AT A GLANCE: UK TO COME UP WITH GUIDANCE ON FUTURE FOR ENERGY SECTOR IN CASE OF "NO DEAL" WITH EU - EUROPEAN COMMISSION CRITICIZED OVER PLANS TO REDUCE GHG EMISSIONS – EUROPEAN COMMISSION DEFENDS ENERGY LABELLING SYSTEM – CARBON PRICE HIKE SET TO CONTINUE – EUROPEAN PARLIAMENT'S DRAFT REPORT PAVES WAY FOR E-TRUCKS

Edition Content

Glossary

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.

EUROSTAT: The Directorate-General of the European Commission located in Luxembourg. Its main responsibilities are to provide statistical information to the institutions of the European Union (EU) and to promote the harmonisation of statistical methods across its member states and candidates for accession, as well as EFTA countries.

TRILOGUES: Informal negotiations between the European Parliament, Commission and Council of the EU to reach an agreement on a specific legislative proposal. Agreement then needs to be formally adopted by the Parliament and Council.

RESOLUTION: Non-binding text, suggesting a political desire to act in a given area. These instruments enable the European institutions to suggest guidelines for coordination of national legislations or administrative practices in a non-binding manner, i.e. without any legal obligations for the addressees, Member States and/or citizens.

ROADMAP: Published by the European Commission to announce a proposal for legislation (Directive or Regulation).
BREXIT

UK government to publish guidance on future for energy sector in “no deal” scenario

The UK’s Department for Exiting the European Union (DExEU) intends to publish technical notices covering the consequences of a “no deal” Brexit on the energy and environment sectors in September.

It follows the release of a first tranche of documents setting out the impact that the UK’s failure to reach a withdrawal deal with the EU would have on various aspects of the economy. The published documents cover issues including agriculture, trade and Value Added Tax (VAT).

This month, Brexit secretary Dominic Raab tried to reassure the public that the government was taking adequate steps to prepare for a no deal scenario.

It is reported that Raab did not sufficiently manage to address the concerns expressed by Energy UK that no deal would have “disastrous consequences” for the energy sector, simply suggesting that the precise moment the government’s contingency plans would come into effect would depend on negotiations and the “relevant votes in parliament”.

Against this backdrop, it is useful to note that the UK is said to be the world’s biggest offshore wind player, with just over 7 gigawatts of offshore wind power capacity already in operation and another 7 GW under construction or secured in contracts. Due to Brexit, it is expected that the EU will lose its most prominent offshore player and contributor to the EU’s renewable energy target.

(Sources: ENDS Europe + Politico Pro)
EMISSIONS REDUCTION

European Commission criticized over plans to reduce GHG emissions

EU Commissioner for Climate Action, Miguel Arias Cañete, has received criticism over his plans to put forward a proposal that would increase the 2030 greenhouse gas emission reduction target from 40% to 45%.

According to previous statements, the EU Commissioner said that the newly agreed energy efficiency and renewables targets mean that the EU can raise its emissions reduction ambition ahead of the COP24 conference in Katowice in December 2018.

Business leaders warned against the proposal, as it would create uncertainty for the industry, while climate campaigners said the increase was insufficient. Among them, the German Industry Federation (BDI) “rejected unilateral EU action” and argued that it would be more useful to focus on how existing goals can be achieved.

Meanwhile, German Chancellor Angela Merkel said in an interview that “constantly setting new goals makes no sense”. The German Chancellor has been reported to be very unhappy with the new proposal, “since many Member States are already today failing to comply with what they promised”.

(Source: ENDS Europe)
The European Commission has responded to a media report claiming that the EU's energy performance labelling system could mislead consumers into buying products that use significantly more energy than they realize.

Under current EU rules, all electrical products are given an energy efficiency rating from A+++ to G. According to the media report, tests used to generate the scores are designed in conjunction with manufacturers and do not necessarily reflect the way consumers use products. Nevertheless, the European Commission kept defending its labelling system arguing that “energy labelling allows consumers to identify the most energy-efficient products on the market” when they are buying new appliances.

Having said that, the EU’s labelling system is currently under reform. Last year, EU institutions agreed that the EU’s energy efficiency labelling system should revert back to the rating A-G scale and replace the current A+++ to G scale for products. Still, the European Commission was recently criticized by stakeholders for deciding to postpone a vote on its new eco-design and energy label package from October to December 2018, or potentially into January 2019.

(Source: ENDS Europe)
EU EMISSIONS TRADING SYSTEM (ETS)

Carbon price hike set to continue

Carbon prices in the EU Emissions Trading Scheme (ETS) could grow as high as 50 euros per ton over the next five years, according to an analysis published by Carbon Tracker.

The think tank indicates that the recent surge in the EU carbon price is set to continue next year, as regulators start transferring surplus emissions allowances from the trading system into a new market stability reserve. This reserve system would seek to address a glut of tradable emissions permits, which has kept the cost of pollution below levels necessary to drive a switch to low-carbon technology.

Finally, the analysis suggests European industry will be largely protected from higher prices thanks to its current surpluses of emissions allowances. However, it argues that prices exceeding 50 euros per ton would likely prompt policy-makers to intervene.

(Source: ENDS Europe)
EU negotiators prepare for next rounds of trilogue talks

Member State representatives in the Council have been working on reforming the EU’s electricity market rules, preparing for trilateral talks with the European Parliament and the Commission, which start again in the fall. According to a new compromise text, the Austrian presidency of the Council is seeking to exclude grids crossing a “bidding zone border” within the same country from counting as “interconnectors.” It will prepare a proposal so ambassadors can establish a common position on the issue in September 2018, according to the draft text. EU Member State representatives had until August 24 2018 to comment on the text.

In terms of next steps, the presidency will seek a new negotiating mandate from country ambassadors on 7 September 2018, ahead of the next trilogue to be held on September 11 2018.

(Source: Politico Pro)
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