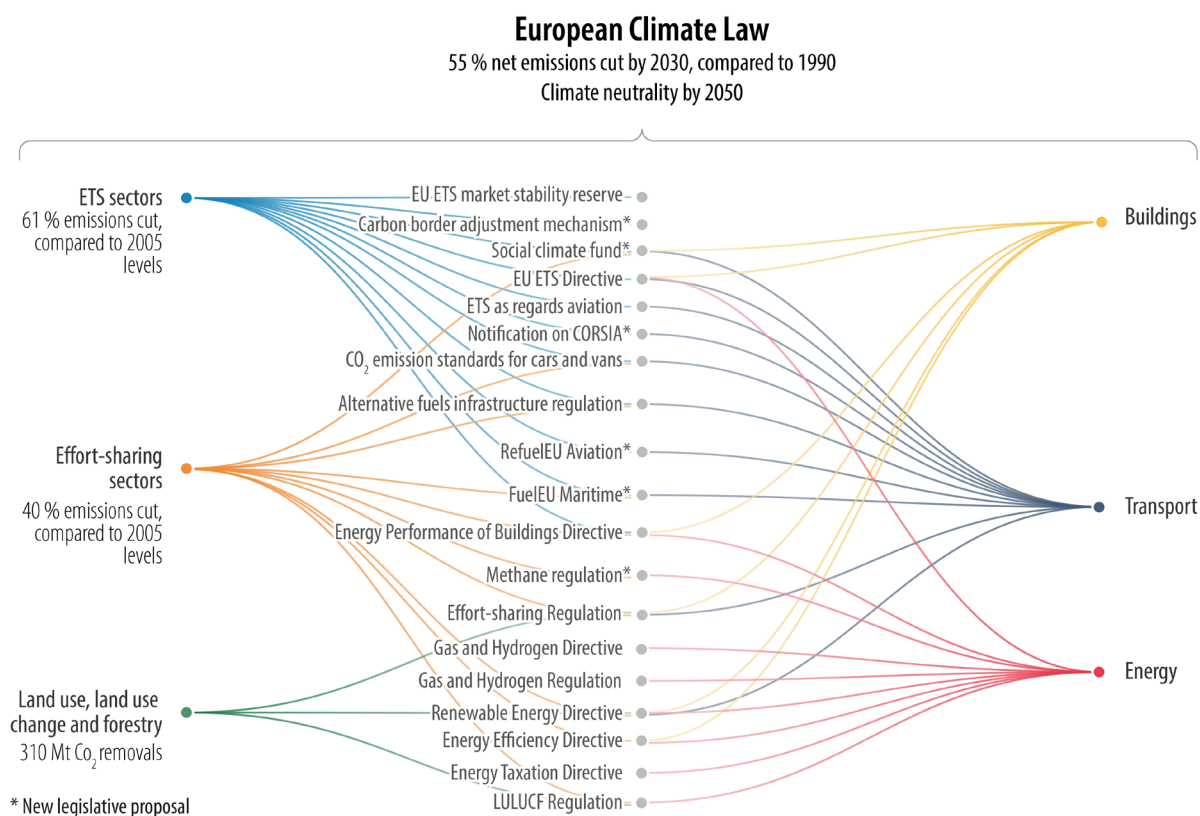


Fit for 55 package

The 'fit for 55' package, presented in July and December 2021, is designed to realise the European Climate Law objectives: climate neutrality by 2050 and a 55 % reduction of net greenhouse gas (GHG) emissions by 2030, compared with 1990 levels. It consists of 13 interlinked proposals to revise existing EU climate and energy laws, and six proposals for new legislation.

