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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.
EU ELECTIONS

Key takeaways from EU Elections 2019

On 23-26 May 2019 European citizens elected a new European Parliament, which will be co-legislating along with the Council of the EU the next five years. The first conclusions arising from the last elections are the following:

1. **Voter turnout rises for first time ever in EU Elections**

   The EU28 turnout passed by little the 50% mark, which is an 8% increase from 2014. Since 1979 turnout has been steadily dropping, going from almost 62% in that year, down to a historic low of 42.6% in 2014. Widespread calls to get out the vote, echoed by many business leaders and EU policymakers, clearly worked and young voters in particular responded.

2. **New reality to find majorities in the Parliament**

   The two until now largest groups, the European People’s Party (EPP) and the Progressive Alliance of Socialists and Democrats (S&D), fell below 50% for the first time (combined total of only 44%). This means that they will need to adapt to the new reality of trying to find a compromise with the Liberals and Greens to secure a majority and decide on top EU jobs and policies. Together they should command two-thirds of the Parliament and deliver the majority needed. Without the Greens, EPP/S&D/Liberals can only command 58%, which probably will not be enough to secure a comfortable majority.

   Therefore, the candidate for Commission President will need to take into account the respective Green and Liberal manifestos. Climate action, fair taxation, a more assertive trade policy (i.e. sign up to the Paris Climate Agreement) can be expected as key priorities.

3. **Greens and Liberals gain momentum**

   Green gains in Germany and France saw the Group reach 70 seats and they will look to influence the EU’s future priorities and demand positions of influence. Meanwhile, the new centre Liberal Group, composed by the Alliance of Liberals and Democrats for Europe (ALDE) and other liberal parties such as the French Renaissance or the Romanian USR+ is an untested coalition of newcomers. There will be internal talks ahead to ensure that their new strength – passing the symbolic
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100 seat mark- is not diluted by internal disputes. However, they will no longer accept being side-lined and will expect, as the Greens, positions and influence to match their increased numbers.

4. Eurosceptics do well but no breakthrough

As expected, Eurosceptics saw remarkable results in France and Italy, with Rassemblement National recording a victory over Renaissance (even though they actually lost a seat) and Lega Norte dominating in Italy. Poor results in Germany, Denmark, Netherlands and Spain will have reduced any thoughts of a major breakthrough of an Eurosceptic super group. This will mean that their influence on the day-to-day operation of the Parliament and its committees will remain limited.

5. Brexit on the EU’s future agenda?

The combination of 29 Brexit Party MEPs and an expected more hard line UK Prime Minister will concentrate the minds of EU leaders on how they can possibly avoid the UK situation negatively influencing the EU’s future agenda. In case the UK leaves at the end of October 2019 as planned, the Parliament will revert to its revised size of 705 MEPs.

In terms of next steps, Parliament’s group leaders will meet in the coming days to demand negotiations with Donald Tusk to ensure EU leaders take account of the results ahead with the Commission nomination process. The European Council is expected to agree a nomination by its next meeting on 20-21 June 2019.

(Source: Interel)
EU ENERGY PRIORITIES

Energy and Climate policy will be a top priority for the next EU Commission

On 9 May 2019 at the EU summit in Sibiu (Romania), EU leaders set their 10 commitments for EU future policies in a high-level declaration. This declaration was meant to set the ground for the future work of the next EU Commission. Amongst the top priority topics, EU policymakers stressed the need for ambitious energy and climate policies for the next Commission’s term (2019-2024).

The current Commission is already prioritising that EU leaders endorse this year the EU’s 2050 strategy aiming at cutting emissions to net zero by 2050. The strategy is now being discussed by EU countries and will be on the agenda of the European Council in June 2019 as well as in the fall and winter. After it is supported by EU leaders, it will be up to the next Commission to propose detailed legislation to implement the 2050 strategy.

In this regard, eight EU countries — Belgium, Denmark, France, Luxembourg, the Netherlands, Portugal, Spain and Sweden — later joined by Latvia, signed a joint paper calling on the EU to cut greenhouse gas emissions to net zero “by 2050 at the latest.” Nevertheless, some climate groups have voiced regret over Germany not joining this call, as it is the responsible for 21% of CO2 emissions. The names of Poland and Italy, both contributing around a tenth of Europe’s GHG output, are also missing.

Meanwhile, Commission President Juncker said in a speech on 9 May 2019 that that the EU should “concentrate on immediate and urgent” climate policies for 2030 rather than a proposed 2050 target defended by the nine EU countries. The current 2030 goal is a 40% emissions reduction target, which the Commission’s own analysis has shown should be reached easily. Updated Commission figures, published last year after the adoption of new EU laws on renewables and energy efficiency, suggested that at least 45% will be achieved. MEPs already agreed in March 2019 that the 2030 goal should be increased to at least 55%.

Moreover, the Commission is looking at setting tax policies that help promote a shift to renewables, energy efficiency measures and a circular economy. In that regard, Commission officials are currently preparing groundwork for an EU energy tax that
the next Commission can propose to help tackle climate change. The evaluation, which is meant to examine how EU governments tax energy in their own countries and suggesting ways to harmonize the bloc’s rules is due to be finished by July 2019.

