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AT A GLANCE: UK WANTS MUTUALLY BENEFICIAL BREXIT DEAL – ACADEMICS PRESENT BLUEPRINT FOR GLOBAL CLEAN ENERGY PUSH – MERKEL CALLS FOR QUOTAS FOR EVS

Edition Content

BREXIT

UK wants mutually beneficial Brexit deal

UK Brexit Secretary David Davis reassured the EU that his country wants a Brexit deal "that works in the best interests of both the EU and the UK".

Barnier and Davis formally opened the **third round of Brexit negotiations on 28 August** — the **first meeting** since the UK published a series of position papers on issues including the customs union, the Northern Irish border and Britain's approach to leaving the jurisdiction of the European Court of Justice.

Davis said that the UK's firm goal "remains to secure a mutually beneficial agreement, that works for people and businesses across Europe," and that "we're ready to roll up our sleeves and get down to work once more," according to the remarks sent by U.K.'s Department for Exiting the European Union.

Davis also told Barnier that the UK's position papers are to form the "basis" of the talks and that the UK wants to "lock in the points where we agree, unpick the areas where we disagree, and make further progress on a range of issues." But in order to do that, "we'll require flexibility and imagination from both sides," Davis said.

The Brexit secretary's remarks did not address a major stumbling block in the talks — the EU's demand that the UK submit a detailed methodology for calculating its financial obligations on exiting the bloc.

While both sides differ on the issue of the Brexit bill, they are expected to secure agreement on one key aspect of trade policy: a deal on reduced-tariff import quotas is expected to be signed off, according to diplomats familiar with the talks. If it can be finalized, it will be the first concrete result from the negotiations.

These negotiations will be the penultimate round of talks before EU leaders decide in October whether "sufficient progress" has been made on separation issues to move on to discussion of a future trade relationship between the U.K. and the bloc.

Source: Politico Pro

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ENERGY EFFICIENCY

Energy Labelling rules enter into force
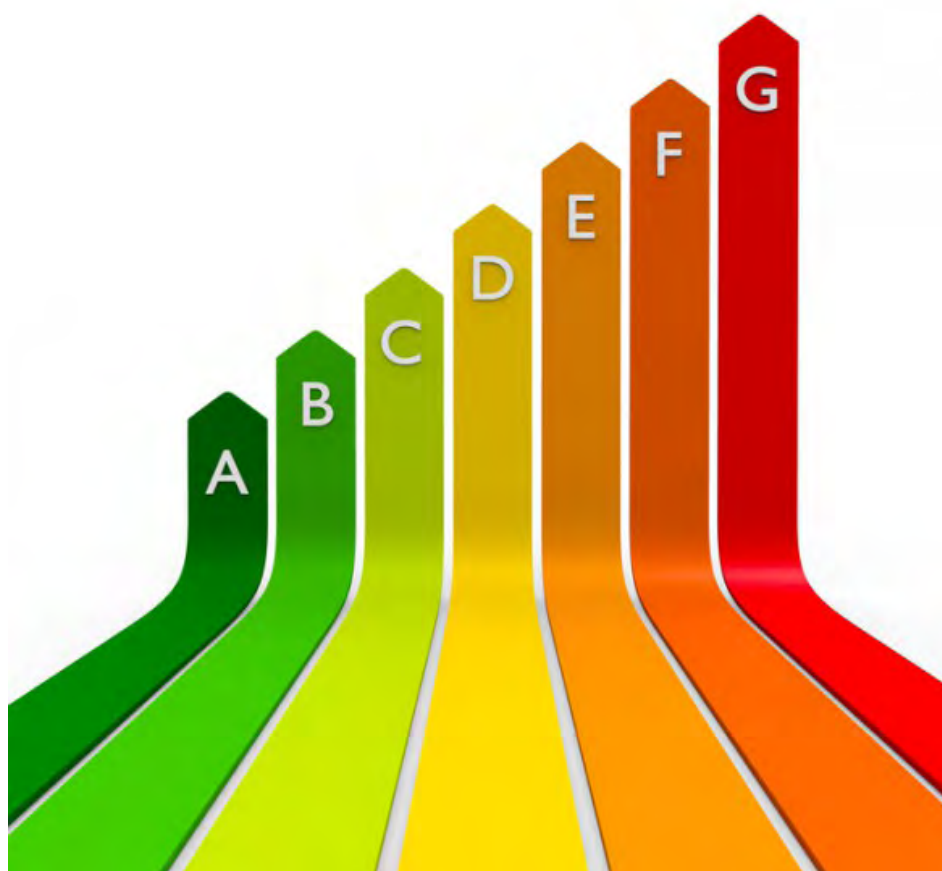
This month the revised energy labelling rules entered into force. The new **rules** come after negotiators from the European Parliament, the Council and the Commission struck a deal in April to replace the current scale for labels, running from A+, A++, A+++, with an A-to-G scale. The labels used will have to show the energy efficiency of products, and industry has one year to comply.

Source: Politico Pro

Edition Content

RENEWABLES

Academics present blueprint for global clean energy push

It is possible to satisfy energy demand for all purposes with 100% renewable sources in 139 countries by 2050, according to a **report** published by scientists at Stanford University.

The report states that solar photovoltaic (PV) and wind would make up the lion's share of the green energy generated. The energy roadmaps for the 139 countries listed in the report — 71% of the world's 195 nations — are "far more aggressive than what the Paris agreement calls for", the scientists admit.

