



Federal Ministry
for the Environment, Nature Conservation
and Nuclear Safety

EUKI Academy

Fit For 55

German Ministry for the Environment, Nature Conservation and Nuclear Safety

Dr. Silke Karcher

Head of Unit

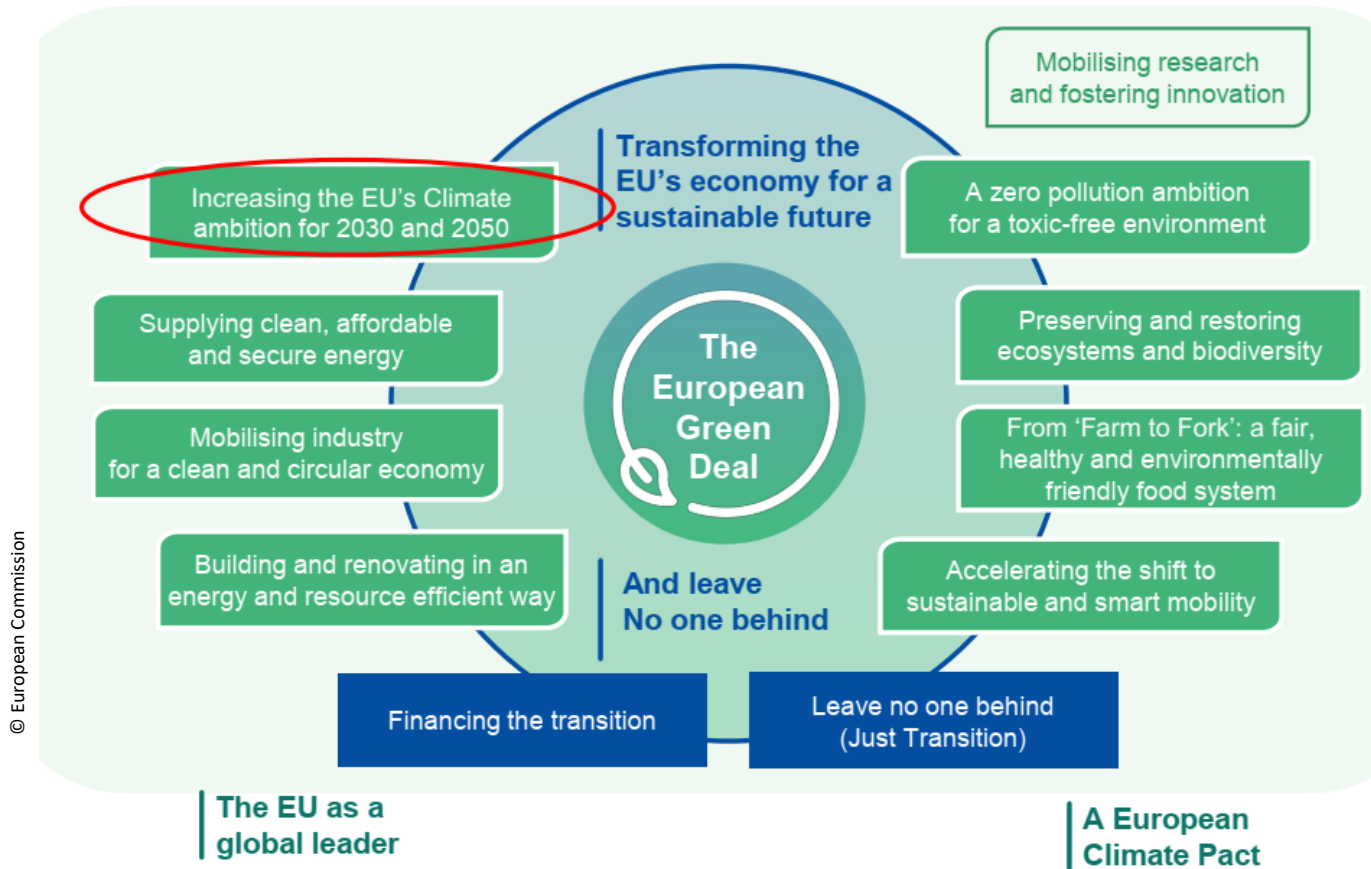
EU Climate and Energy Policy, European Climate Initiative, Carbon Markets
Federal Ministry for the Environment, Nature Conservation and Nuclear Safety

