**EU Policy News Bulletin**

**Energy**

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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 Finland until the end of December 2019.

**QMV:** Qualified majority is the most widely used voting method in the Council. A qualified majority is reached if 55% of EU Member States vote in favour - in practice this means 16 out of 28, and the proposal is supported by Member States representing at least 65% of the total EU population.

**HORIZON EUROPE:** Next EU’s research and innovation framework programme. The Commission has proposed a budget of € 100 billion for the period 2021-2027. It will replace Horizon 2020 and is meant to provide funding opportunities to public and private partners on research and innovation.
Structure of new Commission unveiled

On Tuesday 10 September, President-elect of the Commission, Ursula von der Leyen (“VDL”), revealed the faces and portfolios of its proposed College of Commissioners. Interel produced an interactive organigramme: follow this link and click on the candidates to learn more about them.

Eight out of the 26 “Commissioner-designate” (one for each Member State, minus the U.K. which is still expected to leave the EU on 31 October and minus Germany, VDL’s home country) will hold the position of Vice-President, each charged with steering and coordinating thematic meetings of the College based on the Commission’s priorities. Of the eight Vice-Presidents, three “Executive Vice-Presidents” will have an additional function of managing a policy area with direct oversight of one or more Directorate-Generals (DGs) of the Commission.

Commission Executive Vice-President Mr Frans Timmermans (S&D, NL) will oversee VDL’s signature policy the “European Green Deal”. His portfolio is vast, ranging from climate policy to the environment, green finance, water, energy, taxes, transport and more. The new setup gives Mr Timmermans much more power over climate policy than the arrangement of the current Commission, where Climate and Energy Commissioner Miguel Arias Cañete combined the Energy portfolio with Energy Union Vice-President Mr Maroš Šefčovič.

The new Commissioner-designate for Energy is Ms. Kadri Simson (Renew Europe, EE), formerly Estonian Minister of Economic Affairs and a Member of the Estonian Parliament. She will be tasked with the rapid implementation of the recent energy efficiency and renewables legislation, and the development of the Member State energy reporting through the national energy and climate plans. Her brief includes the energy transition and the smart integration of the electricity, heating, transport and industry sectors. Under the Commission’s new structure she will report up to First Vice-President Frans Timmermans.

The new College of Commissioners will have to go through Parliamentary hearings in early October, where Members of the European Parliament (MEPs) will examine whether Commissioners’ skills and qualifications match the posts proposed for them. Once the hearings are completed, Parliament will vote into office the new Commission, which is scheduled to start on 1 November 2019.

(Source: Interel)
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BREXIT
EU Commission prepares for no deal with additional funding and extended contingency measures

While the political situation in the UK is changing daily, the European Commission has finalized its no-deal preparations and put forward a plan allowing access for Member States (EU-27) to two special funds to help address the possible economic impact of a no-deal Brexit. Under the new proposal, the EU would “extend the scope of the European Solidarity and the European Globalisation Adjustment Fund to cover serious financial burdens inflicted on Member States directly imputable to a withdrawal without an agreement”.

The Commission has also warned that companies and citizens should be prepared for a no-deal scenario. Among other initiatives, it has published a preparedness checklist for business, proposed technical adjustments in the form of a regulation ensuring basic road freight and road passenger connectivity, and issued a regulation on fishing authorizations. The Commission has also proposed extending contingency measures for basic road freight, road passenger and air links by seven months, if the U.K. leaves the EU without a deal in October.

(Source: Interel)
EU finance ministers discuss the future role of energy taxation

In an informal meeting scheduled on 13–14 September 2019, EU Ministers for Economic and Financial Affairs discussed the role of energy taxation in climate change mitigation. The Finnish Presidency, which chairs EU Council meetings until the end of December 2019, aims to organize regular policy discussions on the subject and to identify and prioritize possible measures.

The discussion was timely because the European Commission has recently published its evaluation of the Energy Taxation Directive, which is meant to put pressure on EU Member States to start working on its revision. Amongst the main objectives of the future revision are the deletion of exemptions for aviation and maritime fuels and “encourage further decarbonisation efforts in these sectors” as well as pushing for a switch from unanimity to qualified majority voting (QMV) in taxation rules.

However, Commission’s plans could prove difficult, as changing rules on taxation have to be unanimously approved by all Member States. Some Member States like Cyprus and Malta already voiced some concerns during the meeting about those plans, since they are very dependent on air travel for tourism. Moreover, other Member States expressed their reluctance to cede their competences in tax matters. Commission and Council will continue discussing further the revision of the energy taxation framework in the coming months, since it is one of the top policy priorities for the incoming Commission.

