

Fit for 55

Ensuring its success across sectors



Fit for 55 is a set of legislative proposals in the areas of climate, energy and transportation aimed at transitioning towards a decarbonised and sustainable European economy.



Fit for 55 seeks to reduce greenhouse gas emissions by 55% by 2030 in comparison to 1990 levels.



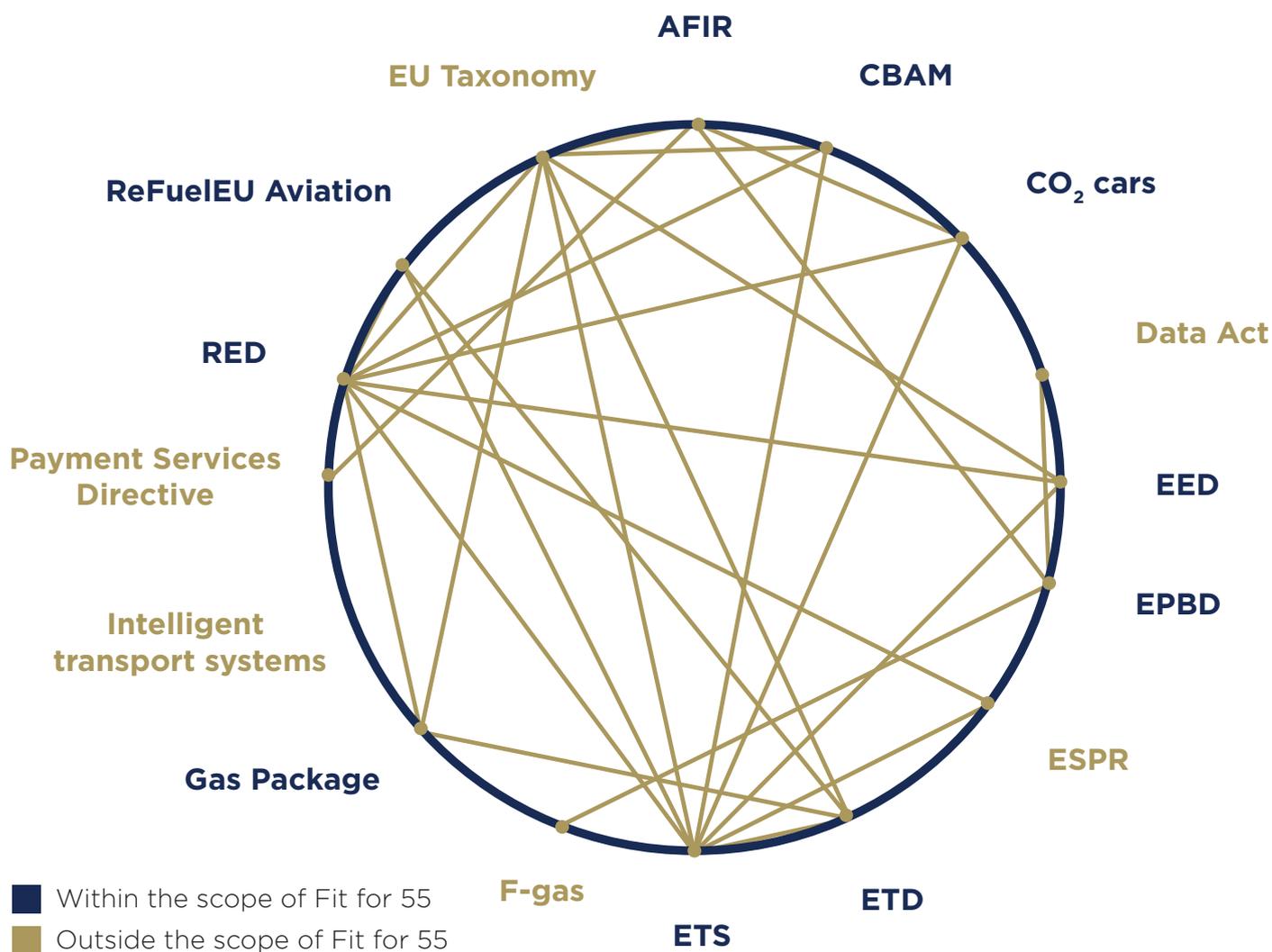
Fit for 55 is part of the European Green Deal, a general action plan to guide the EU to its climate targets and fight climate change.



