

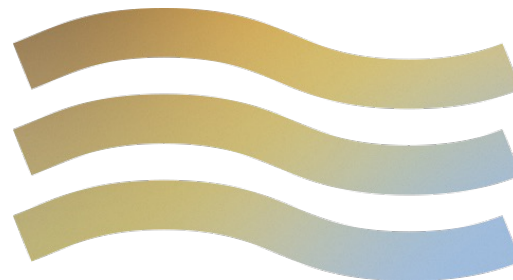
REPowerEU

Heat Pumps in REPowerEU

RePowerEU
and cut our
dependence on
Russian gas



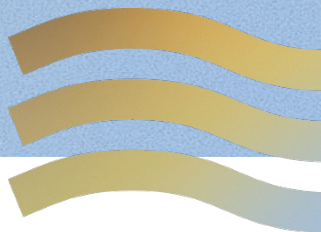
#EUGreenDeal



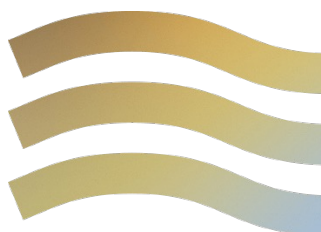
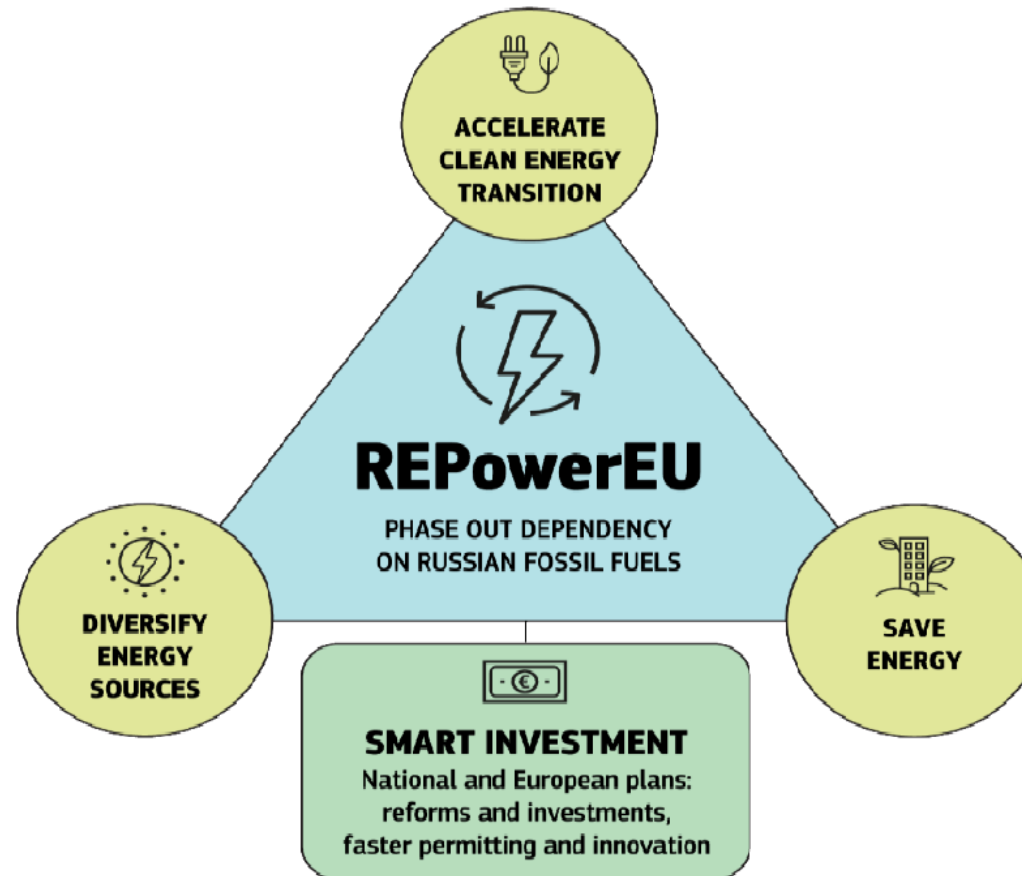
Reminder: What measures did EHPA suggest?