(Source: Politico Pro + Interel)
Outgoing Transport Commissioner calls on countries to accelerate a green push on road transport

During her last Transport Council meeting on 20 September 2019, outgoing EU Transport Commissioner Violeta Bulc said that EU countries need to boost public transport and clean vehicle infrastructure to encourage people to use their personal cars less. The words of Ms Bulc came in a meeting where EU Transport Ministers held discussions on finding solutions to cut emissions from transport, especially from road transport which currently accounts for around 70 percent of the EU’s greenhouse gas emissions. The purpose was for EU Member States to exchange views with the new Commission on what would be the enabling framework in transport to go towards net zero.

Although Commissioner Bulc recognized that the transition would take up to 20 years, efforts from Member States to promote “seamless and integrated” public transport to persuade motorists to give up their cars need to happen now. In that regard, she indicated that “a key to making cars less attractive is to make them more expensive”. The ongoing revision of the Eurovignette Directive will reform the ways EU countries charge motorists. Countries are expected to take a general approach on the file at their next meeting in December 2019.

Moreover, Ms Bulc added that it is also a perfect time to review the 2014 Alternative Fuels Directive (AFID), which encourages the development of non-traditional fuels like electricity, hydrogen fuel cells and natural gas. The Commission has already started consulting stakeholders on the revision of AFID through an appointed expert group called Sustainable Transport Forum. This is the first step in the revision process and a legislative proposal can be expected by the end of 2020.

(Source: Politico Pro + Interel)
EU Countries announce plans to increase ambitions on renewables and efficiency targets

EU’s Energy Ministers met on 24 September 2019 to address the contribution of the energy sector to climate action. Ministers held a public debate on the European Commission’s communication about the draft National Energy and Climate Plans (NECPs). The discussion was meant to help EU member states prepare their revised national energy and climate plans - due to be presented by the end of the year. This was expected to highlight ways of closing the so-called ambition gaps in energy efficiency and renewable energy. The Commission said in June that draft NECPs are 1.6 percentage points short of the collective 32 percent renewable energy target and 6 percentage points short of the 32.5 percent energy efficiency goal.

Some EU countries announced plans to increase efforts in renewables deployment and energy savings, bringing the EU closer to its energy 2030 targets. Several countries — including Latvia, Slovakia, Romania and Greece — said they plan to boost their contribution in the final version of their NECPs. However, there were some countries like Italy or Poland that were reluctant to increase their ambitions, as doing so would entail significant socio-economic costs difficult to bear. We can expect further discussions between the Commission and Member States aiming at finding common ground and make the NECPs fit for purpose by the end of the year.

(Source: Politico Pro + Interel)
Momentum is building around hydrogen-based technologies

The European think-tank Centre on Regulation in Europe (CERRE) published a report in September that called on the Commission to make available more funding in order to increase the presence of bio-methane and hydrogen, besides setting mandatory targets. European policymakers “must think beyond EU targets and introduce cost-effective support schemes and increase their access to the grid”, the Centre on Regulation in Europe (CERRE) said in its report.

Standards for renewable gases should be set at European level, the study reads, with certificates for the Guarantee of Origin (GOs) made interchangeable between Member States and ensuring compatibility with the EU emissions trading system. CERRE recommends that Member States’ National Energy and Climate Plans should include targets 100% of carbon-neutral hydrogen by 2050, conditional on the deployment of carbon capture and storage (CCS) technology.

In the meantime, the European Commission opened a public consultation for the EU Partnership on Clean Hydrogen in September. The objective of the consultation is to seek the views of stakeholders on the overall need for and the planned focus of the Clean Hydrogen Partnership under the future Horizon Europe, the next research and innovation framework programme. These partnerships will only be implemented in strategic policy areas where other parts of the Horizon Europe programme would not achieve the objectives desired or expected impacts.

The reason of having a EU Institutionalised Partnership on Clean Hydrogen would be to create a strong, innovative and competitive European Clean Hydrogen sector, fully capable of sustaining the European energy transition by accelerating the market entry of nearly-zero carbon hydrogen-based technologies through a specific and solid EU funding programme. The proposed partnership would build on the experience gained in the existing Fuel Cells and Hydrogen 2 Joint Undertaking (FCH 2 JU), but it could significantly revise its scope, expand partners and take account of the strengthened scientific, societal, economic and technological impact criteria of Horizon Europe.

(Source: ENDS Europe + Interel)