

European Commission Proposes a Landmark “Fit for 55” Package of Climate and Energy Legislation (1 in 4-Part Series)

Article By:

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Delivering a key component of the [European Green Deal](#) umbrella policy that it adopted in December 2019, the European Commission [issued](#) 15 legislative proposals, accompanied by three non-legislative communications in July 2021. With the supporting documents, e.g. impact assessments, the package adds up to around **4,200 pages**. It includes the following initiatives:

Legislative

- **[Amendment](#) to the Renewable Energy Directive 2018/2001 (REDII)** – increasing the overall binding target to 40% of renewables in the EU energy mix.
- **[Revision](#) of the EU Emission Trading System (ETS) Directive 2003/87 and related laws** – increasing greenhouse gas emissions reductions from covered sectors to 61% by 2030.
- **[Regulation](#) establishing a carbon border adjustment mechanism (CBAM)**
- **[Revision](#) of the Market Stability Reserve (MSR) Decision 2015/1814** – maintaining that 24% rather than 12% of allowances are placed in the reserve after 2023.
- **[Revision](#) of the Effort Sharing Regulation (ESR) 2018/842** – increasing the reduction target for covered sectors by 11 percentage points.
- **[Revision](#) of Energy Efficiency Directive 2018/2002 (EED)** – increasing the energy efficiency targets at EU level and making them binding.
- **[Revision](#) of the Energy Taxation Directive 2003/96** – to align the minimum tax rates for heating and transport fuels with EU objectives, while mitigating the social impact.
- **[Amendment](#) of ETS Directive 2003/87** – regarding aviation.
- **[Amendment](#) of ETS Directive 2003/87** – regarding notifications under Carbon Offsetting and Reduction Scheme for International Aviation (**CORSIA**).

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- **Amendment of the Regulation 2019/631 setting CO2 emission standards for cars and vans** – setting a 100% reduction target for new cars by 2035.
 - **Revision of the Alternative Fuels Infrastructure Directive (AFID) 2014/94** – ensuring the necessary deployment of interoperable and user-friendly infrastructure for recharging and refuelling cleaner vehicles.
 - **Revision of the Land Use, Land Use Change and Forestry (LULUCF) Regulation 2018/841** – setting higher ambitions for the expansion of natural carbon removals.
 - **Proposal for a Social Climate Fund Regulation** – providing dedicated funding to Member States to help citizens finance investments in energy efficiency, new heating and cooling systems, and cleaner mobility.
 - **Proposal for ReFuelEU Aviation Regulation** – promoting sustainable aviation fuel blends, as well as synthetic fuels, known as e-fuels.
 - **Proposal for FuelEU Maritime Regulation** – to promote sustainable maritime fuels by imposing a maximum limit on the greenhouse gas content of the energy that ships use.

Non-legislative

- **Strategic rollout plan to support rapid deployment of alternative fuels infrastructure** – supplementing the legislative proposal.
- **Communication on the New EU Forest Strategy for 2030** – unlocking the potential of forests.
- **Communication 'Fit for 55': delivering the EU's 2030 Climate Target on the way to climate neutrality'**, accompanying the package.

In the [Communication](#) accompanying the Fit for 55 package, the Commission explains how it is supposed to deliver the 2030 climate target of reducing net greenhouse gas (GHG) emissions by at least 55%, compared to 1990 levels. The EU has made this target legally binding in its [European Climate Law \(Regulation 2021/1119\)](#), which entered into force in July (please see [Sustainability Outlook June 2021](#)). The chosen policy mix **combines pricing, targets, standards and support measures**. Those support measures include using revenues and regulations to promote innovation, build solidarity and mitigate impacts for the vulnerable, notably through the new Social Climate Fund and enhanced Modernisation and Innovation Funds. When [announcing](#) the package, the Commission held that achieving these emission reductions in the next decade is crucial to Europe becoming the world's first **climate-neutral** continent **by 2050**. At the same time, its intention is “to fundamentally transform our economy and society for a fair, green and prosperous future”. The Commission stated that it has conducted extensive impact assessments before presenting these proposals to measure the opportunities and costs of the green transition.

As usual, stakeholders can **submit comments** on each legislative proposal **until 16 September 2021**. The EU co-legislators **Council and European Parliament** will now start agreeing on their **positions** on these proposals, in order to enter into **inter-institutional negotiations** with a view to **adopting** them. The current Slovenian Council Presidency has already characterised the Fit for 55

package as a legislative “**tsunami**” and expressed its intent to start the debate on it (please see [Sustainability Outlook June 2021](#)). The European Commission will implement its own non-legislative proposals.

Francesca Zuccarello Cimino also contributed to this article.

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