EU Policy News Bulletin
Energy

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AT A GLANCE: EU WANTS QUICK AND CLEAR COMMITMENTS FROM UK – MEMBER STATES SUPPORT FOR 27% RENEWABLES TARGET – STUDY ON E-MOBILITY

BREXIT

EU wants quick and clear commitments from UK

On 22 September UK Prime Minister Theresa May delivered a speech in Florence in which she made the following announcements:

- Mrs May called for a 2 year period of implementation for business to adapt to the regulatory changes. During this period existing EU rules and regulations would continue to apply: i.e. ECJ rulings, free movement of people as well as UK payment to the EU budget. She spoke of a double-lock – guarantee for business that there will be a transition to prepare for change plus guarantee that this is time-limited.
- Mrs May ruled out existing models for the future partnership of the UK to the EU i.e. membership of EEA (Norway model) which implies accepting EU rules without influence while an FTA agreement (Canada model) was found too restrictive by the UK regarding mutual market access between the UK and mainland Europe. Mrs May called for a bespoke deal.
- On citizens' rights Mrs May said the UK would incorporate citizens' rights fully into UK law. She also accepted UK courts could take account of ECJ judgements to ensure consistent interpretation.

The day before Theresa May's key Brexit speech in Florence, Michel Barnier, key negotiator for the EU on behalf of the European Commission, addressed the Foreign and European Affairs committees of the Italian Parliament. The key issues he raised were:

- Mr Barnier called for quick and clear commitments from the UK, given the timeline: 6 months since the UK triggered article 50 and 6 months needed for ratification.
- Mr Barnier found that citizens' rights need to be "effectively guaranteed" and that the ECJ must remain the ultimate guarantor of the agreement.
- Mr Barnier was pessimistic as to the model of the future arrangement between the EU and the UK. He did not want the UK to have same benefits as the Norwegian model as well as the limited obligations of the Canadian model.

SOURCE: INTEREL

ENERGY EFFICIENCY

Guidelines on energy performance contracts
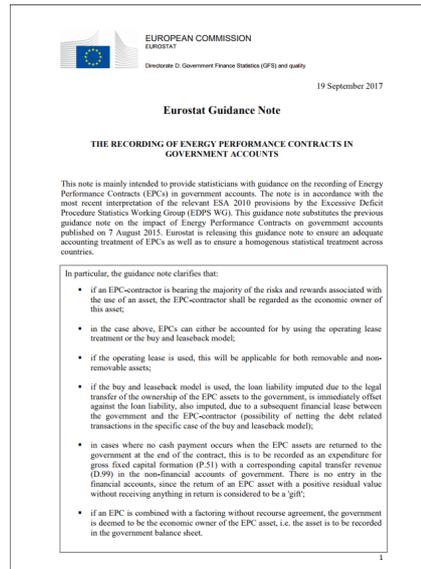
The EU published **guidelines** this month which allows Member States to leave the cost of energy efficiency investments off the books to make a higher 2030 target more feasible.

According to Stefan Scheuer, who heads the Coalition for Energy Savings, an umbrella association of business, local authority, consumer and civil society groups: "EU's legislators will be further encouraged to increase the energy efficiency ambition to 40% by 2030."

The European Parliament's environment committee recently recommended a 40% target, which is 10 percentage points higher than the non-binding target agreed by national governments in June and described by the Parliament's lead negotiator as unrealistic.

The guidance applies to the booking of Energy Performance Contracts, a system specified in the 2012 Energy Efficiency Directive, to enable the retrofitting of public buildings as the initial investment can be covered by a private partner and repaid by guaranteed energy savings.

The European Commission said the guidance note "significantly increases" the opportunities for public bodies to use Energy Performance Contracts by clarifying the conditions in which they can be recorded off government balance sheets.

"Thanks to the revised guidance, it will be easier for schools, hospitals, and other public buildings – which make up more than 10% of the overall EU building stock – to invest for the purpose of improving energy efficiency," EU climate and energy commissioner Arias Cañete said.

Source: Ends Europe

RENEWABLES

EU Council's support for 27% renewables target

EU member states are **discussing** how much of their contribution towards the EU's 2030 renewables target should be delivered by 2025 as they seek common ground on a proposed energy governance law.

The latest draft EU Council negotiating position invites countries to share their views on what percentage of their planned increase in the share of renewable energy between 2020 and 2030 should be deployed by mid-decade.

The governance framework with its reporting obligations aims to ensure that member states meet the EU renewable energy and energy efficiency targets for 2030 in the absence of binding national targets.

The European Commission's **proposal for a Governance Regulation**, tabled in November 2016, required countries to define their contribution towards the overall EU target to source at least 27% of its energy from renewables by 2030 and to set out a linear trajectory from 2021 with a view to meeting it.

The draft Council position, however, abandons the linear approach, leaving open the option of doing less in the early years and catching up later. Such an approach was floated last spring in a Czech proposal, which suggested that member states should be allowed to deviate from the trajectory within a given range.

However, the text maintains the Commission's proposal for a linear trajectory when it comes to countries' contributions towards meeting the collective 30% target for increasing energy efficiency by 2030.

The European Parliament is also debating its negotiating stance on the Commission's proposal. The first draft, tabled jointly by Green MEPs Claude Turmes and Michèle Rivasi, included binding national renewables and energy efficiency targets.

Source: Ends Europe

ELECTRIFICATION OF TRANSPORT

Commission's JRC publishes report on the "revolution of driving".

This month the Joint Research Centre published a **report** outlining a framework for safe & efficient coordinated automated road transport (C-ART). According to the JRC, the future of driving will be radically different from what we know today, as a result of drastic changes that are expected with the introduction of automated and connected vehicles. This report comes at a time when the EU institutions are reflecting on the future of transport and making the European roads and vehicles safer, connected and greener. Regarding the latter the European Commission is now working on revised standards for CO_2 emissions. A proposal for a revised Regulation is expected to be published in November 2017.

Source: Dods + Interel

EDITION CONTENT

Study on how to make half Europe's cars electric by 2030

 A strategy for turning Europe's car fleet from fossil-fuel-powered to electric has been outlined in a **new study for Transport & Environment**, a NGO based in Brussels. It suggests Europe must set a target of electric cars making up more than a half of all new vehicles sold by 2030, and that to achieve this joint efforts must now begin between the EU, member states and industry.

Electric vehicles are likely to gain in popularity, but it remains to be seen whether their evolution will help to tackle air pollution and climate change challenges for which the EU has emissions reduction targets. In particular, if transport is to play its part in reaching the EU's target of a more than 80% reduction in greenhouse gases between 1990 and 2050, all cars and vans will have to be zero-emission by 2050. This means an end to selling cars with an internal combustion engine by 2035.

The report covers all aspects of electro-mobility, from the scarcity of minerals needed for battery production to the cost of owning an e-vehicle, which is likely to be equal to that of combustion vehicles in the early 2020s.

The authors of the report say there is an urgent need for investment in battery production capacity in Europe, because without it there will not be enough batteries to meet demand.

Electrifying half the vehicle fleet by 2030 would raise the demand for electricity, but only by about 4% – yet while this figure is modest, it will come at a time when many nuclear power stations are being decommissioned, so the impact of electro-mobility on electricity demand may be greater, but is also likely to be met by cheaper renewables. The authors also cover the energy profile of battery production which needs to run with low-carbon electricity and use capacity efficiently.