

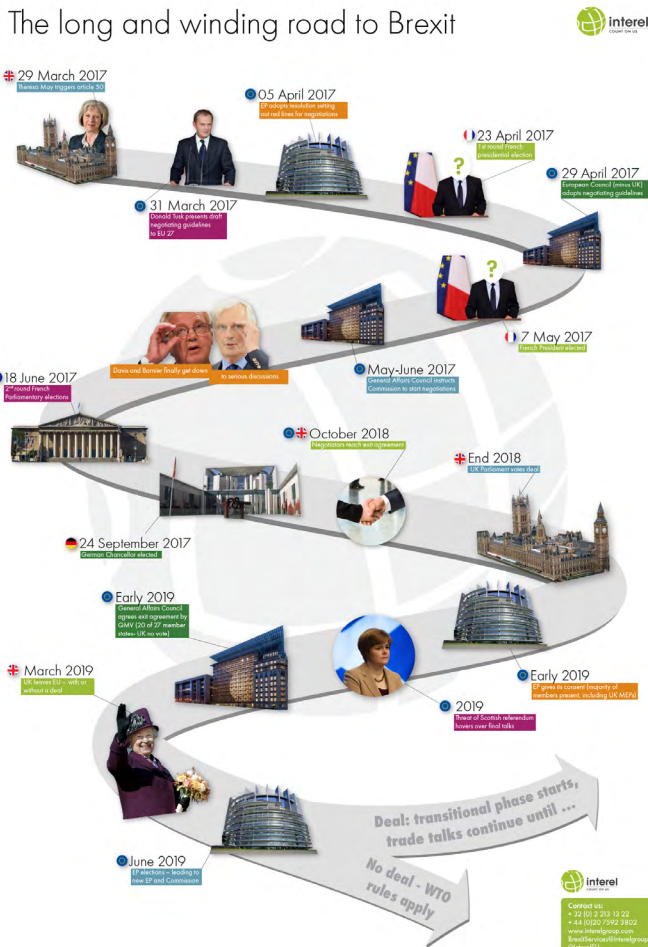
**AT A GLANCE : START OF THE BREXIT TALKS – STRATEGY ON CYBERSECURITY FOR POWER NETWORKS – EUROPEAN CONTRACTORS SEEK CLARIFICATION ON “SMARTNESS”**

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BREXIT

## The exit talks begin



On 29 March Prime Minister Theresa May formally invoked Article 50 of the Treaty on European Union. The UK thereby notifies the European Council that it will be leaving the EU no later than early 2019. The declaration kicks off a two-year negotiation period during which the UK will attempt to reach agreement on the terms of its departure from, and future trading arrangements with, the EU.

Simultaneously the European Parliament is said to make a statement in

its plenary session at the beginning of April that the UK will only be able to negotiate a trade agreement with the EU if it agrees to continue to meet EU environmental standards. The draft resolution reads: *“Any future agreement between the European Union and the United Kingdom is conditional on the United Kingdom’s continued adherence to the standards provided by the Union’s legislation and policies.”*

Among these, it lists the fields of environment, climate change, the fight against tax evasion and avoidance, fair competition, trade and social policy.

The text also rejects any *“piecemeal or sectorial provisions”*, such as in the area of financial services, which would give UK-based companies preferential access to the internal market. But it leaves open the option for the UK to participate in some EU programmes, such as Erasmus, provided that it contributes to their budget.

The draft text, agreed between the political groups at the end of May, outlines the Parliament’s demands for the negotiations on the UK’s withdrawal from the EU following the country’s formal Brexit notification.

It is partially an attempt to influence the guidelines for the negotiations, to be adopted by EU leaders at the European Council meeting on 29 April.

The draft resolution, which will be voted on by the Parliament’s plenary session in April, calls on the negotiations on the withdrawal to start as soon as possible. The Parliament wants the withdrawal agreement and any potential transitional arrangements to enter into force *“well before”* the European Parliament elections in May 2019.

The text stresses that any agreement on the future relationship between the EU and the UK can only be concluded once the UK has withdrawn from the EU. However, it suggests the withdrawal negotiations could already *“take account of the framework of the United Kingdom’s future relationship”* with the EU.