22 September 2021



„Fit for 55“ package embedded in EU Green Deal

The European Green Deal



- EU increased climate target from at least 40% greenhouse gas mitigation to **at least 55% compared to 1990 by 2030** and submitted new EU-NDC under the Paris Agreement in December 2020
- The EU climate law enshrines 2030-target as well as long-term target to become **climate neutral by 2050**



„Fit for 55“-package wide mix of policy instruments





Specific „Fit for 55“ files: Emission Trading System (ETS)

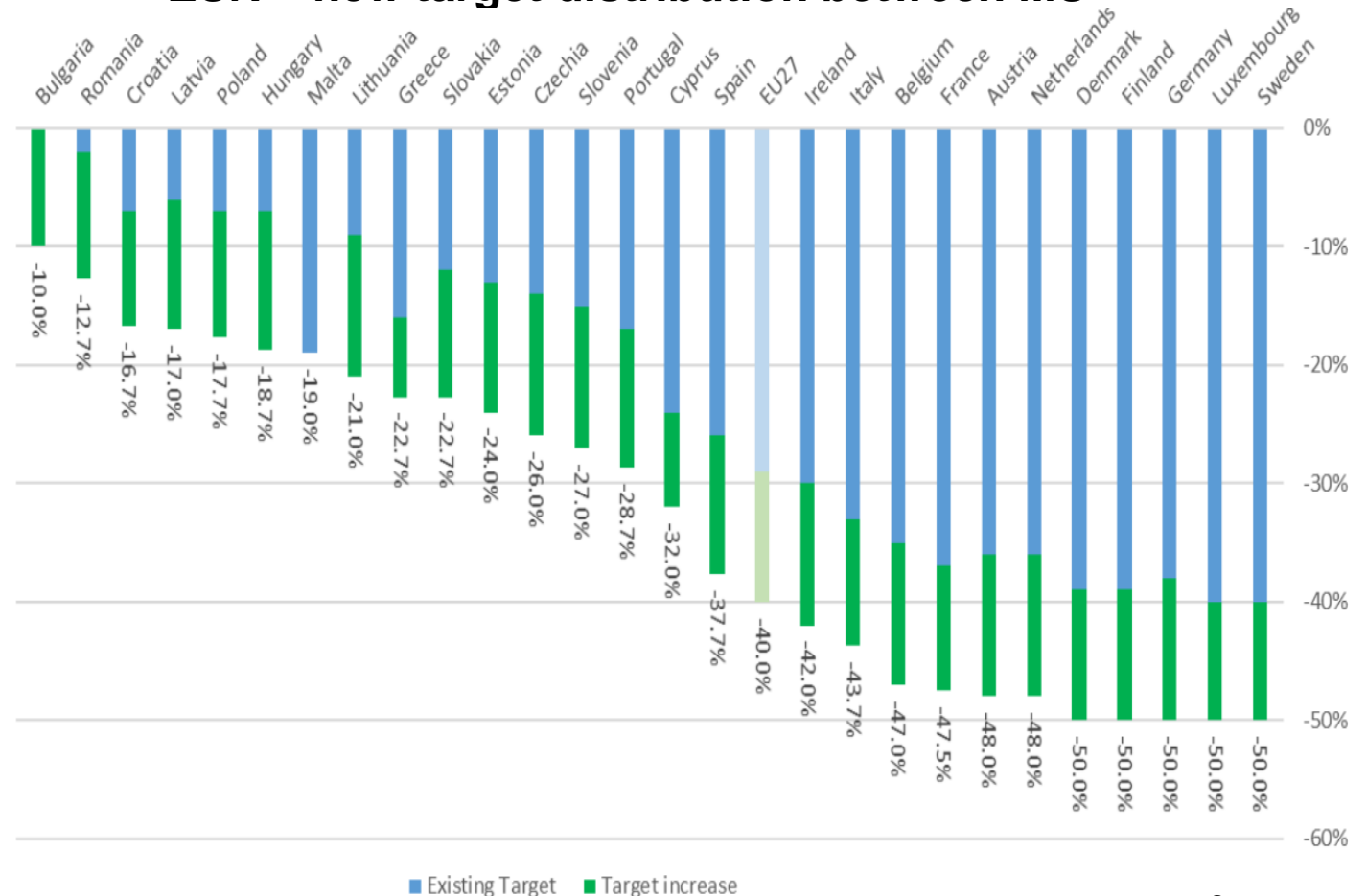
- Existing ETS covers **energy, industry and aviation** – by introducing a carbon price, installations have incentive to reduce their emissions
- Since the start of the ETS in 2005, total **emissions** from stationary installations **decreased by 43%**
- Current ETS price: **55€ per ton of CO₂** equivalent
- New target for existing ETS: emission reduction of 61% by 2030 compared to 2005 (before: 43% compared to 2005)
- European Commission proposes to establish a **second ETS for transport and buildings**



