EU Policy News Bulletin
Energy

MARCH 2018

AT A GLANCE: EU FAR FROM REACHING AGREEMENT ON RENEWABLES TARGETS – EU CLOSE TO A DEAL ON ELECTRICITY INTERCONNECTIONS – CO2 EMISSIONS FROM CARS 'UP FOR FIRST TIME IN A DECADE' –GREENING THE POST-2020 EU BUDGET

EDITION CONTENT

BREXIT

EU leaders move Brexit talks onto future trade relations

In March 2018, EU leaders have agreed to guidelines to start negotiations on the framework for the future EU/UK trade relationship that will be set out in a political declaration accompanying and referred to in the final Withdrawal Agreement. This was made possible following progress made on the legal text of the Withdrawal Agreement covering citizens' rights, the financial settlement, and a back-stop position to avoid a customs border in Ireland. The agreement includes a 21-month transition period from the moment the UK officially leaves the EU on 29 March 2019 to the end of 2021. In order to maintain market access during this period, the UK will apply all EU laws but without any representation in the EU's institutions. A joint committee will be set up to handle any disputes, though with the European Court of Justice as the final arbiter. The UK will be able to negotiate and sign, but not implement, trade deals with countries outside the EU during the transition. The talks now focus on the future relationship on goods and services. Given the UK's red lines of leaving the internal market and customs union, the EU has narrowed the scope down to a Free Trade Agreement, with guarantees for a level playing field. The EU is willing to be more ambitious should the UK's position change. To allow time for parliamentary ratification, the framework for the future relationship and the Withdrawal Agreement should be agreed by October 2018.

SOURCE: INTEREL

EDITION CONTENT

RENEWABLES

EU far from reaching an agreement on renewables targets

The Renewable Energy Directive has entered the "trilogue phase" of the negotiations at EU level, meaning that the three main institutions (European Commission, European Parliament and Council of Member States) sit together to find a compromise on a common position. So far, negotiations are turning out to be inconclusive and the file is not moving quickly.

At the current stage, MEPs and national governments remain stuck to their preferred 2030 renewable energy targets of 35% and 27%, respectively. At the same time, Climate and Energy Commissioner Miguel Arias Cañete drew attention to a **report** suggesting a 34% target would benefit the EU economy, which signals that the European Commission is disowning its own proposal for a 27% target in favour of a more ambitious goal.

While technical meetings preceding trilogue negotiations are expected to take place in the forthcoming weeks, and despite the Bulgarian Presidency's expectation to conclude negotiations by June 2018, negotiators already expect discussions to roll on into Austria's Presidency of the Council.

Source: Interel

If you have any suggestions for content, or would like to know more about IEEE's European Public Policy activities, please contact **eppc@ieee.org**. Thank you

©IEEE 2018

The material contained in this newsletter may reflect the opinions of its authors and not necessarily IEEE.

EDITION CONTENT

ENERGY GOVERNANCE

EU close to reach a deal on electricity interconnections

EU institutions are seeking to obtain a compromise on a number of topics as part of the Energy Governance Regulation, including the level of ambition in the internal energy market, of which interconnections are part of. While negotiators around the table, including the European Commission, the European Parliament and Member States, agreed to stick to the Council's position in support of an electricity interconnection target for 2030 of at least 15%, discussions in the "trilogue phase" of negotiations have temporarily stalled and have been postponed to the end of April 2018, given slow progress at the technical level.

In October 2014, the **European Council** called for all EU countries to achieve interconnection of at least 10% of their installed electricity production capacity by 2020. At the same European Council meeting, Member States upgraded the target to 15% by 2030. To help achieve these targets, the European Commission set up an **Expert Group on electricity interconnection,** composed of 15 leading European energy experts from industry organisations, academia and NGOs, as well as the Agency for the Cooperation of Energy Regulators (ACER) and the European Networks of Transmission System Operators for Electricity and for Gas (ENTSO-E and ENTSOG).

Source: Interel

If you have any suggestions for content, or would like to know more about IEEE's European Public Policy activities, please contact **eppc@ieee.org**. Thank you

©IEEE 2018

The material contained in this newsletter may reflect the opinions of its authors and not necessarily IEEE.

EDITION CONTENT

ELECTRIFICATION OF TRANSPORT

CO2 emissions from cars 'up for first time in a decade'

According to a **study** published by JATO, a provider of automotive business intelligence, the average CO2 emissions in the EU's car fleet rose by 0.3g/km last year to 118.1g/km. This rise in average CO2 emissions correlates with a decrease in demand for diesel cars across Europe – which produce lower CO2 emissions than petrol cars – and the rising popularity of SUVs, which emit higher average CO2 emissions.

Following the Commission's publication of its proposal for new CO2 emissions standards for cars and vans, as well as electric vehicle incentives in November 2017, Members of the European Parliament are likely to push for a tougher threshold rather than the 30% reduction by 2030 proposed by the Commission.

MEP and Rapporteur Miriam Dalli is expected to publish a draft report with the Parliament's amendments to the Commission proposal by the end of April 2018, with a vote in the Environmental Committee of the Parliament expected in September 2018 and in the Parliament in plenary session in October 2018.

Source: Ends Europe

If you have any suggestions for content, or would like to know more about IEEE's European Public Policy activities, please contact **eppc@ieee.org**. Thank you

©IEEE 2018
The material contained in this newsletter may reflect the opinions of its authors and not necessarily IEEE.

EDITION CONTENT

FUNDING ENERGY PROJECTS

Greening the post-2020 EU budget

The European Parliament wants the next Multiannual Financial Framework (MFF), the EU's seven-year budget, to foresee funding for climate-related programs for 30% of spending, up from 20%, according to its non-binding **report** agreed on 14 March 2018. MEPs also voted in favor of doubling funding to promote the environment and climate action under a separate program, currently at 0.3% of the budget. The Parliament's position will feed into the Commission's ongoing work to present proposals for the post-2020 budget in early May 2018.

EU environment ministers have recently called for reinforced climate spending in the next EU budget and energy industry groups have argued that EU post-2020 spending should be allocated only to investments that support the bloc's climate and energy goals.

Earlier this month, a **study** prepared for the European Parliament's Industry Committee reported that the role of the MFF in financing the energy transition has been rather limited. While unveiling that EU programmes that contributed the most - European Structural and Investment Funds (ESIF), Horizon 2020 and the Connecting Europe Facility (CEF) - the report stressed that additional investments are required, especially for energy efficiency measures, in order to meet the EU's 2030 climate and energy targets.

Source: Politico Pro and Ends Europe

If you have any suggestions for content, or would like to know more about IEEE's European Public Policy activities, please contact **eppc@ieee.org**. Thank you

©IEEE 2018
The material contained in this newsletter may reflect the opinions of its authors and not necessarily IEEE.