Any transitional arrangements to ensure continuity must preserve the integrity of the EU legal order and cannot exceed three years, it adds.

The Parliament outlines a number of elements that must be addressed in the withdrawal agreement, including the legal status of EU citizens living in the UK and of UK citizens living in EU states. This must be *“subject to the principles of reciprocity, equity, symmetry [and] non-discrimination”*, it argues.

It also calls for a clarification on the status of the international commitments that the UK has taken on as an EU member.

A country leaving the Union *“cannot enjoy similar benefits as a European*

*Union Member State*", the draft argues, announcing the Parliament's intention to reject "any agreement that would contradict this". Finally, it stresses that the UK "must honour all its legal, financial and budgetary obligations, including commitments under the current multiannual financial framework, falling due up to and after the date of its withdrawal".

Sources: [Interrel + Ends Europe](#)

## ENERGY

# Zero-carbon energy sector 'possible' by 2060 ?

The International Energy Agency and its renewables-focused counterpart IRENA published a **report** in which they warned that global energy CO<sub>2</sub> emissions should stay within 790-800 gigatonnes (Gt) between 2015 and 2100 for the world to stand a significant chance (66%) of keeping global warming below the 2°C goal, agreed in Paris in December 2015.



The research, commissioned by the German government, warned that this could prove a "stark challenge" given that the energy sector is already predicted to emit close to 1,260 Gt based on the national emission-curling strategies set out under the Paris Agreement.

To stay within budget, the energy sector's CO<sub>2</sub> emissions must peak before 2020 and then shrink to 9.5 Gt by 2050, according to the report. This represents a 70% fall from 32.1 Gt of CO<sub>2</sub> emitted in 2016.

By 2060, emissions would need to drop to zero and remain there throughout the century, the IEA and IRENA added.

The agencies argued that these steep reductions would require an extra \$29 trillion in investments worldwide on top of the \$116 trillion already needed under current policies.

The fresh funds would need to be re-oriented towards renewables – to increase their share in energy supply from the current 15% to 65% by 2050 – and energy efficiency, they said. This alone could trigger 90% of the targeted emission cuts by 2050, with the remainder accomplished by deploying low-carbon technologies such as carbon capture and storage.

The renewable energy roll-out would also need to extend to transport, resulting in 1.7 billion electric cars on the road by 2050, the report said. Up to two billion buildings – either new-builds or renovated – should be energy-efficient by that year, while the production of liquid biofuels should jump tenfold, the document added.

Source: [Ends Europe](#)

## ENERGY EFFICIENCY

# MEP wants to shift focus Energy Efficiency Directive to energy production

According to the draftsman of the Parliament's report on the Energy Efficiency Directive, Adam Gierek (S&D/PL), the EU should turn its attention to energy savings from the energy sector for bigger gains: "The purpose of the law should be to minimise the use of primary energy from fossil fuels."

The Polish MEP's views received support from his colleague Peter Kouroumbashev (S&D/BG) who said that losses from energy generation, transmission and distribution are "much higher than on the consumption side".

Gierek added that such primary energy savings will depend on

technological development. He argued that the change in focus "does not exclude 40% savings or more if we find technologies for improving efficiency in fossil fuel power stations, for example".

Many MEPs repeated calls to increase the EU's 2030 energy efficiency target to 40% during the debate, which was the first in the committee drafting the Parliament's position on the European Commission's proposal to revise the EED. The Commission proposed a 30% target last November.

However, the EPP group's spokesperson on the file, Markus Pieper, argued that binding targets "are simply a way of looking into the crystal ball" without any knowledge of future crises or innovative technologies that may be developed.

"I'm in favour of 30%, but it should be seen as an indicative target and adapted every few years," he said.

Pieper also called for a sunset clause on the obligation for countries to achieve annual 1.5% savings in energy used by final consumers. He argued that continuing the energy efficiency obligation indefinitely would eventually lead to zero consumption, adding that more flexibility is also needed in achieving the target.

However, MEP Claude Turmes (V/LU) contested the claims, arguing that a 2030 sunset clause would destroy investment certainty. "The worst you can do for an investor is to say that the market will be terminated," he said.