The study expects solar PV to provide 57.6% or 31.7 terawatts (TW) of the total capacity needed, with wind following at 12.5TW representing 37.1% (23.5% onshore and 13.6% offshore).

The plans are "technically and economically feasible", the team of researchers, led by professor of civil and environmental engineering, Mark Jacobson, wrote.

The clean energy roadmap would be achievable for all EU 28 countries, paving the way for significant air quality improvements. For instance, the 100% renewable drive could help Germany prevent between 7,000 and 70,000 annual premature deaths from pollution by 2050, saving billions in health costs in the process, the new study calculates.

The researchers estimate their plans would cost around $124.7 trillion but add that this would be roughly equal to the direct price of fossil-fuel infrastructure during this period. The roadmaps require rapid electrification of the countries' respective energy sectors and consumers making individual changes, including switching to electric heat pumps for air and water heating.

The predictions emerge as EU institutions prepare to negotiate a revision of the bloc's renewables law, with divisions focusing on how strict the 2030 target should be.

The European Commission and countries at the EU Council both favour a 27% goal, while the head European Parliament negotiator backs an EU-wide target of 35% accomplished via binding national goals.

Another controversial front is whether renewables should retain their current preferential access to the EU power grid. Changes to these rules, known as priority dispatch, are being discussed as part of a reform of EU electricity market design.

 Source: Ends Europe

Edition Content

ELECTRIFICATION OF TRANSPORT

German chancellor candidate calls for quotas for electric vehicle manufacturing

Martin Schulz, leader of the German social-democrats and candidate to become Germany's next chancellor, has called for quotas for electric vehicle manufacturing. German carmakers risk falling behind when it comes to electric vehicle technology, Martin Schulz has warned. The SPD leader said carmakers can no longer afford to be "arrogant."

The SPD election candidate unveiled a five-point program aimed at modernizing Germany's car industry earlier this month. Top of the agenda is a quota on electric cars, not just in Germany, but across the whole of Europe. Such a measure is necessary, Schulz said, to advance the technology and secure the industry's future.

The SPD chief, who will face-off against Chancellor Angela Merkel in the federal elections in September, unveiled the plan in the German "Süddeutsche Zeitung" daily.

"When it comes to electric vehicles, the German car industry clearly has to improve," Schulz said in his program. US carmaker Tesla, a pioneer in electric cars, had "been mocked for too long" and German carmakers could no longer afford display their current level of "arrogance."

Schulz also stressed the need for greater investment in the production of battery cells in Germany, and not to rely on foreign manufacturers.

Schulz's plan "to put pressure on carmakers" also proposed a set of new regulations, coupled with spot-check controls on car emission levels. Carmakers and Germany's Ministry of Transport should each conduct independent tests over the next six months to determine how diesel cars, including older models, could be upgraded to become more environmentally friendly.

The SPD candidate's proposals came as the Germany's largest carmaker, Volkswagen, was still reeling from the Dieselgate affair. Over the last two years, further scandals have come to light. Last month, it emerged that Germany's three largest car manufacturers, Volkswagen, BMW and Daimler, had allegedly colluded since the 1990s in an attempt to fix prices to stay ahead of foreign rivals.

During this month's Diesel summit in Berlin, carmakers agreed to install software updates in about five million vehicles to reduce the level of harmful emissions. However, Schulz attacked the resolution, dismissing it as a measure to appease carmakers.

Schulz, a former President of the European Parliament, called for a second summit in the autumn and warned that if the latest round of software updates proved to be insufficient, carmakers would face fines in order to provide the necessary technical upgrades.

Source: Deutsche Welle

Edition Content

ELECTRICITY MARKET - OPINION

Industry calls for 'cost-efficient' demand response push

Demand response aggregation is key to enabling a more flexible power system. The European Commission's draft proposal can be improved to ensure its cost efficient and market based development, a report by DNV GL demonstrates.

With an increasing share of intermittent renewable energy in the market, demand side flexibility provided by demand response (DR) helps meet not only the challenge of the power system's transition, but also benefits consumers by giving them more control over their electricity consumption (See **here**).

The efficient provision of DR is a crucial and versatile source of flexibility that can help the system operator to balance the power system by reducing the imbalance between generation and demand of electricity in real-time. This will have a positive impact on the power system and overall on wholesale markets. Moreover, DR can also contribute to the mitigation of network congestion and, in long run, reduce the need for network extension at distribution level.

The draft proposal of the **Electricity Directive** issued by the European Commission aims at triggering the potential of demand response in the EU, by defining a framework for independent demand response aggregators.

A new study carried out by independent experts from DNV GL on behalf of EURELECTRIC shows that the EC's proposal as it stands risks reducing the economic efficiency of demand response and impacting the energy retail market. Indeed, independent aggregators could sell energy on the market without having paid for it, which may reduce the overall system welfare (See **here**). The lack of compensation also poses a higher risk to small suppliers. Indeed, consumers' DR activations may have a more considerable impact on small supplier's economic situation due to their limited portfolio, thus hampering retail markets' competitiveness.

The **report** reinforces recent recommendations by energy regulators recognizing that 'payment for resold energy is necessary to serve system efficiency and ultimately to keep consumer bills down'. "To avoid any market distortion" says EURELECTRIC Secretary General Kristian Ruby "DR aggregators should have access to all markets and be able to contract freely with consumers. But the Clean Energy Package should also ensure that the energy sold on the market is paid for, it should acknowledge the aggregator's financial responsibility for their imbalances, and implement mechanisms to neutralise these impacts on other market parties".

Authors: Eurelectric

Source: Ends Europe