Fit for 55 aims to fight climate change, and American companies are committed to making it work. All stakeholders must do their part to make Europe more sustainable. Because of its ambitious goals, this wide-ranging initiative impacts many policy areas. To ensure that these targets are met, the package must respect the Better Regulation principles, avoid fragmentation, ensure regulatory certainty and be guided by international cooperation and innovation.

The Fit for 55 legislative ecosystem

The package includes more than a dozen legislative proposals aimed at holistically decarbonising all sectors. To successfully meet this goal, its proposals must be consistent with each other and with legislation outside of the scope of Fit for 55. Pictured below is a selection of these overlapping policy initiatives, including both those in Fit for 55 and those in related legislation.



Acronym	Legislation
AFIR	Alternative Fuels Infrastructure Regulation
CBAM	Carbon Border Adjustment Mechanism
CO ₂ cars	CO ₂ emission performance standards for cars
ETD	Energy Taxation Directive
EED	Energy Efficiency Directive
EPBD	Energy Performance of Buildings Directive
ESPR	Ecodesign for Sustainable Products Regulation
ETS	Emissions Trading System
F-gas	Fluorinated Greenhouse Gases Regulation
RED	Renewable Energy Directive

Areas of overlap: a few examples

We analysed the package’s implications for climate, energy and transportation and identified a series of overlaps between policy initiatives. Below, we feature a small sample of these files to illustrate the diversity of sectors affected as well as the complexity of ensuring consistency across Fit for 55 and beyond. We also outline potential solutions to address the interconnections between this broad spectrum of files.

	Issue	Recommendations
ETS - CBAM	The speed of the EU ETS’ free allowances phaseout must give industry enough time to adapt to CBAM. Without an adequate transition period, the investment climate and European producers’ ability to lower greenhouse gas (GHG) emissions will be impacted.	<ul style="list-style-type: none"> Outline a workable timeline for phasing out free allowances and phasing in CBAM.
EPBD - F-gases	The review of the F-gas regulation proposes making F-gases more sustainable in a way that could limit supply. At the same time, in order to heat buildings more efficiently and reliably, the RePowerEU and EPBD initiatives call for deploying more heat pumps – which require F-gases to run efficiently. The planned phasedown and eventual ban of F-gases with high Global Warming Potential could jeopardise the EU’s sustainability goals as well as its energy ambitions.	<ul style="list-style-type: none"> Ensure consistency between these initiatives to successfully transition heating and cooling systems away from fossil fuels and toward clean electricity. Accelerated deployment of heat pumps requires the use of all available technologies and products.
RED - Gas package	The definition of ‘low-carbon fuels’ varies between Fit for 55’s various initiatives, resulting in complex tax implications that hinder industry’s ability to meet the EU’s climate goals. Furthermore, as written, RED II does not contain the necessary support measures for industry to transition to the use of low-carbon hydrogen, gases and fuels.	<ul style="list-style-type: none"> Clarify the methodology for calculating GHG savings for both low-carbon fuels and renewables. Incorporate technology neutrality to give business every available tool to transition to more sustainable energy sources.
RED - ReFuelEU Aviation	Fuel suppliers and airports are obligated to share sustainable air fuel (SAF) production and uptake amounts to an EU database. This burdensome requirement complicates their efforts to meet the EU’s sustainability objectives. Furthermore, feedstock targets in RED and ReFuel EU are not aligned, while the narrow definition of ‘sustainable feedstock’ could limit the types of materials that can be used to increase SAF production.	<ul style="list-style-type: none"> Allow greater flexibility in the transition period for fuel suppliers to supply the minimum share of SAF as a weighted average of overall aviation fuel they supplied across EU airports. Align SAF targets throughout the Fit for 55 package. Allow diversity in technology and feedstocks as long as they meet sustainability criteria.