gas network. For this, we will remove any cross-border tariffs for green gases and significantly reduce other tariffs at the entry point of the networks.

We will also create a certification system for low-carbon gases and hydrogen, complementing those for renewable gases proposed in July with the revised Renewable Energy Directive.

Third, the proposals will ensure a progressive phase-out of fossil gas. The EU's electricity, gas and hydrogen networks will be planned and developed in an integrated manner, avoiding lock-in and stranded assets. And, long-term gas contracts should not extend beyond 2049.

Fourth, this package places the consumer at the centre. We will ensure that people are empowered with the right information and tools to make green choices and participate in the market. Meanwhile, Member States must put measures in place to protect vulnerable consumers.

This package of proposals looks to the future, but we are also facing challenges now. The global surge in energy prices reminds us of the importance of security of supply.

Today we are proposing measures to reinforce solidarity between Member States in the event of gas supply emergencies.

The package also requires EU countries to take into account gas storage considerations in their risk assessments and creates a framework for voluntary joint purchase of strategic stocks. It is up to the Member States to decide the parameters of the joint action and to inform the Commission, who will ensure that energy market and state aid rules are respected.

Now, to our proposal to tackle methane emissions in the energy sector.

Methane is an extremely dangerous greenhouse gas. It is released in gas and oil industries, as well as coal mines. It's also an air pollutant that causes one million deaths every year.

But methane emissions remain in the atmosphere for a relatively short period, so once we reduce emissions, the impact is swift. The EU is a pioneer in this field - the first to publish a methane strategy last year and to call for action in the G7 and G20. Now we are the first to follow up on the Global Methane Pledge with robust action.

With these new rules in place, we estimate that by 2030, methane emissions related to oil, gas and coal will be 80% lower.

In the oil and gas sectors, companies will be responsible for detecting and immediately repairing all leaks. The proposal also bans venting and routine flaring and imposes the highest standards in monitoring and reporting of emissions across the entire EU.

The regulation will also apply to the coal sector, which emits more methane in the EU than the oil

and gas sectors combined.

As mines continue to emit methane even after they stop operating, closed and abandoned coalmines will have to be properly sealed.

We will also tackle the fossil fuels we import into the EU, and we'll do it in two stages. First, we will impose information requirements on importers to better understand the methane footprint of the fossil fuel we import. This information will be made public, so that buyers can take informed decisions. This will be complemented with our own global monitoring tool, which will track methane emissions using European satellite technology.

Second, we will review the methane regulation by 2025 with a view to introducing more stringent measures for imports.

While slashing emissions from methane can often be a low-hanging fruit, emissions from buildings have proven difficult to address.

With today's proposal, we aim for a climate neutral building stock by 2050. Member States will set their own path towards that goal, while we put in place EU-wide milestones and priority areas. For instance, from 2030, all new buildings must be zero emission. And the use of fossil fuels in heating and cooling must end by 2040.

With existing buildings, we start where it matters most. To protect the most vulnerable, we will require all buildings in the lowest class to be renovated by 2030. Let me also clear up a point of confusion – in our proposal we are not linking these minimum standards to selling or renting a building, although the Member States may decide to do so and some already have.

In parallel, we are putting in place new incentives and support measures to ensure that owners and tenants can access technical advice and financing - including state aid – for renovations. In this way, energy efficient renovation will be a lever to reduce energy poverty.

Improving our buildings also drives green growth. It increases property value, boosts investment in the construction sector and creates local jobs. And it reduces imports of fossil fuels at a time of high prices.

We are putting on the table today three very different proposals, but they all take us closer to our ultimate goal: a green, fair and secure energy system.

Thank you.

For more information

Opening remarks by Executive Vice-President Timmermans:

<https://audiovisual.ec.europa.eu/en/video/I-215595>

Opening remarks by Commissioner Simson: <https://audiovisual.ec.europa.eu/en/video/I-215906>

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