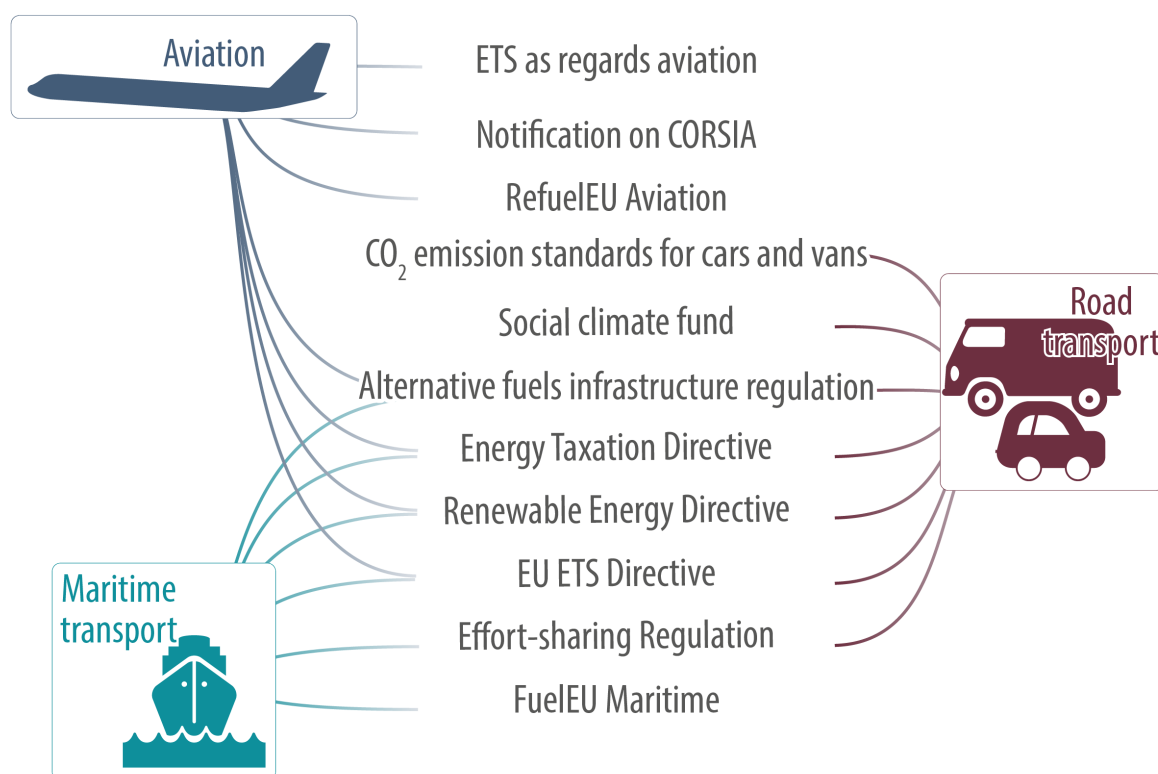
The proposals aim to accelerate emission reductions in the [sectors covered](#) by the EU emissions trading system (ETS) and the sectors covered by the Effort-sharing Regulation, and to increase carbon removals in the land use, land-use change and forestry (LULUCF) sector.



Under the new package, road transport and buildings would be included in the **revised EU ETS**, but would still be covered by the **Effort-sharing Regulation**. To reduce **transport** sector emissions, the new ETS for transport fuels would be complemented by stronger CO₂ emission standards for new cars and vans, revised rules for alternative fuels infrastructure and new legislation on maritime and aviation fuels. **Energy** production and use across the economy are addressed by the revision of key EU energy legislation, a new regulation on energy-related methane emissions (within the effort-sharing sector), and a reform of the EU gas markets (Gas and Hydrogen Regulation and Directive). The proposals on ETS, effort-sharing, energy performance of buildings, renewable energy, energy efficiency and the social climate fund address energy use in **buildings**. Finally, the revision of the **LULUCF Regulation** is geared towards ensuring that the sector achieves 310 Mt CO₂ removals by 2030. There would be certain flexibilities between the LULUCF sector and the effort-sharing sector. The revised Renewable Energy Directive contains sustainability criteria for biofuels, which affect the LULUCF sector.

Transport: A challenging sector for climate action

GHG emissions from the transport sector have stagnated over the past decade, while other sectors such as electricity generation and industry achieved substantial emissions reductions, not least thanks to the EU ETS. To ensure that the transport sector contributes to the EU's climate objectives, the maritime and road transport sectors are to be included in the EU ETS (while still covered by the Effort-sharing Regulation). Together with a review of the Energy Taxation Directive, this would raise the price of GHG emissions in the transport sector. The proposed revision of the Renewable Energy Directive sets requirements for renewable transport fuels, and introduces a credit mechanism to promote electromobility. Specific legislative proposals address emissions reductions and the supply of alternative fuels in the road transport, maritime transport and aviation sub-sectors.