Intelligence also suggests that the next Commission will present a major legislative reform to the EU’s gas rules in 2020. This is meant to establish new rules for a growing share of decarbonized gas in the EU’s energy mix. Industry’s response is to advocate for greener gas — biomethane, renewable hydrogen, gas formed by burning solid biomass and gas from renewable power (known as power-to-gas). Natural gas is expected to be used in the medium term, but looking at the long term, the Commission might consider setting a green gas target in its upcoming Clean Energy package to stimulate investments.

(Source: Euractiv + Interel)
HORIZON EUROPE

Draft implementation plans of Horizon Europe get leaked

The EU is considering supporting new industry-led research partnerships on space, batteries and sustainable farming under Horizon Europe from 2021 onwards, according to a draft document leaked in May 2019.

Many of the 44 partnerships listed in the document map closely to existing high-profile initiatives under the current EU research program – Horizon 2020, such as the Innovative Medicines Initiative and projects on high-performance computing and clean aviation. The draft dated on 29 April, which contains a list of nine initiatives on climate, energy and mobility, could change significantly before the program starts in January 2021. The European Commission has started planning for the first four years of Horizon Europe after the EU institutions signed off the legislation in April 2019.

A second leaked document contains first details of how the EU will allocate money from 2021 to 2024 across all topics, including health, digital industry, energy and mobility, and food and the bioeconomy. The non-paper, dated on 8 May, is part of a strategic planning process setting out which topics will benefit from EU funding and it is being circulated for feedback from EU national governments.

The Horizon Europe program will be one of the biggest under the EU’s next long-term budget. The Commission proposed spending €83.5 billion over the seven years of the period 2021-2027, and the European Parliament wanted to raise that to €120 billion. The final amount will be discussed and decided by the Council of the EU after the summer.

(Source: Politico Pro + Interel)
Once a year, the European Commission organises the EU Green Week, which primarily focuses on addressing challenges for EU environment legislation. This year’s edition, which took place on 13-17 May 2019, had a particular emphasis on the implementation of EU environmental laws. The EU Green Week 2019 included events across Europe, with the official opening event on 13 May 2019 and a high-level summit in Brussels from 15 to 17 May 2019.

Different EU Commission officials participated in the Green Week and discussed the impacts of clean energy solution on the environment. In this regard, Jane Amilhat, Deputy Head of Unit for Networks and Regional initiatives at the Commission’s Directorate-General for Energy said that the need for a rapid, large-scale expansion of new energy infrastructure to reach net-zero emissions by 2050 poses a challenge to protected areas. She also acknowledged that EU nature protection laws can slow down clean energy developments.

Nicola Notaro, Head of Unit for Nature Protection at the Commission’s Directorate-General for Environment emphasised that the fight against biodiversity loss is as important as the fight against climate change and that legal constraints imposed by the EU’s Strategic Environmental Assessment (SEA) Directive and nature protection laws must inform energy decisions. Moreover, Mr Notaro suggested that is key to make maximal use of existing infrastructure is, for example, to replace old wind turbines with more powerful new ones rather than building new wind farms.

At some point of the discussion, Ms Amilhat told participants that the Commission will be launching a study to evaluate the 2013 Trans-European Energy Networks (TEN-E) regulation, which is meant to accelerate priority energy infrastructure projects, with a view to possibly updating it. Local grid operators had called for a review of the Regulation on the grounds that it is mostly focused on large, cross-border infrastructure rather than more decentralised and demand-side projects. The European Parliament also supported a review on the negotiations for the Connecting Europe Facility 2021-2027.

(Source: ENDS Europe)
EUROPE’S CO2 EMISSIONS FALL IN 2018

On 7 May 2019, the EU’s statistical office (Eurostat) released some preliminary figures that showed that Europe’s CO2 emissions fell by 2.5% last year after remaining almost flat for four years and even rising slightly in 2017.

Eurostat’s early estimate based on national data relates to CO2 output from burning fossil fuels – which accounts for some 80% of the EU’s greenhouse gas emissions – showed wide differences on the rate of reduction across the bloc. Portugal saw the greatest fall, with emissions down 9%, and Germany, which is alone responsible for over a fifth of emissions in the EU, recorded a drop of 5.4%, followed by the Netherlands on 4.6%. At the other end of the scale, Latvia recorded an increase in CO2 output of 8.5%, while Poland, which generates some 80% of its electricity from coal, saw its emissions rise by 3.5%.

Eurostat noted that a country by country comparison is complicated by the fact that national figures are based on the place where fossil fuels are burned, so cross-border imports of electricity from coal- or gas-fired plants would not count towards the emissions in the consuming country. Almost a fifth of EU greenhouse gas emissions – which include substances such as methane measured by the ‘CO2 equivalent’ greenhouse effect – come from areas not covered by the fresh 2018 estimate, mainly agriculture, but also industrial processes and waste management.

(Source: ENDS Europe)