

THE RENEWABLE ENERGY DIRECTIVE ([DIRECTIVE EU/2023/2413](#))

Key provisions:

- A **mandatory** renewable energy **target** of **42.5%** by 2030, complemented by an additional **indicative increase of 2.5%** to enable the 45% target to be reached + an indicative target of **two cross-border projects** by Member States;
- New targets: (1) for **transport** - a binding target of a **14.5% reduction in greenhouse gas emissions** intensity **or** a mandatory share of **at least 29% of energy from renewable sources** in final energy consumption in the sector by 2030. In addition, a mandatory combined secondary target of 5.5% is set for advanced biofuels and non-biologically based renewable fuels (NBRF). For (2) **industry**, the Directive foresees an increase in annual RES consumption of 1.6% + a mandatory target of 42% hydrogen use from RFNBO by 2030 and 60% by 2035. For (3) **buildings**, the indicative RES share is set at 49%. For (4) **heating and cooling**, the national RES targets will see a mandatory stepwise increase of 0.8% per year by 2026 and 1.1% between 2026-2030.
- **Faster authorizations & permits for RES projects** - Member States will designate, within 27 months of the date of entry into force of the Directive, suitable RES acceleration zones where renewable energy projects will benefit from simplified and fast-track permitting processes. In addition, renewable energy is considered to "override public interest," and permitting and retrofitting deadlines are shortened.
- **Guarantees of Origin (GO)** can be issued in fractions below 1 MWh, as long as it is a multiple of 1 Wh. Furthermore, registration procedures are simplified, and fees are reduced for installations below 50 kW. Member States may waive the obligation to issue GOs for projects under support schemes unless the GO has already been canceled with a consumer.

I. RENEWABLE ENERGY TARGETS

The new *Directive on the promotion of the use of energy from renewable sources* ("the Directive") sets a binding target of 42.5% RES in final energy consumption by 2030, complemented by an additional indicative increase of 2.5%. Member States have 18 months to transpose the text into national law, i.e., by May 2025. Exceptions to this date are the provisions on overriding public interest, grid and storage infrastructure, permitting procedures outside areas suitable for accelerating RES projects, retrofitting, and installation of solar energy equipment and heat pumps, which have to be introduced into legislation by 1 July 2024.

In addition to increasing the share of RES, the Directive sets a number of sub-targets for several sectors, i.e., transport, industry, buildings, and district heating and cooling, aimed at accelerating the integration of renewables to achieve the European decarbonization and climate neutrality targets.

1. Transport (Articles 25, 26, 27)

By 2030, in order to increase the use of RES and reduce greenhouse gas intensity, each Member State will require fuel suppliers to ensure that electricity and fossil fuel from renewable sources result in (i) at least 29% RES in final consumption; OR (ii) a 14.5% reduction in greenhouse gas emission intensity. The new rules set a mandatory combined secondary target of 5.5% for advanced biofuels and RFNBO in the share of RES supplied to the transport sector, with a minimum requirement of 1% non-biological renewable fuels in 2030. For Member States with seaports, from 2030, the share of non-biological renewable fuels in the total energy supplied to the sector will be at least 1.2%.

2. Industry (Articles 22a, 22b)

In order to increase the share of ESR in the industry sector, the Directive stipulates an indicative target of at least 1.6% as an annual average calculated for the periods 2021-2025 and 2026-2030. In addition, by 2030, 42% of the hydrogen used in industry will have to come from RFNBO, a percentage that will rise to 60 by 2035. However, Member States may reduce the contribution of RFNBO fuels in industrial use by 20% if (i) they will have a national contribution to the overall binding Union target at least equal to the expected contribution and (ii) the share of hydrogen from fossil fuels will not exceed 23% in 2030 and 20% in 2035.

3 & 4. Buildings, heating, and cooling (Articles 15a, 23, 24)

In the buildings sector, the indicative target set by the Directive is 49% RES by 2030. Member States may use up to 20% of waste heat and cooling to meet their national renewable energy target. If they choose to do so, their target increases by half the percentage of waste energy used. The national RES targets for heating and cooling will increase gradually, by 0.8% annually until 2026 and 1.1% per year between 2026 and 2030. For waste heat and cooling, the RES share will rise to the indicative value of 2.2 percentage points as an annual average calculated for 2021-2030.

II. PERMITTING, GRID INTEGRATION & AUTHORIZATION PROCESS

The Directive introduces a series of provisions with the aim of streamlining the permitting and authorization process for RES projects, which must be transposed into the national legislation by July 1st 2024, in continuation to the RES Booster.

i. Designation of areas suitable for RES development & acceleration areas (15b, 15c, 15e)

Within 18 months following the entry into force of the Directive (May 2025), Member States must map the areas suitable for RES power plant installations – defined *as uniform areas of land, inland waters, and sea where the use of one or more renewable energy sources is not expected to significantly affect the environment* – proportional to their national capabilities towards the 2030 EU target. Inside these zones, Member States must define, in a maximum of 27 months from the Directive's entry into force, "acceleration areas" in which projects will benefit from permitting procedures, with a maximum waiting time of 1 year compared to 2 years outside acceleration areas. The focus should be on artificial surfaces such as parking lots or rooftops, while sensitive sites such as Natura 2000 should be avoided.

Rather interesting is the fact that Member States have the possibility to designate such areas for grids and storage development. However, while an option, "acceleration areas" for grids and storage is not mandatory.

ii. Permit granting procedure (Article 16, 16a, 16b, 16c)

The Directive introduces deadlines for the different steps in the permit granting procedure as follows:

- Acknowledgement of the completeness of the application by the competent authority/request for the submission of the completed application: **30 days** (plants within the acceleration areas)/**45 days** (plants outside of the acceleration areas);
- Permit-granting procedure for new projects: **one year** for projects within the acceleration areas/**two years** for projects outside the acceleration areas. Member States may, under extraordinary circumstances, extend either of those periods by up to six months;
- Permit-granting procedure for repowering of RES power plants & for new installations <150 kW, co-located energy storage & their grid connection: **six months**, with the mention that, where justified, the period can be extended by **three months**. For offshore wind, the deadline is **12 months**, with a possibility of extension of **6 months**. If the repowering of the plant does not result in an increase of its capacity beyond 15%, permit granting procedures for grid connections must not exceed **three months**.

As solar is at the forefront of the transition, the Directive provides a more streamlined procedure for the installation of solar energy equipment:

- Permit-granting procedure on artificial structures – if their primary role is not solar energy production/storage: three months + exemption (if applicable) from carrying out the environmental impact assessment;
- For installations under 100kW: one month + tacit agreement

iii. Overriding public interest (Article 16f)

The Directive stipulates that by February 2024, until climate neutrality is achieved, RES projects are presumed to be in the overriding public interest – unless the projects have irreversible environmental damage that cannot be counterbalanced. However, Member States can restrict the presumption in specific circumstances like national defense.

III. GUARANTEES OF ORIGIN (Article 19)

Under the new Directive, the provisions regarding the guarantees of origin are amended as follows:

- Gaseous RFNBO can receive guarantees of origin;
- Guarantees of origin can be fractioned as long as the size is multiple of 1 Wh;
- The registration process is simplified and the fees are reduced for installations < 50 kW & for RE communities;