The committee will discuss a draft position, to be drafted by Gierek, at its meeting on 21-22 June. A vote is scheduled for October.

Source: [Ends Europe + Dods Monitoring](#)

# Experts suggest strengthening buildings energy rules

In a **study** published by Ecofys this month, the Brussels-based consultancy finds that simple improvements in buildings could reduce EU greenhouse gas emissions by 61 million tonnes a year by 2030.

The think tank's associate director Andreas Hermelink said the improvements would include fitting individual thermostats to radiators, insulating pipes, and employing hydraulic balancing to optimise the flow of hot water in heating systems

As European lawmakers are currently discussing the EPBD, Ecofys believes such measures should be codified in law: "Thermostatic radiator valves could belong to a series of measures that could be made mandatory," Hermelink said.



Ecofys also modelled a "high performance scenario" - involving additional measures such as deploying automated control and digital monitoring technology - which it concluded would bring a further 65 Mt reduction in annual emissions.

With a drop of 30 Mt expected even without further action, this would cut annual emissions from the sector to 156 Mt below the current level by 2030, the study suggests.

Commercial and residential buildings consume some 40% of energy



in the EU, and are responsible for 36% of greenhouse gas emissions, according to the EU executive.

On average, the energy consumption of buildings could be cut by 30% by 2030, based on an annual retrofitting rate of 3.6% of the technical infrastructure for heating, cooling, ventilation, hot water and lighting, the study suggested.

Ecofys recommends that obligatory *"very short payback, no regret options"* such as thermostats should also be subject to implementation deadlines.

However, André Borouchaki, chief technical officer at the Danish engineering firm Danfoss, which sponsored the study, cautioned against legislating for mandatory targets: *"As soon as you set a target for something, Member States start saying 'oh no, it's impossible. We believe that if Member States are pushed [in the right direction] they will adopt targets at the national level, and we already have the example of Germany."*

In any event, the EU will have to solve the problem of the lax application of the existing EPBD in many EU Member States, which could be mitigated by including better technical guidance.

**Source: Ends Europe + Ecofys**

## ELECTRICITY

### **Strategy on cybersecurity for power networks**

The Commission's DG Energy is preparing a strategy on cyber security for the whole energy sector to reinforce and to complement the implementation of Directive on security of Network and Information Systems (NIS). This Directive was adopted by Parliament and Council in 2016 and is now in its implementation phase by Member States.

In order to assist the Commission in overseeing the implementation process, DG Energy launched the Energy Expert Cyber Security Platform (EECSP), which started work in December 2015.

The platform has been given the task by DG Energy to analyse whether the energy sector is sufficiently covered by existing legislation or if there is a need for more action to achieve an effective cyber security.

In a report published by the EECSP, the group advises to, at a first instance, identify operators of essential services for the energy sector at EU level. This shall be supplemented by a structured risk analysis and risk



treatment plan specific for the highly interdependent European energy sector. Finally, it may be completed by the establishment of two parallel frameworks: one that aims to establish acceptable and efficient governance, at the heart of which is regional cooperation on cyber security topics and the other, to allow the controlled and secure disclosure of vulnerabilities and incidents affecting the energy sector in its crucial role which helps to meet the need for effective communication.

**Source: European Commission**

## RENEWABLES

### **Lead MEP proposes 35% renewables by 2030**

Now that the European Parliament is having its first discussions on the proposed Renewable Energy Directive (RED II), the MEP tasked with drafting the European Parliament's position on the file, José Blanco López (S&D/E), said this month that he would propose a 2030 target of 35%.

This is considerably higher than the 27% proposed by the European Commission in November 2016. Moreover, the Spanish lawmaker also called for binding national sub-targets tailored to each member state.

RED II's predecessor Directive included national targets to support an EU-wide goal of 20% by 2020. But in its proposals for 2030 the Commission proposed only an EU target, raising questions over whether implementation could be ensured.

Speaking at an energy policy summit in Brussels, Blanco López said that legal certainty and a *"crystal clear perspective"* would be needed to encourage further investment in renewables as subsidies are phased out. *"The objective set for 2020 worked well...why should we amend something that worked well,"* he commented. The socialist lawmaker's statement represents a hardening of his previous position, which was that he would not accept a target of less than 30%.

