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GLOSSARY

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 Romania until the end of June 2019.

REGULATION: EU legislative act that is binding in its entirety and is to be applied in its entirety across the EU by all EU Member States.

DIRECTIVE: EU legislative act that sets out a goal that all EU Member States must achieve. However, it is up to the EU Member States to adopt their own laws on how to achieve the EU goals enshrined in the Directive.

EUROPEAN COUNCIL: The European Council is made up of the leaders of the EU member states, commonly known as EU27. It defines the EU’s overall political direction and priorities but does not pass laws.

WITHDRAWAL AGREEMENT: The Brexit withdrawal agreement was a proposed agreement between the United Kingdom and the European Union on how Brexit would be implemented.

COMMITTEE: Members of the European Parliament are divided up among 20 specialized standing committees. These committees instruct proposals through the adoption of reports, propose amendments to Plenary and appoint a negotiation team to conduct negotiations with the Council on EU legislation.

AT A GLANCE: EUROPEAN COUNCIL SETS OUT TWO SCENARIOS ON EXTENDING ARTICLE 50 BEYOND 29 MARCH – EUROPEAN COUNCIL POSTPONES DECISION ON NET-ZERO EMISSIONS – EU INSTITUTIONS CLOSE A DEAL ON EU MAJOR FUNDING INSTRUMENTS – EUROPEAN COMMISSION PUBLISHES SUSTAINABILITY TRANSPORT ‘SCOREBOARD’ – NEW EU ENERGY EFFICIENCY LABELS BY 2021 – EUROPEAN COMMISSION PLANS ECO-DESIGN RULES FOR SOLAR PV INSTALLATIONS
**EU Policy News Bulletin Energy**

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**BREXIT**

**European Council sets out two scenarios on extending article 50 beyond 29 March**

On 20 March 2019 UK Prime Minister Theresa May requested an extension to the European Council — until 30 June 2019 — of the deadline by which the UK must reach a deal on its departure or be expelled automatically from the EU without a withdrawal agreement. EU27 leaders met on 21-22 March 2019 and agreed, after long negotiations, on two scenarios extending the deadline beyond 29 March:

If the Withdrawal Agreement is adopted last week of March 2019 by Members of the UK Parliament, there will be a technical extension until 22 May 2019 to allow for implementing legislation in the UK;

If the Withdrawal Agreement is rejected (for the 3rd time), there will be an extension until 12 April 2019 to give time for the UK to indicate the way forward.

The key implications of the decision are that until 12 April 2019, all options remain on the table – deal, no deal, a long extension or revoking article 50. A long extension will only be given if the UK holds European elections, which are scheduled for 23-26 May 2019. No date has been indicated for how long that extension would be. Therefore, 12 April 2019 is now the new official day of departure.

EU 27 leaders avoided being seen as responsible for a no-deal Brexit. The new dates put the pressure on the UK government to find a solution, which will need to secure a positive vote amidst a difficult political landscape. Both the leave and remain camp feel that by opposing the Withdrawal Agreement deal, they get closer to their preferred outcome – a no deal outcome for the Brexiteers and a long extension for the Remainers.

It is worth noting that this a fluid and fast-developing situation, with new information emerging almost on a daily basis.

(Source: Interel)

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Government leaders from all 28 EU Member States discussed in the European Council summit on 21-22 March 2019 the EU’s long-term climate strategy for 2050 and postponed the decision on setting a date for when the EU should achieve net-zero emissions. In a nutshell, EU summit conclusions stressed that the EU should submit “an ambitious long-term strategy by 2020 striving for climate neutrality in line with the Paris Agreement.”

The lack of a mid-century timeline is less than what countries such as France, the Netherlands, Luxembourg, Spain and Denmark had called for, and what the European Commission had proposed in November 2018. Germany and Central European countries such as the Czech Republic, however, opposed including a clear time-frame. The European Council’s conclusions tried to strike a balance between recognising the “specificities” of different Member States in cutting emissions and identifying the “significant opportunities and potential for economic growth” that climate action brings. Following a proposal by the French government, the Council of the EU is required to intensify its work on the long-term strategy ahead of a further discussion in the European Council in June 2019.