Specific „Fit for 55“ files: Effort Sharing Regulation (ESR)

- ESR defines **Member States' (MS) emission reduction targets for buildings, transport, agriculture, small industry** – which so far have not been covered by emission trading
- Proposal European Commission: increasing emission reduction target from 29 to **40% by 2030 compared to 2005**
- Overarching EU target is then split into binding national targets for Member States based on two criteria: **GDP/ capita** and **cost efficient emission reduction potential**

ESR – new target distribution between MS





Specific „Fit for 55“ files: Renewables and Efficiency

EU Climate Policy also requires a strong focus on

Renewables:

Renewables in the
EU energy mix



19.7%

Current renewables
share (in 2019)

32%

Current EU 2030
target

40%

New EU 2030 target

And energy efficiency:



17.0-17.4%

Current energy efficiency savings for primary
and final energy consumption (in 2019)

32.5%

Current EU 2030
non-binding target
(relative to 2007 projections)

36-39%

New EU 2030 binding target
for final and primary energy
consumption



Ratcheting up German climate targets in light of new EU-NDC

(Old) Federal Climate Act (2019):

- **Annual emission budgets** for energy, transport, building, industry, agriculture and waste **sectors, 2020 - 2030**
- Overall GHG mitigation target **2030: 55%**
- **Greenhouse gas neutrality** by **2050**

