The European Green Deal: five years on

@EUI_FSR

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Sala del Capitolo and Online (listening only) - Badia Fiesolana, Via dei Roccettini 9 - San Domenico di Fiesole (Fiesole, Florence)

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Introduction

On December 11th, 2019, Ursula von der Leyen, the then newly appointed President of the European Commission, unveiled the European Green Deal, a roadmap for making the EU's economy sustainable and the transition just and inclusive for all.

In presenting the European Green Deal, Ms Von der Leyen said: "Our plan sets out how to cut emissions, restore the health of our natural environment, protect our wildlife, create new economic opportunities, and improve the quality of life of our citizens"[1].

The European Green Deal covers all sectors of the economy, notably transport, energy, agriculture, buildings and industries such as steel, cement, ICT, textiles and chemicals. It included the proposal for the first-ever European Climate Law[2] and required significant additional investments, then estimated to be in the order of €260 billion a year, or 1.5% of 2018 GDP.

In the energy sector, which is the sector responsible for the largest share of greenhouse gas emissions, the European Green Deal focused on three key principles[3] for the clean energy transition, to help reduce greenhouse gas emissions and enhance the quality of life of EU citizens:

– ensuring a secure and affordable EU energy supply;

– developing a fully integrated, interconnected and digitalised EU energy market; and

– prioritising energy efficiency, improving the energy performance of our buildings and developing a power sector based largely on renewable sources.

In July 2021, the Commission proposed a package of measures – the 'Fit-for-55' package – aimed at implementing the European Climate Law against the background of the Green Deal. It contained or envisaged a number of strategies, including the Energy System Integration Strategy4, the Hydrogen Strategy5, the Offshore Renewable Energy Strategy6, the Renovation Wave7 and the Methane Strategy8. It also proposed the reform of the EU Emissions Trading System (ETS), a new EU Emissions Trading System for building and road transport fuels, the new Carbon Border Adjustment Mechanism (CBAM), an Effort Sharing Regulation, and the revision of Energy Efficiency Directive and of the Renewable Energy Directive. In December of the same year, the Commission also proposed the revision of the Gas Directive and Regulation under the Third Energy Package, to include rules for decarbonised gases and hydrogen.

All the Fit-for-55 package legislative proposals have by now been adopted, with the exception of the decarbonised gas and hydrogen rules, on which a political agreement has been reached.

Since the Fit-for-55 Package, the EU energy sector, and more generally, the European economy and society have been impacted by a faster-than-expected recovery of energy demand after the COVID pandemic and, later on, by the unjustified and unprovoked invasion of Ukraine by the Russian Federation army. The European Union reacted to such developments by adopting the REPowerEU Plan, which contained emergency measures to tackle the immediate crisis, but also increased the EU ambition in a number of energy areas, e.g. energy efficiency and the deployment of renewable energy sources.

For the transport sector, which is responsible for around 25% of the EU's total greenhouse gas emissions and whose emissions have been increasing over recent years, the overall 2050 climate neutrality target requires a 90% reduction in transport-related greenhouse gas emissions by 2050. In this sector, the EU's strategy focuses on three pillars: (i) sustainable mobility – with 2030 targets for zero-emission vehicles9, for climate-neutral cities, for high-speed rail networks and for transport by inland waterways and short sea shipping; (ii) smart mobility – with strategies for integrated electronic ticketing facilitates, seamless multimodal passenger transport and paperless freight transport; and (iii) resilient mobility – to create a mobility system that is fair and just for all and ensure the highest standards of safety and security in European transport.

The transport industry plays a significant role in the EU's carbon footprint, responsible for nearly one-quarter of total emissions. Emissions in this sector are rising steadily, highlighting the need for sustainable practices. To achieve the goal of climate neutrality by 2050, the transport industry must reduce its greenhouse gas emissions by 90% by the same year. To tackle this challenge, the EU has developed a transportation strategy based on three key pillars: sustainable mobility, smart mobility, and resilient mobility. Sustainable mobility aims to achieve zero-emission vehicles by 2030, create climate-neutral cities, expand high-speed rail networks, and promote the use of inland waterways and short-sea shipping. Smart mobility aims to improve the passenger experience through integrated electronic ticketing, seamless transportation options, and paperless freight transport. Lastly, resilient mobility aims to ensure a fair and secure transportation system for all while maintaining the highest safety standards across the European transport network.