Earlier in March, the European Parliament in plenary voted in favour of reaching net-zero emissions by 2050, in line with scenarios set out by the European Commission. Moreover, MEPs called on the Commission to increase from 40% to 55% the emissions reduction target by 2030 compared to 1990 levels. The current 40% target is the EU’s commitment under the Paris Agreement and was agreed by the European Council in 2014.

On a similar note, the European Council also dealt with the EU’s 2030 industrial strategy and addressed the role of a strong EU industrial base for the transition to a climate-neutral economy. They stressed the importance of a supportive, cost-effective and predictable EU regulatory framework and adequate financial support for enabling a successful adaptation to this transition.

(Source: ENDS Europe)
EU'S LONG-TERM BUDGET

EU institutions close a deal on EU major funding instruments

In March 2019, EU institutions reached an agreement in two of the main EU funding instruments for the period 2021-2027 – Horizon Europe and the Connecting Europe Facility (CEF).

Representatives of the Council of the EU and the European Parliament reached a deal on 8 March 2019 on CEF, a fund for EU infrastructure projects. Negotiators agreed the fund should prioritise environmentally friendly projects like rail and charging points for cars using alternative fuels. CEF will fund digital infrastructure projects as well, like installing 5G networks along major transport corridors to facilitate connected vehicles. The deal also includes funding for projects to help Europe’s energy transition toward renewables.

The European Commission’s proposed CEF budget for 2021-2027 is €42.3 billion, with €30.6 billion set aside for transport, including €6.5 billion for “dual-use” military and civilian infrastructure projects. Negotiators decided over the fund’s priorities, but not its size. How much money CEF will have is subject to another negotiation over the EU’s overall budget from 2021 to 2027, known as the Multi-Annual Financial Framework.

Meanwhile, EU institutions reached a political agreement on 20 March 2019 on how the EU will support research and innovation under the Horizon Europe program from 2021. It is the first of the major legislative files for the 2021-2027 budget to reach this stage, following inter-institutional agreements on smaller areas of spending such as the CEF. However, the deal does not cover politically sensitive areas including how much money will be spent and the involvement of the UK after Brexit. Those decisions are waiting on discussions between EU leaders. In 2018 the European Commission proposed to spend €83.5 billion over the seven years starting as of 2021 but the European Parliament wants to raise that to €120 billion.

The deal confirmed that several new programs will be launched from 2021, including a fully-fledged European Innovation Council and new research missions across five areas — climate change, cancer, oceans, smart cities and soil health. Moreover, EU policymakers also agreed on:

- Spending 35 percent of the total budget on climate-related research;
- Parliament will get a say over the research missions and partnerships, including a review planned for 2023;
- 3.3 percent of the budget would be earmarked to improve participation of newer EU states, with efforts by countries to set “attractive salaries for researchers”;
- Mobility research will be incorporated into the energy and climate cluster, instead of being a separate funding stream.

In terms of next steps, the consolidated texts are expected to be finalised before the end of March 2019. They must be adopted by the European Parliament in committee on 2 April and in plenary and by the Council.

(Source: Politico Pro + ENDS Europe)
The European Commission published on 19 March 2019 this year’s edition of the ‘EU Transport Scoreboard’, a benchmark comparing how Member States perform in 30 categories covering all aspects of transport. The goal of the Scoreboard is to help Member States identify areas requiring priority investment and action.

According to this scoreboard, electrification and renewable forms of energy are gaining momentum in the transition to decarbonised mobility. Sweden, which tops the scoreboard in 15 categories, has the highest share of renewable energy in the transport sector, followed by Austria, France, Finland, Slovakia and Portugal, according to the 2016 data used for the survey.

