

Renewable Energy Directive Recast II, Article 23- Mainstreaming renewable energy in heating and cooling

1. In order to promote the use of renewable energy in the heating and cooling sector, each Member State shall endeavour to increase the share of renewable energy in that sector by an indicative 1,3 percentage points as an annual average calculated for the periods 2021 to 2025 and 2026 to 2030, starting from the share of renewable energy in the heating and cooling sector in 2020, expressed in terms of national share of final energy consumption and calculated in accordance with the methodology set out in Article 7, without prejudice to paragraph 2 of this Article. That increase shall be limited to an indicative 1,1 percentage points for Member States where waste heat and cold is not used. Member States shall, where appropriate, prioritise the best available technologies.

2. For the purposes of paragraph 1, when calculating its share of renewable energy in the heating and cooling sector and its average annual increase in accordance with that paragraph, each Member State:

- (a) may count waste heat and cold, subject to a limit of 40% of the average annual increase;
- (b) where its share of renewable energy in the heating and cooling sector is above 60%, may count any such share as fulfilling the average annual increase; and
- (c) where its share of renewable energy in the heating and cooling sector is above 50% and up to 60%, may count any such share as fulfilling half of the average annual increase.

When deciding which measures to adopt for the purposes of deploying energy from renewable sources in the heating and cooling sector, Member States may take into account cost-effectiveness reflecting structural barriers arising from the high share of natural gas or cooling, or from a dispersed settlement structure with low population density.

Where those measures would result in a lower average annual increase than that referred to in paragraph 1 of this Article, Member States shall make it public, for instance by the means of their integrated national energy and climate progress reports pursuant to Article 20 of Regulation (EU) 2018/1999, and provide the Commission with reasons, including of choice of measures as referred to the second subparagraph of this paragraph.

3. On the basis of objective and non-discriminatory criteria, Member States may establish and make public a list of measures and may designate and make public the implementing entities, such as fuel suppliers, public or professional bodies, which are to contribute to the average annual increase referred to in paragraph 1.

4. Member States may implement the average annual increase referred to in paragraph 1 by means, inter alia, of one or more of the following options:

- (a) physical incorporation of renewable energy or waste heat and cold in the energy and energy fuel supplied for heating and cooling;
- (b) direct mitigation measures such as the installation of highly efficient renewable heating and cooling systems in buildings, or the use of renewable energy or waste heat and cold in industrial heating and cooling processes;
- (c) indirect mitigation measures covered by tradable certificates proving compliance with the obligation laid down in paragraph 1 through support to indirect mitigation measures, carried out by another economic operator such as an independent renewable technology installer or energy service company providing renewable

installation services;

(d) other policy measures, with an equivalent effect, to reach the average annual increase referred to in paragraph 1, including fiscal measures or other financial incentives.

When adopting and implementing the measures referred to in the first subparagraph, Member States shall aim to ensure the accessibility of measures to all consumers, in particular those in low-income or vulnerable households, who would not otherwise possess sufficient up-front capital to benefit.

5. Member States may use the structures established under the national energy savings obligations set out in Article 7 of Directive 2012/27/EU to implement and monitor the measures referred to in paragraph 3 of this Article.

6. Where entities are designated under paragraph 3, Member States shall ensure that the contribution by those designated entities is measurable and verifiable and that the designated entities report annually on:

- (a) the total amount of energy supplied for heating and cooling;
- (b) the total amount of renewable energy supplied for heating and cooling;
- (c) the amount of waste heat and cold supplied for heating and cooling;
- (d) the share of renewable energy and waste heat and cold in the total amount of energy supplied for heating and cooling; and
- (e) the type of renewable energy source.