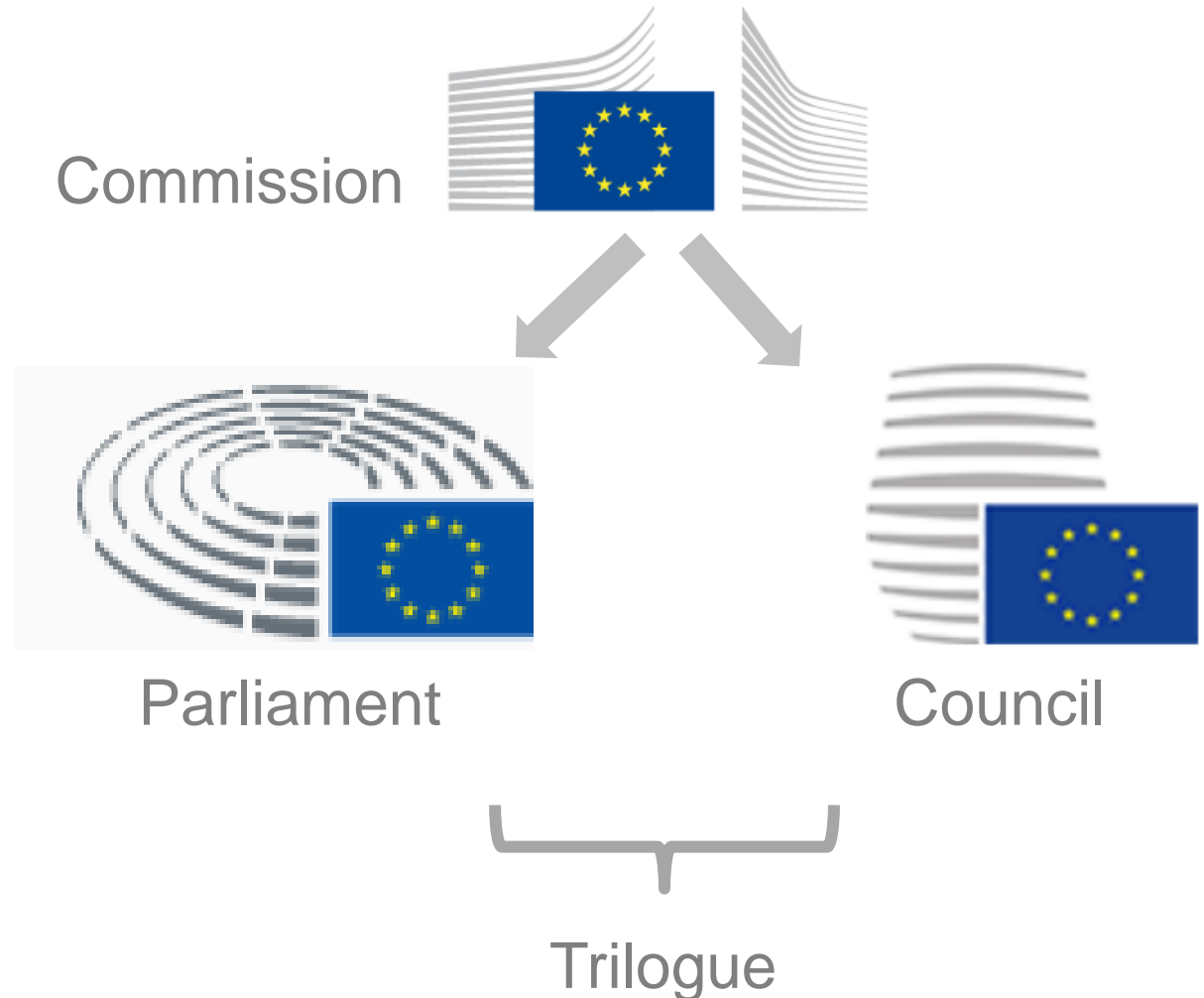
Federal Climate Act **after revision in June 2021, UPDATES:**

- **Updated** annual emission budgets for energy, transport, building, industry, agriculture and waste **sectors, 2020 – 2030**
- Overall GHG mitigation target **2030: 55% 65%**
- Overall GHG mitigation target **2040: 88%**
- GHG mitigation **trajectory 2030 – 2040** (linear path)
- Specific targets to improve the capacity of the **LULUCF sector** as a carbon sink for the years 2030, 2040 and 2045
- **Greenhouse gas neutrality** by ~~2050~~ **2045**
- **Negative emission balance** after **2050**



EU legislative process – what happens next?

- **European Commission** has tabled **legislative proposals** for making the legal framework „fit“ for at least 55% emission reduction by 2030.
- Proposals will now be **negotiated in the Council** (Member States' Ministers) and the **European Parliament**. Each need to agree on a coherent legal text.
- Once all three versions of the legal texts exist, representatives of the three entities consolidate their versions in **Trilogues**.





Federal Ministry
for the Environment, Nature Conservation
and Nuclear Safety

Happy to answer your questions!

IKii5@bmu.bund.de

Dr. Silke Karcher

Head of Unit IK II 5

Federal Ministry of the Environment, Nature Conservation and Nuclear Safety, Germany