EU Policy News Bulletin

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**GLOSSARY**

**TRILOGUES**: Informal negotiations between the European Parliament, Commission and Council of the EU to reach an agreement on a specific legislative proposal. Agreement then needs to be formally adopted by the Parliament and Council of the EU.

**MEP**: Member of the European Parliament, a co-legislator within the EU that is made up of representatives from political parties throughout Member States.

**COUNCIL OF THE EU**: Co-legislator, made up of representatives from Member State Governments. Has a six-month rotating presidency, currently held by Austria until the end of 2018.

**REGULATION**: EU binding legislative act which must be applied in its entirety across the EU by all EU Member States.

**RAPPORTEUR**: A Rapporteur is a Member of the European Parliament made responsible for handling a legislative proposal drawn up by the European Commission, both procedurally as well as with regard to the substance of the proposal. The Rapporteur leads negotiations with the other institutions on the dossier and handles the discussions in the responsible committee of the European Parliament as well as in plenary.

**COP24**: Conference of the Parties to the United Nations Framework Convention on Climate Change. These are global conferences hosted by the UN, in the course of which action for climate policy is negotiated.
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**ELECTRICITY MARKET DESIGN**  

**EU fails to agree end to coal subsidies**  

The latest round of talks between the Council of the EU and MEPs on electricity market reforms has concluded without agreement after negotiators failed to reach a compromise on controversial subsidies to coal-fired power stations. The Austrian Presidency of the Council is continuing to push for a delay in the enforcement of the European Commission proposal, backed by the European Parliament, which excludes plants emitting more than 550g of CO₂/kWh from receiving capacity mechanism support from 2025 onwards, intelligence close to the negotiations suggest.

Current capacity mechanisms often subsidize the most polluting coal generators. Campaigners say the Austrian Presidency’s proposals could allow subsidies to continue for some plants until the late 2030s. In the meantime, Member States are divided. Some are backing higher ambition, while a large bloc led by Poland, and including Greece, Ireland, Bulgaria and Romania, are blocking the measure all together. This is according to Florent Marcellesi (Greens/EFA, ES), European Parliament’s lead negotiator on the trilogue negotiations.

Climate campaigners, Climate Action Network Europe (CAN), called on the Austrian Presidency to “hear the calls for more ambition and confront the few laggards who are undermining the EU’s Clean Energy Package”. At the next round of interinstitutional negotiations, scheduled for 18 December 2018, CAN argued that the EU must “put an end to coal subsidies by banning coal from capacity mechanisms, if it is to avoid risking its climate credibility”

*(Sources: ENDS Europe)*
**CO2 EMISSIONS FROM TRANSPORT**

**Council and European Parliament hold diverse positions on CO2 emissions Regulation for trucks**

Member States in the Council appear to favor less ambitious emission cuts than those demanded by MEPs under the Regulation on CO2 emissions from new heavy-duty vehicles, according to a document prepared by the Council’s current Austrian Presidency. The text proposes that CO2 emissions be reduced by 15% “for the reporting periods of the year 2025 onwards”, and “for 2030 and later by at least 30%”.

The document revises the Presidency’s proposals in the light of the amendments adopted by the European Parliament in mid-November 2018. It reflects the same level of ambition for the headline targets as that proposed by the European Commission in May 2018. However, the Parliament pushed for a 35% cut over the decade to 2030, with an interim 2025 target of 20%. The text will be discussed over December with hopes of settling inter-institutional differences ahead of the meeting of Environment Ministers on 20 December 2018.

National governments are expected to display similar divisions to those shown during ongoing negotiations on emissions standards for cars and vans, according to a parliamentary official. In a position paper, the Dutch government is in line with the European Parliament, while Germany sticks to the Commission proposal. France has not signaled its position on the file yet. The other key element concerns the MEPs’ decision to replace the Commission’s ‘super-credits’ by the zero- and low-emission vehicles (ZLEVs) schemes, with a 5% sales target for 2025 rising to 20% by 2030.

