

AT A GLANCE: BREXIT NEGOTIATIONS CAN START – MINISTERS DIVIDED ON ENERGY EFFICIENCY TARGETS – MEPS DIVIDED OVER ELECTRIC VEHICLE QUOTA

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BREXIT

Brexit negotiations can start

This month the Council, meeting in an EU 27 format, adopted the decision authorising the beginning of talks with the UK. The Commission was nominated as the EU negotiator.



Subsequently to that decision, the Commission spelled out **in two new negotiating papers** how, even when the United Kingdom officially leaves the European Union in March 2019, it will still be entangled in the EU's financial and legal systems for years. Call it "slow Brexit."

The Commission said citizens in the process of acquiring EU rights (such as permanent residency in another country in the bloc) should be allowed to finish doing so, and that the U.K. will be liable for certain financial payments, such as the salaries of British teachers at schools for the children of EU officials, until 2021.

The UK would also remain under the jurisdiction of the European Court of Justice while all pending cases are completed, and the UK would not immediately receive upon departure all the capital it has supplied to the European Investment Bank.

Plus, the EU expects the U.K. to pay all of its financial commitments as part of the seven-year EU budget covering the period 2014-2020.

Dods + Politico Pro

ENERGY

IEA publishes report on clean energy progress

The International Energy Agency published a **report** with the state of play on the clean energy transition in 2016. The IEA made an analysis of the existing state of technologies across different parts of the energy sector, which governments are steering their energy systems, what progress is being made and how can their goals be achieved efficiently and cost-effectively.

The report tracks the clean energy progress in the fields of renewables, nuclear, natural gas, coal, chemicals, pulp,...

Overall, the IEA found that in 2016, 3 of the 26 tracked technologies were "green", that is, on track toward a sustainable energy transition: more mature variable renewables (onshore wind and solar),

electric vehicles, and energy storage. While presently representing only a small share of the total energy system, these technologies are rapidly scaling up and continue to strengthen their position as mainstream energy solutions.

Ends Europe + IEA



ENERGY EFFICIENCY

EU energy ministers remain divided on energy efficiency

Despite expectations of an agreement on the EU's 2030 energy efficiency target, countries stuck to their established positions at an informal meeting of energy ministers in Malta.



Member states are still split on the level and bindingness of a 30% energy efficiency target for 2030 and an accompanying 1.5% annual energy end-use savings target proposed by the European Commission in its clean energy package.

One source close to the talks said that to the extent that there was any movement on the overall target, it was in the direction of the Commission's proposal of a binding 30% target.

A group of more ambitious countries, including Germany, Luxembourg, Ireland, Sweden and now reportedly also the Netherlands, support this. But the so-called Visegrad Group – Poland, the Czech Republic, Slovakia and Hungary – are still arguing for a non-binding 27% target.

France, where green activist Nicolas Hulot was appointed energy and environment minister in the new government on Wednesday, supports the 30% target but has yet to join the bandwagon for it to be binding.

If the debate over the headline target is largely political, the proposed 1.5% annual energy savings target needs a lot more technical discussion, one diplomat said.

The debate at the informal confirmed just how divided member states are on this point and the complexity of their concerns. Some of the "unhappy" countries want a lower level of savings, others suggest that this target, too, should be made indicative, and others still want more flexibility to meet it.

The latest Maltese EU presidency compromise text ahead of the informal Energy Council proposed to lower the annual savings requirement to 1.4%. The Czech Republic has reportedly been leading a drive to also make it indicative.

Italy sowed confusion on Thursday with a reported proposal to split the next decade into two periods, with different levels of commitment to savings in each and a review in the middle. The details remained muddled, but energy efficiency campaigners warned that introducing a review clause could create uncertainty amongst investors.

Some member states are also pushing for two new flexibility options: 1) counting additional small-scale renewable energy produced in or on buildings towards the annual energy savings target, and 2) counting the on-going effects of current energy savings measures towards the next decade's targets.