The principle of a binding 27% renewables target for 2030 was agreed by EU government leaders at a summit in October 2014. If Blanco López's new proposal is approved by the European Parliament it will set the assembly on course for a clash with the EU Council in forthcoming negotiations.

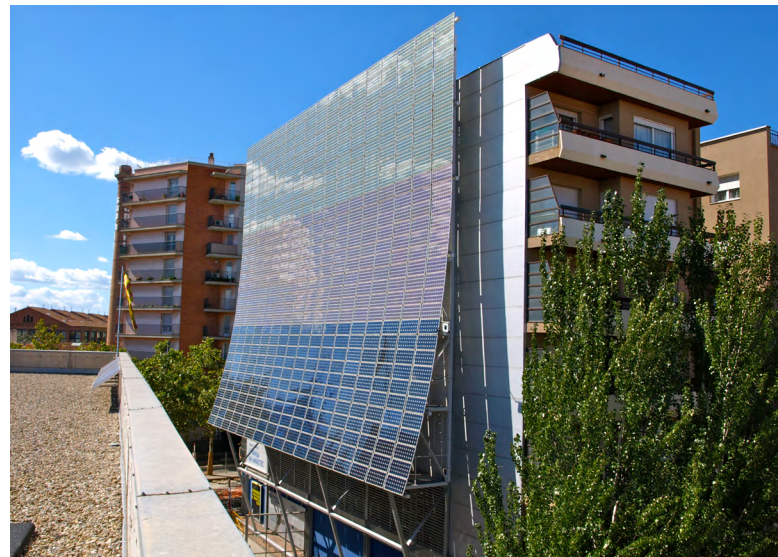
**Source: Ends Europe**

### **Eleven EU states already met 2020 renewables targets**

Under the current Renewable Energy Directive of having a share of 20% renewable energy sources by 2020, some Member States perform better than others in their way to achieving the 20% target. The EU sourced 16.7% of its final energy consumption from renewables in 2015, with 11 Member States already exceeding their 2020 targets.

The official Eurostat data show a slightly higher share of renewables than early estimates by the European Environment Agency in December, which put the EU's overall share at 16.4% in 2015. They confirm a small increase from 16.1% in 2014, which goes some way to closing the gap to the EU's 20% target for 2020.

Sweden had by far the largest share of renewables with 53.9%, followed by Finland, Latvia, Austria and Denmark, which each had a share below 40%.



By contrast, Luxembourg and Malta were at the bottom of the ranking with meagre 5% renewables shares. The Netherlands and France were singled out by Eurostat as the countries furthest away from their national targets.

**Source: Ends Europe**

SMART BUILDINGS

## **European contractors seek clarification on “smartness”**

FIEC, the European federation of contractors, call on the European institutions to better determine what is meant by “smartness” when discussing “smart buildings” or the “smartness indicator”. According to the federation, there is a huge potential for energy savings in the EU building stock, but the good intentions of the proposed revisions to the Energy Performance in Buildings Directive (EPBD) will only have the desired impact if they are matched by effective implementation at national, regional and local level.

Lennart Henriz, Chairman of FIEC’s sub-commission on the Environment, says: *“Although we are completely committed to the digitalisation of buildings, we need to work together with the rest of the construction industry and the EU policy makers, to determine what we mean by “smartness” and how we will measure this. No unrealistic indicators, gimmicky terminology or mandatory use of Energy Performance Certificates, particularly as the latter are not yet reliable or consistent in all countries!”*

The proposed revisions to the EPBD are broadly welcomed, although the Federation insists that any smartness indicator developed to measure the readiness of buildings to use digital control systems, such as those designed to automatically regulate heating and cooling according to occupation levels and user need, is coherent in terms of the forthcoming voluntary assessment framework. This framework has been developed over a period of three years to evaluate the environmental performance of buildings and any separate indicators resulting from the revised EPBD would be a nonsense. New indicators should also be compatible with existing certification schemes already recognised by the market, such as LEED and BREEAM.

**Source: FIEC**