Stef Cornelis, Campaign Group Transport and Environment’s Cleaner Trucks Officer, says the Council should therefore “follow the example of the Parliament, delete the super-credit system and replace it by an ambitious benchmark with a bonus malus”. On this point, he argued that the Commission’s proposal “undermines the effectiveness of the regulation and will lead to higher CO2 emissions”. On the contrary, the European Automobile Manufacturers’ Association (ACEA) has stated that the proposed limits and the baseline period, based on improvements compared to average performance in 2019, were “far too aggressive”.

The reference CO2 emissions shall be based on 2019 monitoring data, according to the Commission proposal and the Parliament’s position. However, the Council text changes the reference period to “the period from 1 July 2019 to 30 June 2020”, giving more time to manufacturers to adjust to the new legislative demands.

(Source: ENDS Europe)
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ENERGY EFFICIENCY

Joint Research Centre warns on energy-efficient requirements for AI and Big Data

According to the Joint Research Centre (JRC), the European Commission’s scientific body, Europe should invest in energy-efficient approaches to artificial intelligence as the rise of big data carries a significant environmental cost. “We are seeing a trend towards more decentralised frameworks of edge and fog computing where processing is done closer to the sensors capturing and displaying data,” they wrote in a new 140-page report published this month.

As today’s cutting-edge AI technology requires unprecedented computing power, developers are working on new solutions that process data close to the machines that produce it instead of sending it to cloud servers located thousands of kilometres away. Such “edge” computing would both save energy and reduce the dependency on the providers of cloud infrastructure, many of which are based in the U.S. or China, its advocates argue.

“Industry has started moving in this direction but there is still a window of opportunity for European investment, regulatory frameworks, and standards to shape these developments so that they benefit Europe,” the JRC says in its report.

In the paper titled “Artificial Intelligence. A European Perspective,” the JRC also stresses that the ascent of big data comes with mounting environmental costs, which it calls “one of the often-ignored aspects of AI” - and which, the JRC believes, will become worse as technological developments progress further. “The introduction of the ‘Internet of Things’ and 5G will increase the problem significantly” in the years to come, the JRC writes.

(Source: Politico Pro)
EU appeals to major emitters to accelerate progress at COP24

EU Commissioner for Climate Action, Miguel Arias Cañete, has met with Canadian and Chinese counterparts as EU Member States push for transparent rules, which will be essential for the Paris Agreement to work, at UN climate talks in Poland.

The Climate Commissioner said in press conference on Monday that a portion of the climate talks would be focused on “alliance building” with other major emitters. The EU is hoping that a negotiating partnership with China and Canada can help yield agreement from developing countries to a rulebook that enables countries to compare their emissions cuts and climate actions with others.

“Implementation of the rulebook is the only way to move towards the long-term goal of the Paris agreement,” said Cañete. “A robust and operational work progress consistent with what was agreed in Paris is fundamental to enable parties to implement, track and progressively enhance the contributions. A lot of work needs to be done. We clearly are not there.” Cañete concluded by saying, “There will be no action unless we adopt the rules of the game here and now.”

Cañete was speaking as Environment ministers aim to give political impetus to the largely technical discussions held earlier this month. The first week of talks was tasked with whittling down the negotiating text to fewer, clearer options. The second week was focused on making tough political decisions.

The EU’s role in talks is viewed as crucial to the success of the COP24 meeting because of the bloc’s traditional relationships with large developed emitters such as the US and its outreach to developing countries. But the EU, which accounts for 9% of global emissions, is viewed by some developing countries, and many NGOs as having an uneven record because many of its members remain bound to fossil transport fuels and coal, including COP24’s host country Poland.