The Commission has warned that the latter would effectively halve the annual savings target to 0.7%. Yet even some of the more ambitious member states reportedly support it.

Ends Europe

UK seeks to weaken EU energy efficiency targets

According to leaked **documents** the UK government attempts to weaken the draft EU climate and energy rules, even as Brexit is underway.

Key renewable energy and energy efficiency targets proposed by the European Commission should be reduced, made non-binding, or even scrapped altogether, the UK said, despite the fact that they would not take effect until after the UK had left the EU.

The move also suggests a Conservative government alter European climate and environment rules once they are transposed into British law via the much-touted Great Repeal Bill.

Caroline Lucas, leader of the Green Party, said this is "a strong indication that, unless we fight back, Britain could become an offshore pollution haven where the environment is in the firing line of an aggressive Government with a blind and brutal deregulation agenda."

A spokesperson for the Department of Business, Energy and Industrial Strategy said: "Any future decisions on energy efficiency policy would be a matter for the next government."

The Conservative Party stated that it is committed to retaining the UK's carbon reduction targets and its support for the Paris climate agreement.

Ends Europe + Greenpeace

ELECTRIFICATION OF TRANSPORT

MEPs at odds over EU electric vehicle quota

Green MEP Bas Eickhout has been urged by fellow lawmakers to consider the impacts of his "ideological" proposal to target a 25% share of electric vehicles (EVs) in all sales by 2025.



Members of the European Parliament's transport committee voiced support for Eickhout's recent proposal for a position on the EU low-emission mobility strategy, tabled by the European Commission last July.

However, Pavel Teli ka, representing the liberal ALDE group, said the Parliament's research services should examine the implications of Eickhout's suggestion that a quarter of all vehicles sold by EU manufacturers should run on electricity by 2025.

Wim van de Camp, from centre-right EPP group, seconded the call. He

argued that more information is needed about fine particle emissions from EVs in cities and their full environmental footprint, urging Eickhout to stick to facts and “leave ideology” to the environment committee.

S&D group member Ismail Ertug argued that technological neutrality is important. “The incentive schemes we set up in Germany were disappointing as EVs were bought by people who could afford it anyway,” he said.

Markus Pieper (EPP) warned that an EV boom could push up electricity demand. This, he added, would contradict the calls for a 40% energy savings goal by 2030 that he noted the Greens support.

Eickhout told MEPs they cannot defend the “myth” of pure technological neutrality while simultaneously backing the promotion of sectors such as biofuels. He argued that ideologies are present “in every political committee” and noted that EV leaders such as Norway are using targets to promote uptake.

Matthijs van Miltenburg (ALDE) and Mark Demesmaecker (ECR) backed Eickhout’s calls for boosting charging points for alternative transport fuels such as electricity. Demesmaecker noted that nine member states have not yet submitted infrastructure plans to that end.

MEPs in the committee will have until 22 May to table amendments to Eickhout’s report, which will be put to a vote on 25 September. The document was drafted at the Parliament’s own initiative and is non-binding.

Ends Europe

RENEWABLES

Lead MEP tables binding national renewables targets

The European Parliament’s lead negotiator on the revision of the EU’s renewables law has proposed to reinstate binding national targets for 2030 to reach a 35% collective target.

A Parliament **position** drafted by José Blanco López, a member of the S&D group, notes that the European Commission proposed the 27% target before the signature of the Paris Agreement.

The draft adds that the lower target was “based on technology cost estimates which have already been shown to be overly pessimistic and are now outdated”.

Blanco argues that binding national targets – set under the current Renewable Energy Directive for 2020 but ditched by the Commission for 2030 – have been a “straightforward” indicator for measuring progress.

Moreover, the lawmaker wants

to add a specific target for the transport sector, requiring each member state to guarantee that at least 12% of energy used in all forms of transport is renewable by 2030.

Elsewhere, the draft position seeks to open up countries’ support schemes by increasing the share of supported renewable energy capacity that has to be open to installations in other member states. Greater openness “will lead to a more efficient and cost-effective levels of support”, **the MEP argues.**

The draft also attempts to safeguard the right of consumers to produce their own renewable electricity. It adds a provision banning governments

from taxing the consumption of self-generated power.