A **Heat Pump Accelerator** combining the following:

1. Create trust in long-term ambition for heat pumps - need technology clarity
2. Make clean heating economically most attractive
3. Avoid disrupting current market dynamics: Revising legislation should not slow down the ambitious targets
4. Focus on skills for the energy transition
5. More R&D
6. Industrial applications

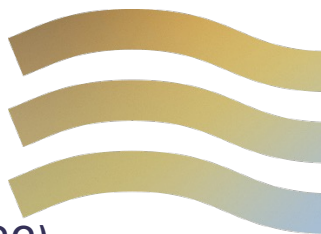


REPowerEU – general overview



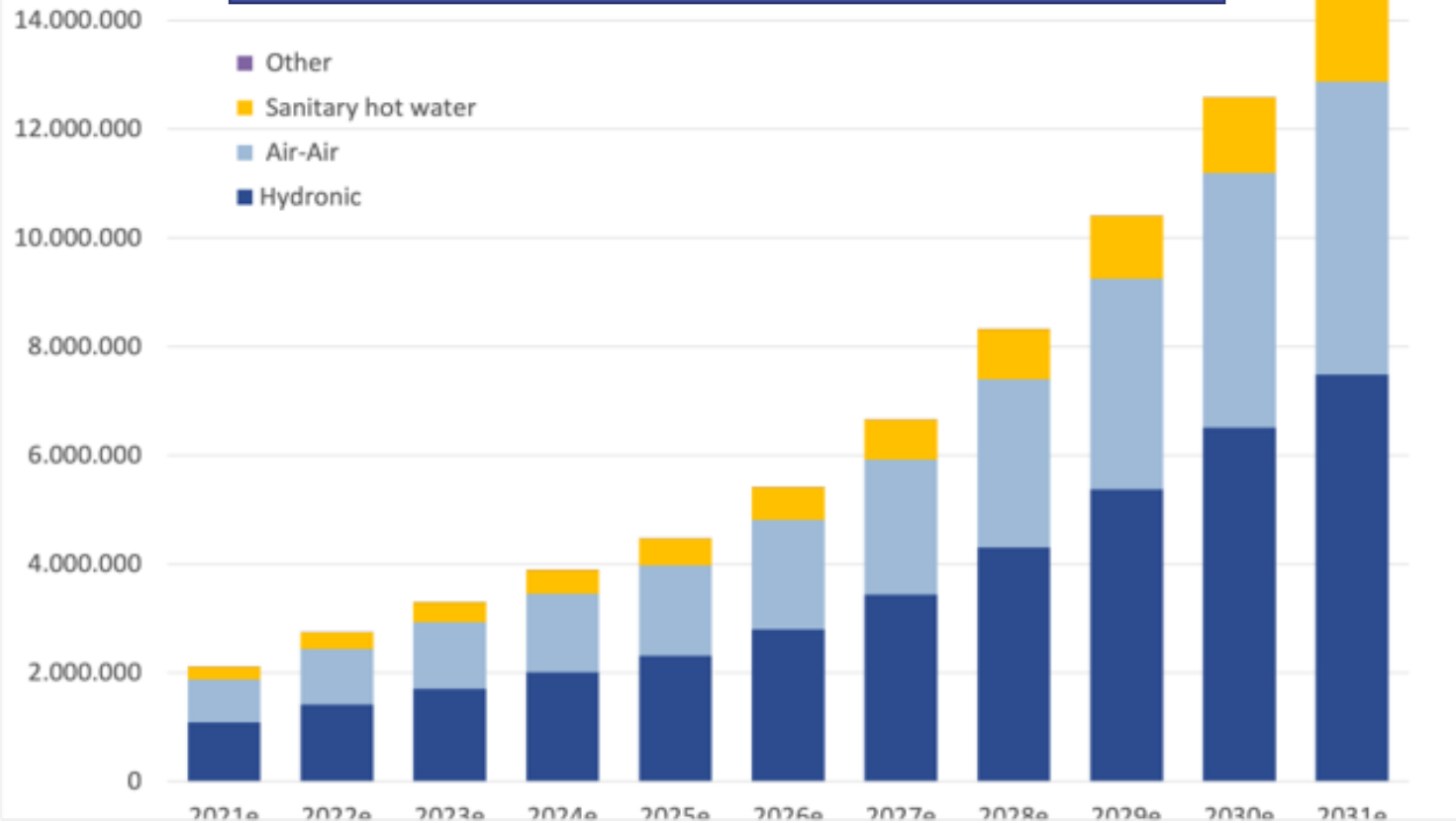
REPowerEU included documents

- ➔ • [REPowerEU Communication](#)
- [Annexes to REPowerEU Communication](#)
- [Staff Working Document: Investment needs, hydrogen accelerator and bio-methane plan](#)
- ➔ • [EU Save Energy Communication](#)
- [EU External Energy Engagement Strategy](#)
- [EU Solar Strategy](#)
- [Amendments to Renewable Energy, Energy Performance of Buildings and Energy Efficiency Directives](#)
- [Recommendation on permitting procedures and Power Purchase Agreements](#)
- [Regulation establishing the Recovery and Resilience Facility](#)
- [Proposal for a Regulation on REPowerEU chapters in recovery and resilience plans](#)
- [Guidance on recovery and resilience plans in the context of REPowerEU](#)
- [Country specific recommendations on recovery and resilience plans](#) (*published on 23 May 2022*)



The ambition: Double digit growth for the rest of this decade

EU ambitions in numbers



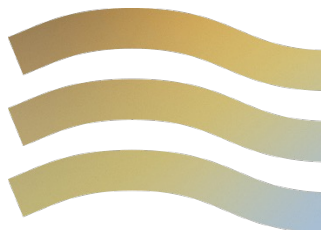
Insights