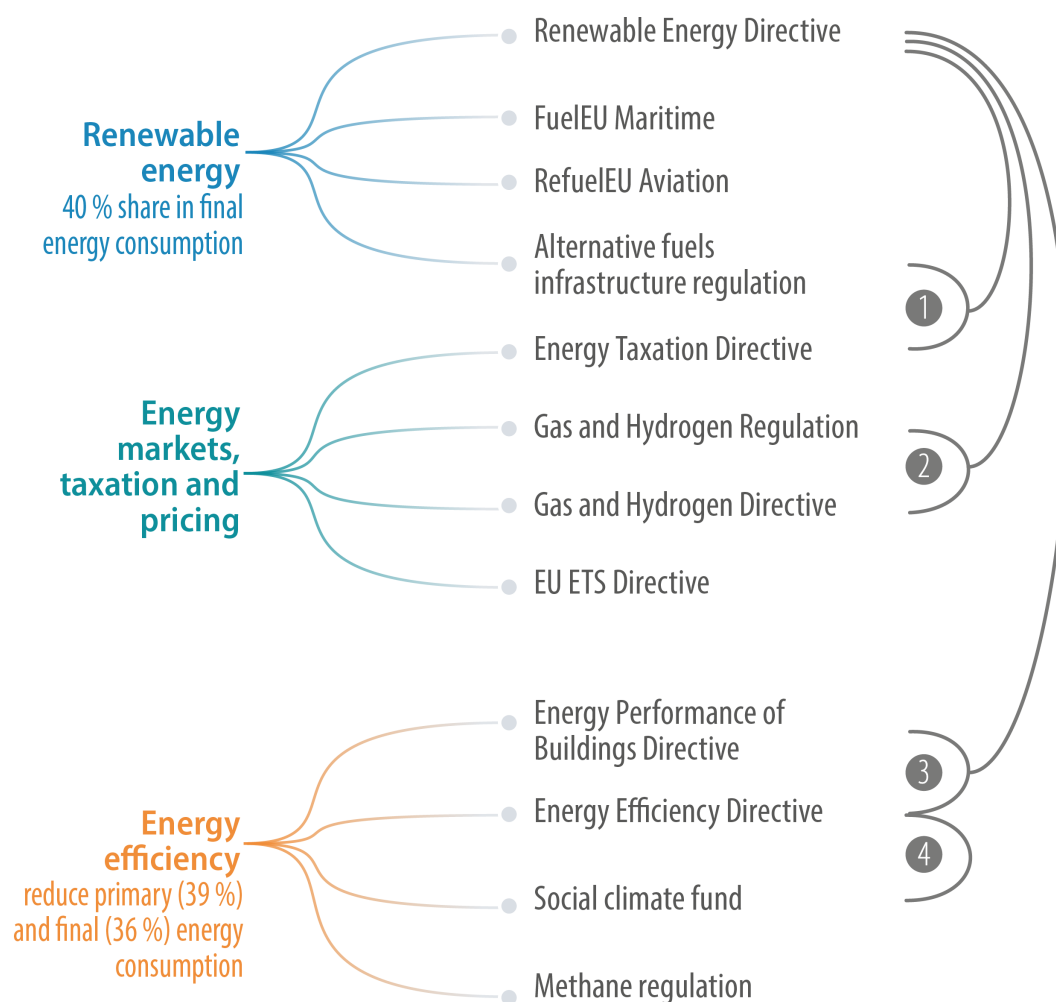
Aviation: Free ETS allowances for airlines are to be phased out, and flights going outside the European Economic Area will become subject to the international CORSIA offsetting scheme. The RefuelEU Aviation proposal promotes sustainable aviation fuels.

Road transport: CO₂ emission standards for new cars would become stricter, aiming for 100 % zero-emissions vehicles by 2035. The social climate fund, financed by the new ETS for road transport and buildings, would improve access to zero- and low-emission mobility and transport.

Maritime transport: The sector would be included in the EU ETS. The FuelEU Maritime proposal promotes sustainable maritime fuels.

Energy: At the heart of the climate neutrality transition

Several proposals in the 'fit for 55' package address energy-related GHG emissions. The principal targets to contribute to the overall 55 % net emissions reduction are a 40 % share of renewable energy sources by 2030, and a substantial reduction of primary and final energy consumption. A higher carbon price through the revision of the EU ETS and the Energy Taxation Directive will drive the roll-out of renewables and energy efficiency improvements.

