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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.

DELEGATED ACT: EU law allows the European Parliament and the Council to delegate to the Commission the power to adopt non-legislative acts of general application that supplement or amend certain non-essential elements of a legislative act.

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.
BREXIT

UK government releases guidance on generating low-carbon electricity in view of “no deal” scenario

The UK’s Department for Exiting the European Union (DExEU) has released its third batch of technical notices on preparations for a no deal Brexit.

The advisory documents published last week by the DExEU cover 24 different areas, amongst which the electricity sector is included. In this regard, the UK government intends to provide advice for electricity generators and suppliers, installers of certain microgeneration technologies, renewable electricity suppliers, and generators on how generating low-carbon electricity will be affected in the event that the UK leaves the EU in March 2019 with no agreement in place.

These technical notices include how rules for Guarantees of Origin for electricity generated from high-efficiency cogeneration will apply in the UK; getting a Renewable Energy Guarantees of Origin certificate from the Gas and Electricity Markets Authority or the Northern Ireland Authority for Utility Regulation; where certificates will be recognized; how the UK and European Economic Area states will recognize installer certification for installers of certain microgeneration technologies; and the implications for support for generating low-carbon electricity, including support schemes like Feed-in Tariffs, Contracts for Difference and the Renewables Obligation.

More technical notices covering the consequences of a “no deal” Brexit on the energy and environment sectors are expected to be published in the upcoming weeks.

(Sources: Politico Pro)
CO2 EMISSIONS FROM TRANSPORT

EP Environment Committee backs 45% CO2 cut for cars and vans

This month the European Parliament’s environment committee (ENVI) backed ambitious plans to reduce CO2 emissions from cars and vans by 45% by 2030. The report on reducing CO2 emissions from cars and vans, produced by a left-leaning Maltese lawmaker Miriam Dalli, was adopted by 38 votes to 23, with seven abstentions.

The draft rules would also set an interim goal of a 20% reduction by 2025. The plans would revise the EC’s draft targets of a 15% reduction by 2025 and a 30% cut by 2030 compared to 2021 levels. Members of Parliament also voted for a stronger sales target for zero and ultra-low emission cars of 20% in 2025 and 40% in 2030, with penalties for failing to meet these targets.

Under the plan, carmakers would be able to lower their overall targets by selling more low-emission vehicles. The ENVI committee also backed plans for a post-2030 emission reduction target for cars and vans, along with a car labelling plan so that consumers could identify green cars. There was also support for a new real driving emissions test (RDE) for measuring CO2 emissions, which will complement the world harmonized light vehicle test procedure – a lab test.

Whereas Non-Governmental Organizations (NGOs) have strongly supported the decision taken by the Environment Committee of the European Parliament, carmakers have widely criticized the result, considering the new targets unrealistic.

In any event, plenary is due to vote on Dalli’s report in the first week of October. If approved, EU lawmakers are set for discussions with the governments of the union’s 28 member states on a final law in a view of reaching an agreement before the upcoming European elections in 2019.

(Source: ENDS Europe)
Norway expresses concerns over a delay on EU funding for CCS projects

Norwegian and Dutch plans to establish large offshore carbon capture and storage (CCS) facilities are being jeopardized by a bottleneck in EU funding, officials said at a policy conference in Brussels on Wednesday, 26 September.

Norwegian plans to become a European hub for the undersea storage of CO2 will be too expensive without external support. According to Bjørn Haugstad, Director of Climate and Technology at Norway’s Energy Ministry, Oslo is currently talking to governments of member states and the European Commission.

Mr. Haugstad expressed that there is a financing gap in the EU’s support mechanisms and these are of particular importance in order to finance the CCS projects. According to EC officials, a new innovation fund based on revenue from the EU emissions trading system could provide a pot of some €10bn for the projects.

However, Mr. Haugstad was concerned on the timeline of this innovation fund, as it is planned with the first call for proposals in late 2020, giving a potential reward in probably 2022. “With the current timeline of our project aiming at a final investment decision in 2020, this timing is problematic,” Haugstad said.

The EC needs to adopt a delegated act to set the implementing rules for the innovation fund. However, the EC wants detailed talks with industry to avoid past mistakes that saw the failure of EU-backed CCS pilot projects.

(Source: ENDS Europe)
EU Policy News Bulletin Energy

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ELECTRICITY MARKET DESIGN
Clean Energy Package due to be finalised by end of year

The Austrian President, who is currently chairing the European Council, is aiming to finalize the remaining files of the Clean Energy Package by the end of the year. This was announced at a European Council informal energy meeting in Linz, Austria by Elisabeth Köstinger their Environment Minister. Reforms are set to include the newly proposed Electricity Directive.

Miguel Arias Cañete, Climate and Energy Commissioner, concurred with Köstinger and said that he was confident policymakers would reach a conclusion by the end of this year under the Austrian Presidency on one of the biggest legislative package that the EU has ever produced in the energy field.

EU policymakers, under the previous Bulgarian presidency, adopted four of the EC’s eight legislative proposals in the package. This includes an agreement to increase Europe’s 2030 energy efficiency and renewable energy targets, an agreement to back revisions to the EU’s Energy Performance of Buildings Directive, and the adoption of the Governance of the EU.

The electricity market design file is one of the last outstanding pieces of the Clean Energy Package. The issue of capacity mechanisms included in the electricity market reforms are set to be widely debated in the coming weeks, as several member states hold varied views on the matter.

The European Parliament and EU Council are set to decide this autumn on whether to restrict capacity mechanisms to power plants emitting under 550 grams of carbon dioxide per kilowatt-hour, a level that would exclude coal plants not fitted with carbon capture and storage technology.

Environmental campaign groups have argued for lawmakers to restrict capacity mechanisms. These groups demand the Austrian Presidency propose new rules that help Europe to meet its responsibility to fight climate change and that a reformed electricity market is fit for renewables, accelerates the low carbon energy transition and ends subsidies for the most polluting power plants.

(Source: ENDS Europe)
Wind industry makes case for sweeping electrification

Electrification of industrial processes, buildings and transport has the potential to cut energy-related CO2 emissions in Europe by 90%, according to a report compiled by Wind Europe, a trade association representing the wind power sector in Brussels.

“With the right policies, it is technically and economically possible to increase the share of electricity in energy from 24% today to 62% in 2050, 78% of which would be coming from renewables,” the report states, before setting out two scenarios: accelerated electrification and a pathway compatible with the Paris Treaty.

It concludes that even an “impeccable” implementation of existing EU policies, covering the period up to 2030, would only lead to a 51% share of electricity in energy use by mid-century, with the bulk of the remainder coming from gas, biomass, and oil.

Wind Europe offers a series of policy recommendations, starting with an increase in the EU’s 2030 emissions reduction target to 45%, as favoured by the European Commission but facing potential opposition from power business lobbies.

It also suggests governments should adjust their tax policies to encourage the use of “decarbonized” energy, and adjust market rules to allow for the exit of “carbon intensive power generation assets,” an issue that is currently the subject of heated negotiations in the European Council.

The report argues that industrial processes could be powered by up to 86% electricity by 2050 – equating to emissions reductions of 88% – while electricity could carry 64% of the energy to power buildings, with a concomitant 70% reduction in related greenhouse gas production.

(Source: ENDS Europe)