Biofuels are included in this category as of 2011 for those countries that comply with the sustainability criteria established by the 2009 Renewable Energy Directive (RED), which was revised in 2018. Sweden is also the EU country where electric cars had the highest market share in 2017, while the Netherlands had the most electric vehicle charging points at 2.6 per 1,000 urban inhabitants in 2017, the Commission said.

This shows, in Commission’s view, “how the EU further deepens the progress towards a safer, cleaner and more efficient internal market in transport, and promotes the shift towards low-emission mobility”, in line with its recently published roadmap to clean up road transport.

The Netherlands and Finland perform “particularly well” in the efficiency of air, rail and seaport services, the Commission concludes, while noting that “investments in transport infrastructure take time to show effects”. In this regard, the European Environment Agency (EEA) released a report in March 2019 that found that urban air quality management has improved over the past five years in 10 cities, though many challenges remain in tackling a problem closely linked to transport.

(Source: ENDS Europe + European Commission)
**ENERGY EFFICIENCY**

**New EU energy efficiency labels by 2021**

The European Commission adopted in March 2019 new rules on efficiency labels for dishwashers, washing machines and dryers, refrigerators, lamps, and monitors, which also extends requirements to commercial fridges.

The new label design will appear on products sold in shops and online across Europe from 1 March 2021, reintroducing a simpler ‘A to G’ classification in response to concerns that the existing A+ to A+++ made it difficult for consumers to identify the best performing products. They will also include a QR code, allowing access via an app to the European Product Database for Energy Labelling (EPREL), where manufacturers and importers have to register their products, before selling them on the European market. The new measures will become law unless the European Parliament or the Council of the EU lodge an objection within two months.

Environmental and consumer organisations welcomed the new label design, but Coolproducts, a coalition led by the European Environmental Bureau (EEB) and the European Environmental Citizens’ Organisation for Standardisation (ECOS), argued that “the label will remain incomplete” until information on durability and repairability of products will be included. Altogether, the new measures would correspond to €490 a year in savings on household energy bills and €55 billion in extra revenue for European businesses, according to ECOS.

Campaigners also expressed concerns over the old and new systems running in parallel for different appliances. Monique Goyens, director of the European Consumer Organisation (BEUC), urged the Commission to “swiftly rescale the energy label” for other products as well. Stephen Russell, Secretary General of the European Association for the Co-ordination of Consumer Representation in Standardisation (ANEC), warned of easily avoidable confusion. “In 2021, consumers will see the A-G label on TVs while ‘+’ classes will still appear on heaters until 2030,” Russell said.

The European Commission said that the availability of spare parts, ease of replacement and repair information will be included in a package of eco-design regulations affecting these and another five products expected in July 2019.

(Source: ENDS Europe)
RENEWABLE ENERGY

European Commission plans eco-design rules for solar PV installations

The European Commission intends to present recommendations in June 2019 on how sustainability criteria could be applied to solar PV installations, through EU rules covering areas such as eco-design and energy labelling. Solar PV modules, inverters and systems have been under assessment for just over a year now as part of the Commission’s 2016-19 ecodesign work plan. The results may also point towards including solar in green public procurement or eco-labelling requirements. Davide Polverini, the policy officer leading the work said at a solar industry conference in Brussels on 7 March 2019 that all environmental impacts, from solar PV’s clean energy production to material use and waste are being taken into account in the research.

Representatives of the European solar industry suggest that new green standards could become a core part of their value proposition, and notably a way of distinguishing themselves from foreign competitors. Product standards could also form the basis for a rating system in future. Thomas Sauer, President and CEO of Exxergy, a network of energy consultants, is working with the International Electrotechnical Commission (IEC), a standardisation body, to develop such a system for PV investors.

The European Commission recently updated eco-design rules for a range of products, but they do not currently apply to solar panels and related infrastructure. Last year, the European Parliament called on the Commission to broaden the scope of the Eco-design Directive to include solar panels.

(Source: ENDS Europe)