- EU aims at doubling current deployment rate of individual HPs => cumulative 10 million (hydronic) HPs over 5 years
- EHPA extrapolation to all technologies
- 20 million by 2027 & 60 million by 2030

Heat Pumps in REPowerEU

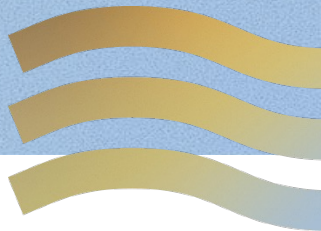
- 1) Savings
- 2) Fuel diversification (LNG and pipeline gas, biomethane, renewable hydrogen)
- 3) Renewable electricity (solar & wind, permitting)
- 4) Smart investments and reforms (infrastructure, RRF, Innovation fund, CEF, Reform)

STARTING POINT: ALL FIT FOR 55 MEASURES WILL REDUCE EU GAS DEMAND BY 116 BCM, OR 30% REDUCTION			
RePOWER PLAN	Equivalent GAS SAVED	JOINT EU AND MS RePOWER EU ACTIONS	INVESTMENT NEEDS (EUR)
SAVINGS			
Citizens : Behavioural change	10 bcm	EU Save Energy communication Play my part campaign	-
Residential sector: energy efficiency and heat pumps	37 bcm	EU Save Energy communication Higher 13% EED target by amended EED Ecodesign and energy labelling requirements for solar PVs heat pumps Potential Important Projects of Common European Interest (IPCEI) focused on breakthrough technologies and innovation	56
Industry: energy efficiency and electrification	12 bcm	Higher 13% EED target by amended proposal Higher 45% RES target by amended proposal Innovation fund RRF chapter	41
Curtailement		EU coordinated demand reduction plan	-

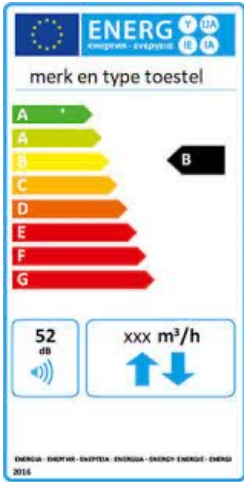


REPowerEU Communication & EU Save Energy Communication

Overview of heat pump measures by level of action
(EC, legislators, national)