Ministers meeting are required to find compromises and forge agreements on five fundamental areas of the Paris Agreement, including Article 4 (mitigation); Article 9 (finance, including money for developing countries to adapt to climate change); and Article 15 (implementation and compliance with what has been pledged and future targets). The EU has set out that while there can be some flexibility on how countries account for and meet their climate targets through Article 5, there “can be no black and white bifurcation”, Cañete told the press conference

(Source: ENDS Europe)
Environmental groups have criticized the European Commission over weakening proposals to make consumer appliances more durable and easily repairable after pressure by industry. The Brussels-based European Environmental Bureau umbrella group (EEB) said this month that in the latest draft of the eco-design and energy labelling regulations, the Commission had abandoned plans to ensure the longevity of products such as lighting, displays, washing machines, dishwashers, and fridges.

Stephane Arditi, EEB’s spokesperson, said the move was a “blow” to consumers and called on Member States to “rescue” the proposals. “EU officials are aware of the societal benefits of responsible design” he said, “and yet they have caved in to pressure from the industry.”

The Commission drafted proposals earlier this year to improve design to make repair easier, make spare parts more widely available, and give technical information to independent repairers. Industry groups say manufacturers have no incentive to artificially shorten products lifetimes as consumers will then purchase from a competitor. Appliance lifetimes, they say, depend on factors beyond a producer’s control such as frequency of use. Between the early drafts of the regulations and the latest, measures to ensure products can be disassembled for repair have been replaced by end-of-life requirements around disassembly for recycling.

Campaigners said the change would only make it easier to destroy and recycle products, not to fix them. Provisions in the early draft giving access to repair and maintenance information to independent repairers has in the latest draft been restricted to “professional” repairers only.

The proposals are expected to be discussed and voted on by Member States from 10 December 2018 until early January 2019, but campaigners expect governments including Germany, Italy and the UK to oppose the most ambitious repairability standards.

(Source: ENDS Europe)
BATTERIES

Efforts to restrict toxic chemicals in conflict with EU battery push

A fundamental principle of the EU’s REACH chemical regime is that it wants to phase out harmful chemicals. But virtually any type of battery production — from traditional lead-acid batteries to the lithium-ion ones that power electric cars — requires heavy metals which are toxic in some way. The EU’s REACH Committee is discussing this month whether to add four lead compounds to the authorization list. This would mean European companies would be prevented from using them unless they apply for special permission. But the effort to clean up pollution and protect workers clashes with the Commission’s effort to boost European battery production, which is crucial for European carmakers to compete against the Asian companies that currently dominate electric vehicle battery production.

According to Lisa Allen, representative of battery makers in the Lead REACH consortium, by adding crucial ingredients of these batteries to the authorization list — with the aim of phasing them out of use entirely — REACH regulators “are effectively short-circuiting the Commission’s battery action plan. “We urgently need a more coherent plan to prevent this kind of disjointed policy-making,” Allen said. “It is damaging for industry and it’s damaging for consumers.”

In this regard, industry is very concerned about a potential ban on lead compounds; although they do not end up in the final batteries, they are necessary for the production process. However, they have also been found to be harmful to the reproductive system and toxic to the environment. Francesco Gattiglio, spokesperson of the Association of European Automotive and Industrial Battery Manufacturers (EUROBAT), said that “We knew this time would come”, acknowledging that the compounds are classified as potentially harmful, but that the industry does not “have any alternatives.” Industry’s stance is that instead of phasing out these substances via authorization, it’s better to set stringent exposure limits and safety standards for workers.

But critics point out that science is not final on whether exposure limits work. “Lead is a ‘non-threshold’ substance, meaning that there is no known level of lead exposure that is considered safe,” Tatiana Santos, senior chemicals policy officer at the European Environment Bureau (EEB), said. “It is therefore not possible to establish an ‘occupational exposure limit’ that guarantees safety, no matter how low the limit is.” She pointed out that if there are no safer alternatives so far and that “businesses can adapt very quickly if they have the right incentives such as regulation.”

The European Commission has launched a number of efforts in recent years to make the EU competitive in manufacturing batteries, including creating the European Battery Alliance and an influx of state aid.

(Source: Politico Pro)