The industry and energy committee is set to vote on Blanco’s proposal in October when it adopts the Parliament’s position on a number of legislative proposals tabled under last year’s clean energy package. Other lawmakers signalled some support for the higher target during the first committee debate in March.

Ends Europe

Council seeks leeway in meeting renewables goals

EU member states are currently discussing a Czech proposal that would allow them to miss annual renewable energy goals on the way to meeting the 2030 target of at least 27%.



The Czech Republic rejects the European Commission’s governance proposal tabled last November, which would require member states to develop renewable energy along a linear trajectory from 2021 towards their 2030 targets. Instead, member states should be allowed to deviate from the trajectory within a specific range.

The leaked paper, distributed to all member states last month, proposes a corridor with upper and lower limits. If member states stay within that corridor, no additional measures would be required even if their efforts to deploy renewables fall short of the linear trajectory.

The same approach should be applied to the achievement of the 2030 energy efficiency target, which the Commission proposed to set at 30%, according to the paper.

The Commission chose to legislate for a binding trajectory to avoid the current situation where some member states are set to miss their 2020 renewables targets. Its renewable energy progress report in February listed the UK, the Netherlands, Ireland and Luxembourg as laggards.

Given the freedom to choose the pace of renewables development, most member states decided to take it easy in the first years, expecting much steeper progress in the final years before 2020.

Environmental campaigners warned that the Czech proposal would allow countries to postpone investments in renewables and cast doubt on the achievement of the 2030 target.

Moreover, it could allow underachieving countries to start their renewables development plans in 2021 below their 2020 targets, they argued. This would happen if the lower limit of the corridor is set below the target.

“A corridor approach makes it almost impossible for the Commission to act if the EU is off-track for meeting its renewable energy target,” said Jean-François Fauconnier, renewable energy policy coordinator at CAN Europe.

However, the Czech Republic argues that the approach would “better reflect inherent uncertainty of the future development given the number of external factors”.

The Czech proposal has already received some support, notably from the UK, France and the Netherlands, according to sources. It was due to be discussed by member state representatives this week again.

Ends Europe

SMART BUILDINGS

MEPs urged not to abandon e-car charging in buildings

The MEP leading renewable energy reforms urged members of the European Parliament’s industry and energy (ITRE) committee on Monday not to abandon plans for obligatory e-car charging points.



“We need to begin work on pre-installing them – this is absolutely essential if we are going to decarbonise transport,” said José Blanco López, lead negotiator in reforms to the EU’s flagship renewable energy legislation. He was speaking during a debate on the revision of the Energy Performance of Buildings Directive (EPBD).

A draft position by the ITRE committee’s lead negotiator on the EPBD reform suggests dropping a requirement to install a charging point for every tenth parking space at commercial buildings, or the necessary cabling in the case of large residential buildings.

The Danish conservative Bendt Bendtsen said mandating the installation of such expensive infrastructure could undermine efforts to encourage private sector investment in building stock renovation. “I suggest limiting the requirements to cabling or pre-tubing, thereby keeping costs at a reasonable level,” Bendtsen said.

Blanco López was supported by fellow centre-left S&D group member Dan Nica, who warned of a potential public backlash if consumers who buy e-cars find it difficult to charge them. MEPs agreed more readily on the need to promote a stable regulatory environment to promote investment in renovation.

Nica warned of the “ridiculous bureaucracy” in Romania that meant a single resident could block large renovation projects.

Green MEP Claude Turmes said he had heard similar complaints in Austria, noting that 80% of the buildings that will stand in Europe in 2050 are already standing today. “If one single owner in a building of a hundred can block a decision, then we will go nowhere,” he said.

Lawmakers have until 8 June to table amendments to Bendtsen’s draft, which will set out the European Parliament’s position in subsequent negotiations with the EU Council, which has also mooted watering down the EPBD proposal.

Ends Europe