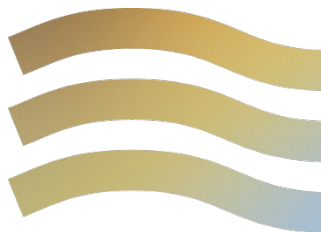
Heat pump measures – EC will



- Launch **EPREL** database consumer interface to support consumers and procurers choosing more efficient appliances
- Revise **ecodesign** and **energy labelling** requirements for heat pumps
 - stricter ecodesign limits for heating systems implying **2029 as an end date for 'stand-alone' fossil fuel boilers** being placed on the market and parallel **rescaling** of energy labels (by 2025/2026) that will result in boilers and other fossil fuel-based appliances ending up in the bottom energy classes



- Proposes Directive amending RED II: **RED** target from 40% to 45%
- Proposes Directive amending EED: **EED** target from 9% to 13% by 2030 (compared to 2020)



Heat pump measures

- EC will



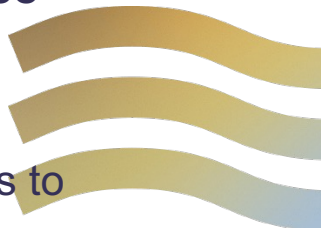
- Electrification in **industrial sector - Innovation Fund**
 - Double available funding for the 2022 call to around 3 billion
 - Specific REPowerEU window to support innovative clean tech manufacturing incl. heat pumps for industrial uses



- Support for **R&D** incl. through **horizon Europe** to reduce materials, enhance recyclability, substitute raw materials
- Support efforts from MS to **pool public resources** via Potential Important Projects of Common European Interest (**IPCEI**) focused on **breakthrough technologies and innovation**



- Ramp up **production** of HP equipment incl. through facilitated **access to finance**
- RRF chapter
 - REPowerEU Chapter in the Recovery and Resilience Plans
 - Additional funding from ETS & Higher flexibility for member states to move funds to RRF

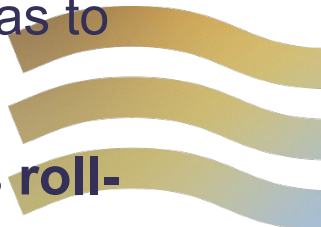


Heat pump measures

- Member States should



- Accelerate deployment and integration of **large-scale heat pumps** by:
 - Develop and modernise DHC that can replace fossil fuels in individual heating
 - Clean communal heating
 - Exploit industrial heat whenever available
- Speed up transposition of the Electricity Directive on active participation
- Make full use of supporting & **pricing** measures:
 - **Reduced VAT** rates for high efficiency heating systems
 - Ensuring energy pricing **encourages switching to heat pumps**
 - Encouraging purchase of more efficient appliances
 - **Remove preferential treatments of fossil fuels** and flat rates for energy
 - Introduce **progressive tariffs** & measures to encourage switch from gas to electricity
 - **Bonus grants** to replace fossil-fuel based boilers
 - Activate financing and **fiscal incentives for fast-tracked heat pumps roll-out**



Heat pump measures

- Member States should



- By 1 July: **Member States should report** on actions they have taken to achieve short-term demand reduction
- Step up implementation and ambitious **updating of the NECPs**
 - Later this year: EC guidance for MS on how to update NECPs in 2024
- Add specific **chapter to Recovery and Resilience Plans**
 - [Guidance on recovery and resilience plans in the context of REPowerEU](#)
 - Support to industry: cover manufacturing capacity of clean-tech equipment, notably heat pumps,
 - Renovation schemes and technologies increasing the energy efficiency of buildings and the decarbonisation of heat, such as heat pump roll-outs,
 - 23/05/22 EC published country specific recommendations



Heat pump measures

- Colegislators are asked to



- Uphold the ambition on **the Sustainable Products Initiative**
- Strengthen ongoing co-decision on **EED**:
 - Increase ambition on **national energy savings obligation**
 - **Stop fossil fuel subsidies**
 - Consistently promote renewable energy technologies
 - Quickly develop energy savings technologies and equipment
 - Strengthen implementation of energy audit results:
 - data centres and use of waste heat should be addressed



