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strategic advisors

Winter Climate and Energy Package
*Buildings, the gas market, carbon
cycles and transport*

December 2021

Maintaining the EU's momentum on tackling climate change



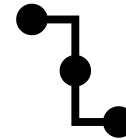
[Revision of the Energy Performance of Buildings Directive \(EPBD\)](#)



[Communication on Restoring Sustainable Carbon Cycles](#)



[Revision of the Gas Directive](#)



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[Summary of Transport Initiatives](#)

Revision of the Energy Performance of Buildings Directive

Goal: Ensure a **highly energy-efficient** and **decarbonised building stock by 2050**, setting out standards for new buildings and encouraging the renovation of existing buildings.

Linked to: Energy Efficiency Directive; Renewable Energy Directive; Alternative Fuels Infrastructure Regulation

Highlights:

- New buildings to be **zero-emission from 2030**.
- Worst-performing 15% of the EU building stock **required to be renovated**, varying deadlines according to building type (e.g. residential/non-residential) and energy performance class.
- National Buildings Renovation Plans (ex. Long-Term Renovation Strategies) to be **integrated** into National Energy and Climate Plans, including roadmaps for **phase-out** of fossil fuels in heating and cooling by 2040.
- **Renovation passports to be introduced**, offering consumers advice on planning emission-reducing renovations.
- Electric vehicle and cycling infrastructure requirements for new buildings and those facing major renovation.
- Ban on financial incentives for fossil fuel boilers from 2027, **countries able to ban fossil fuel use in buildings**.
- Countries to provide appropriate financing and support measures to help address market barriers.



[Link to Commission proposal](#)

Revision of the Third Energy Package for Gas: Gas Directive

Goal: Regulates the rules on the **internal market for gas** in the EU, with changing market conditions and developments necessitating a revision. Examples include **matching developments in consumer rights** in the electricity market, as well as the need for measures to **address ‘energy poverty’**.

Linked to: Renewable Energy Directive; EU Emissions Trading System; Energy Tax Directive

Highlights:

- Introduce an EU-wide certification system for “Renewable and low-carbon gases” that are based on a life-cycle assessment of the fuel’s emissions. **Low-carbon hydrogen** must meet a greenhouse gas (GHG) reduction threshold of **at least 70%**.
- Long-term contracts for unabated natural gas cannot exceed 2049, contracts to be one-year maximum from 2050.
- In response to the recent energy crisis, introduce new measures to **address pricing, emergency storage** as part of regional risk assessments, and voluntary **joint procurement of gas**.
- **New consumer protection measures**, such as support for energy efficiency improvement, provisions for billing information, transparency on consumption, and the choice between at least two suppliers to enhance competition.



[Link to Commission proposal](#)

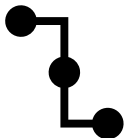
Revision of the Third Energy Package for Gas: Gas Regulation

Goal: Sets out the **legal framework** regulating access to the EU's pipeline network, ensuring **fair competition** in the EU's internal market. New market developments and political priorities (e.g. on hydrogen) have led to the need for renewed rules.

Linked to: Renewable Energy Directive; EU Emissions Trading System

Highlights:

- **Low-carbon gases** like hydrogen, biomethane and synthetic methane **should be promoted** through lower transit tariffs through pipelines.
- **Hydrogen networks need to comply with unbundling rules by 2030**, requiring infrastructure owners, operators and hydrogen suppliers to be separate actors. The duration of hydrogen contracts to be a maximum of 20 years.
- Transmission system operators to **accept gas flows with a hydrogen content of up to 5%** by volume at interconnection points between countries from October 2025.
- A '**European Network of Network Operators for Hydrogen**' (ENNOH) to be established to manage trading and supply of hydrogen across borders in the EU.



[Link to Commission proposal](#)

Communication on Restoring Sustainable Carbon Cycles

Goal: Sets out an **action plan for carbon farming in the EU**, ensuring land management techniques contributing to carbon sequestration **can form a sustainable business model**.

Linked to: Circular Economy Action Plan; Farm to Fork Strategy; LULUCF Regulation; EU Forest Strategy

Highlights:

- Promote carbon farming practices **under EU schemes** (e.g. Common Agricultural Policy).
- Standardise monitoring, reporting and verification methodologies for carbon farming.
- Enhance knowledge, data management and tailored advisory services for land managers.
- **Develop blue carbon initiatives**, protecting coastal wetlands and regenerative aquiculture.
- Establish a target of 20% of the carbon used for **chemicals and plastics** to come from sustainable non-fossil sources by 2030.
- Develop an internal market for capturing, using, and storing carbon, along with the infrastructure needed for cross-border CO₂ transportation.
- **By end of 2022:** Commission proposal for a regulatory framework on the certification of carbon removals.



[Link to Commission proposal](#)

Transport-related announcements

Revision of the Trans-European Network for Transport Regulation

- Introduces **new infrastructure requirements and aims to modernise and complete** the TEN-T core and comprehensive network, **by 2030 and 2050 respectively**. Amongst others, it promotes transshipment terminals to ensure multimodal logistics, encourages **cities to prepare urban mobility plans by 2025**, and sets a minimum speed of long-distance trains at 160 km/h.

Action plan on increasing long-distance and cross-border rail traffic

- Complements the TEN-T revision, outlining actions such as a legislative proposal on **multimodal ticketing** (2022), allowing passengers to find the most affordable tickets, the repeal of redundant operational rules, proposals on timetabling and capacity management (2022), and guidelines for track access pricing (2023).

Revision of the Intelligent Transport Systems Directive

- Introduces updates reflecting **new road mobility solutions, mobility apps, as well as new technologies on connected and automated mobility**. Encourages faster deployment of new smart technologies, setting standards for the digitisation of road traffic information on the TEN-T network (e.g. on road works). Seeks to also ensure **all drivers on the TEN-T network have access to critical safety-related services**.

European Urban Mobility Framework

- Addresses urban challenges such as **congestion, emissions and noise**. Cities are encouraged to prepare **urban mobility plans** focusing on public transport, cycling and walking, as well as on zero-emission solutions such as **ride-hailing services, digital solutions, and multimodal hubs**.



About Cicero

Cicero/amo, part of the Havas Group, designs and implements national, regional and global public affairs and communications campaigns for some of the world's largest listed businesses, new entrant challengers and technology disruptors. We provide clear and original thinking to help organisations craft their message, cut through the noise and lead by example.

The EU's team energy and environmental policy expertise ranges from carbon market reforms, renewable energy, circular economy, and transport, to chemicals and sustainable corporate governance, alongside well-established expertise in the financial services and digital field.

Get in touch

We hope this overview piece gave you more insights into what the latest mobility and energy package of the EU means for your organisation or sector. In case you are unsure of these initiatives' implications, or if you would like to know how to be effective in contributing to the co-legislative procedure with the European Parliament and the Council of the EU in the next year, feel free to reach out to helena.walsh@cicero-group.com.