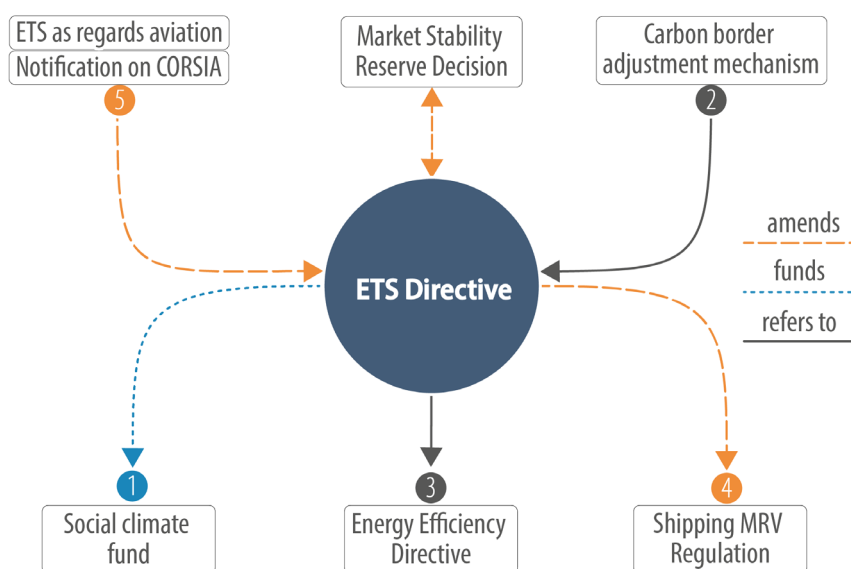


Links between the proposals:

1. The proposed revised Energy Taxation Directive refers to definitions in the proposed revised Renewable Energy Directive and the proposed revised Alternative Fuels Infrastructure Directive.
2. The proposed revised Gas and Hydrogen Regulation and Gas and Hydrogen Directive refer to the revised Renewable Energy Directive for the definition of renewable gas and low-carbon gas.
3. The proposed revised Renewable Energy Directive refers to the definition of 'efficient district heating and cooling' in the proposed revised Energy Efficiency Directive (EED), and the proposed revised Energy Performance of Buildings Directive refers to the definition of 'energy performance contracting' in the EED.
4. The proposed revised Energy Efficiency Directive and the proposal for a social climate fund refer to each other with respect to use of the fund.

EU ETS: Cornerstone of EU climate action

The 'fit for 55' package contains four proposals to raise the ambition of the EU ETS, improve its functioning, broaden its scope to maritime transport, road transport and buildings, and provide for the participation of airlines in the international CORSIA offsetting scheme. These are complemented by proposals for a carbon border adjustment mechanism to safeguard international competitiveness by pricing the carbon emissions of imports, and for a social climate fund to address the social impacts of extending the EU ETS to road transport and buildings.



1. Financing of the social climate fund would come from revenues from the new ETS for transport and buildings.
2. The amount of carbon border adjustment depends on the phasing-out of free allowances in the EU ETS.
3. Allocation of free ETS allowances depends on operators' compliance with the requirements of the EED.
4. The existing Regulation on monitoring, reporting and verification of maritime transport emissions (the Shipping MRV Regulation) is amended to align with the extension of the ETS to maritime transport.
5. Both proposals concern aviation in the EU ETS and implementation of the international CORSIA system. The second proposal ensures that Member States notify airlines of CORSIA obligations for 2021.

EPRS publications

Effort-sharing Regulation review: [EU legislation in progress briefing](#); [initial appraisal of Commission impact assessment](#)

LULUCF Regulation review: [legislation in progress](#); [initial appraisal](#)

EU ETS Directive review: [legislation in progress](#); [initial appraisal](#)

EU ETS market stability reserve review: [legislation in progress](#)

EU ETS as regards aviation / Notification on CORSIA: [legislation in progress](#); [initial appraisal](#)

Carbon border adjustment mechanism: [legislation in progress](#); [initial appraisal](#)

Renewable Energy Directive review: [legislation in progress](#); [initial appraisal](#)

Energy Efficiency Directive review: [legislation in progress](#); [initial appraisal](#)

Social climate fund: [legislation in progress](#); (no impact assessment prepared by the Commission)

Energy Taxation Directive review: [legislation in progress](#); (consultation procedure, no initial appraisal)

Energy Performance of Buildings Directive review: [legislation in progress](#); [implementation in action](#)

Methane regulation: [legislation in progress](#); [initial appraisal](#) (forthcoming)

EU regulation on gas and hydrogen networks recast: [legislation in progress](#); [implementation appraisal](#)

EU directive on gas and hydrogen networks recast: [legislation in progress](#)

CO₂ emission standards for cars and vans: [legislation in progress](#); [initial appraisal](#)

Alternative fuels infrastructure regulation: [legislation in progress](#); [initial appraisal](#)

ReFuelEU Aviation: [legislation in progress](#); [initial appraisal](#)

FuelEU Maritime: [legislation in progress](#); [initial appraisal](#)

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