In February 2024, the Commission published an impact assessment on possible pathways for the European Union to reach climate neutrality by 205010. Based on this impact assessment, the Commission recommended a 90% net greenhouse gas emissions reduction by 2040 compared to 1990 levels. This recommendation is in line with the advice of the European Scientific Advisory Board on Climate Change and the EU's commitments under the Paris Agreement.

As we approach the mid-point in the horizon over which the European Green Deal defined 2030 policy targets and the current Commission is approaching the end of its mandate, this Workshop will provide an opportunity for taking stock of the progress achieved so far and the possible future challenges in implementing the measures and pursuing the goals defined in the European Green Deal and its implementing provision, with specific focus on the energy and transport sectors which, together, are responsible for almost half of the anthropogenic greenhouse gas emissions.

For this purpose, the Workshop will be structured in two sessions:

– **Session I**, in the morning, will consider the progress achieved and the likely challenges faced by the energy sector towards achieving the 2030 policy goals;

– **Session II**, in the afternoon, will look at how the transport sector is reshaping along the lines envisaged in the European Green Deal, to support the transition towards a climate-neutral economy.

Workshop format

This Workshop is organised 'in-presence' to promote a more effective interaction and discussion. However, while invited speakers are encouraged to join the Workshop in person, they might exceptionally deliver their presentation through internet-based remote connection. Participation through an internet-based remote connection is also possible for donors' representatives; however, in this case, they should abstain from intervening in the discussion (they will be in listening-only mode), but are welcome to send a recorded statement (not longer than 3 minutes) in advance, which will be shown during the Workshop.

Sustainability assessment

The FSR assesses the sustainability and carbon footprint of all its Workshops of the Regulatory Policy Workshop Series. This Workshop is run mainly 'in presence', with some exceptions for participation through internet-based remote connection. It is expected that most participants will join the Workshop in Florence to take advantage of the opportunity for more effective interaction and discussion. Those participants joining the event in Florence will be encouraged to offset any carbon emissions related to their air travel. It is considered that, in this way, a suitable balance is achieved between the effectiveness of the policy dialogue and the net carbon footprint of the event.

Programme

09.15 – 09.30   Welcome and introductory remarks
Leonardo Meeus |Director, Florence School of Regulation

Introduction to the Workshop
Alberto Pototschnig | Deputy Director, World of Practice, Florence School of Regulation

SESSION I – DELIVERING THE EUROPEAN GREEN DEAL IN THE ENERGY SECTOR

Moderator: **Alberto Pototschnig** | Florence School of Regulation

09.30 – 09.45   The policy perspective
Antonio Lopez Nicolas | Deputy Head of Unit, Strategy, Policy Coordination and Planning, Inter-institutional Relations, DG Energy, European Commission

09.45 – 10.15   The consumers' expectations
Peter Claes | President, IFIEC
Antoine Toulemont | Head of Sustainability, ERAA

10.15 – 10.30   The industry perspective
Cillian O'Donghue | Policy Director, Eurelectric

10.30 – 11.00   *Coffee break*

11.00 – 11.15   The regulatory perspective
Fay Geitona | Head, Strategy, Delivery and Communication, ACER

11.15 – 11.30   Roundtable of representatives of FSR Donors
Harald Stindl | GasConnect
Verdiana Ambrosi | Terna

11.30 – 12.00   General discussion

12.00 – 13.00   *Lunch break*

SESSION II – DELIVERING THE EUROPEAN GREEN DEAL IN THE TRANSPORT SECTOR

Moderator: **Juan Montero-Pascual** | Director, Florence School of Regulation – Transport

13.00 – 13.15   The policy perspective
Timothy Fenoulhet | Senior expert, Secretariat-General SG.D.2, European Green Deal Transport Policy Coordination, European Commission

13.15 – 13.30   The consumers' expectations
Delphine Grandsart | Senior Researcher, EPF Europe

13.30 – 14.15   The industry perspective
Andreas Klugescheid | Chief Strategic Foresight & Engagement Officer ACEA
Ugo Tortori | Ferrovie dello Stao Italiane
Marylin Bastin | Acting Director for the European Green Sky Directorate, EUROCONTROL

14.15 – 14.45   General discussion

14.45 – 15.00   Concluding remarks
                Leonardo Meeus | Florence School of Regulation
                Juan Montero-Pascual | Florence School of Regulation
                Alberto Pototschnig | Florence School of Regulation