Heat pump measures

- Colegislators are asked to



- Strengthen ongoing co-decision on **EPBD**:
 - Introduce **Minimum Energy Performance** standards for buildings
 - To boost renovations encompassing heating and cooling systems
 - With ambitious timelines
 - Pathway to upgrade worst performing buildings from EPC G to D
 - Phase out Member States subsidies for fossil-fuel based boilers in buildings as of 2025 & **redirect to subsidize heat pumps**
 - Strengthen national energy requirements of new buildings through **heating system requirements** and introducing zero-emission standards before 2030 (before 2027 in the case of public buildings)
 - Tighten **national heating system requirements** for existing buildings addressing major renovations and boiler replacements and connection to efficient DH
 - Introduce **national bans for boilers based on fossil fuels** in existing and new buildings by setting requirements for heat generators based on GHG or type of fuel used (e.g. NL, DE)

Heat pump measures

- stakeholders in renewable energy are encouraged to



- Establish a large scale skills partnerships under the Pact for Skills
 - under industrial ecosystems
 - Gathers and inspires commitment from companies, training providers and social partners to (re)skill



Does the REPowerEU include what we need?


 A **Heat Pump Accelerator** combining the following:

 1. Create trust in long-term ambition for heat pumps - need technology clarity

 2. Make clean heating economically most attractive


3. Avoid disrupting current market dynamics:

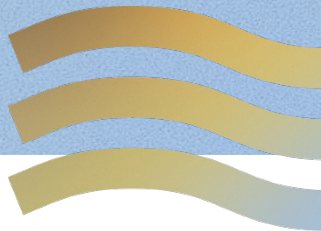
 1. Revising legislation should be in line (Refrigerants, Ecodesign)

 2. Strengthen fit for 55 package

 4. Focus on skills for the energy transition

 5. More R&D

 6. Industrial applications

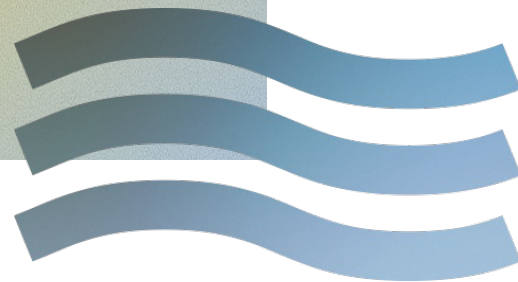


Next steps for EHPA

EHPA demand	What is in REPowerEU	EHPA action
Heat pump accelerator	/ Ramp up production	Advocate for heat pump accelerator => prioritise high level advocacy work with DG GROW + DG ENER
Technology clarity	Doubling installation rate in 5 years to 10 million hydronic HPs	Advocate to include all HP technologies => prioritise statistics and high level advocacy on all HP technologies
Make clean heating economically most attractive	MS are encouraged to do this	Advocate at MS level to implement this and for action at EU level (ETD, ETS2) => prioritise work with national associations
Revising legislation should be in line with ambitious targets	/	Advocate for F-gas regulation, ecodesign and SPI that is in line with REPowerEU => prioritise Refrigerants and Ecodesign
Strengthen fit for 55 package	Many measures	Proper take up of these measures in our interest => prioritise Green Deal
Focus on skills	Stakeholders should establish Large-scale skills partnership under pact for skills	Advocate for further concrete action on skills => prioritise national associations & advocacy on skills DG GROW
More R&D	Innovation fund; IPCEI	Link funding with projects => prioritise projects
Industrial applications	MS to accelerate large scale HPs	Link MS with large scale HP potential => prioritise industrial heat pumps & national associations

Let's discuss

policy@ehpa.org



Investments – how to pay all this?

- REPowerEU entails additional investment of 210 billion eur between now and 2027
- Implementation of the FF55 and REPowerEU will save per year by 2030
 - 80 billion eur in gas import expenditures
 - 12 billion eur in oil import expenditures
 - 1,7 billion eur in coal import expenditures
- Where investments needed?
 - Interconnection & infrastructure needs (elec & gas grids, storage)
 - National investments: Chapter on REPowerEU in RRFs to frontload investments
- How?
 - Amendment of RRF Regulation: additional funding from ETS & flexibility to transfer resources
 - CEF for PCIs
 - MS to consider taxation measures & ETD
 - InvestEU Programme
 - Innovation Fund to cover 100% of bidding by amending ETS Directive

