



CEDEC

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## FOR OUR MEMBERS

LIFE Clean Energy Transition call for proposals 2021 is out!

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## “Fit for 55”: Habemus rapporteurs

In a complex game of check and balances, carrots and sticks and basic working hours calculation, the European Parliament committees have nominated their decisionmakers who will be leading the Parliament positioning on the “Fit for 55” package. The Parliament Committee on Industry, Research and Energy (ITRE) will be leading on renewables and energy efficiency. The Committee on Environment (ENVI) will be leading on the European Emission Trading System (EU ETS). Concerning the Alternative Fuels Infrastructure Directive (AFIR) the file will be led by the Committee on Transport (TRAN), with the ITRE and ENVI committees invited to give an opinion. Below a better overview of the key players.

**RED II:** the German Christian-Democrat Markus Pieper will lead ITRE positioning, but we expect Nicolás González Casares (social-democrat, ES), Christophe Grudler (liberal, FR) and Ville Niinistö (green, FI) to also play a decisive role. The liberal Nils Torvalds (FI) will be responsible for the opinion in the ENVI committee.

**EED:** the Danish social-democrat Niels Fuglsang will be leading in ITRE, supported by Pernille Weiss (centre-right, DK), Nicola Danti (liberal, IT) and Jutta Paulus (green, DE). The green Eleonora Evi (IT) will be responsible for the opinion in the ENVI committee.

**EU ETS:** positioning will be in the hands of the German Christian-Democrat Peter Liese in ENVI. The ITRE committee will provide its opinion through the liberal Mauri Pekkarinen (FI).

**AFIR:** the rapporteur for TRAN has not been displayed yet, but we expect the German green Michael Bloss and the Czech conservative Alexandr Vondra to play an important part in ITRE and ENVI.

## EC presents: Communication on tackling rising energy prices

On the 13th of October – reacting to months of worrying increase of energy prices around the globe – the College of Commissioners published a communication on tackling rising energy prices. The communication provides a short analysis of the situation and a “toolbox” to help Member States address the immediate impact of the prices increase and strengthen future resilience. The Commission foresees that the prices will fall from April 2022 onwards, but they will remain above the past years average anyway, and gas storage will be sufficient only if the winter will be “normal”. The “toolbox” delineates immediate measures and medium-term measures.

The **immediate measures** should focus on protecting vulnerable consumers and businesses. These can be financed from the ETS revenues, from levies and taxes on energy prices and from environmental taxes. Among others, the EC suggest to Member States to directly support vulnerable consumers with temporary social payments and to introduce temporary safeguards to avoid disconnection. Also, where levies for subsidies for renewable generation are a consistent part of the consumers’ bills, the governments may consider funding such policies with public revenues so that it relieves temporarily consumers from that part of their bill.

**Medium term measures** instead should focus on strengthening the preparedness to potential future shocks and on reducing the dependence on fossil fuels. This would mean, among others, to optimise gas storage and develop more electricity storage around Europe, to jointly procure reserve stocks of gas, to enhance consumers’ protection and consumers’ engagement, and to boost investments in renewables and energy efficiency.

In conclusion, the Commission states that *“the clean energy transition is the best insurance against price shocks like the one the EU is facing today. It’s time to speed up.”*

## EC presents: Work Programme 2022

Today, the Commission presented its **Work Programme for the year 2022 including its Annexes**. Whereas the key energy-related initiatives under the EU Green Deal have already been published or are still expected in 2021, the next year will bring less initiatives on climate and energy which are relevant for CEDEC members. In 2022, under the headline of ‘A Europe fit for the Digital Age’, the EC will propose new horizontal rules to improve cybersecurity of all connected products and associated services on the Internal Market, which will be called the European Cyber Resilience Act, in Q3 2022. As regards planned revisions, a targeted modification of the current **State aid rules for broadband networks** will be presented in **Q2 2022**. EC will also propose a review of EU rules on fluorinated greenhouse gases (F-gases) in Q2 2022 and adopt, among others, new initiatives on water, air quality, carbon removal certification and measures resulting from the sustainable and smart mobility strategy.

## EC presents: Recommendations on Energy Efficiency First

Following a study the Commission contracted under the title *“Analysis to support the implementation of the Energy Efficiency First principle (EE1st principle) in decision-making”*, the Commission published a **Communication on Energy Efficiency First, including recommendations**. In the corresponding **Annex**, the EC provides further details on the definition of the EE1st principle, identifies key players such as energy suppliers, network operators and demand side management service providers, as well as ways on how the public sector can lead by example. Also, the Annex provides **guidance on the implementation of the EE1st principle**, amongst others in **electricity markets, energy supply and distribution and energy demand (industry and services)** as well as buildings and transport. For energy supply and distribution, the proposed measures in the Annex include i.a. joint infrastructure scenarios building and planning, integrated distribution system planning, and an energy efficiency test for all energy infrastructure projects.

## EP agrees on negotiation positions on TEN-E

At the last Strasbourg plenary early October, MEPs confirmed the decision of the Committee on Industry, Research and Energy (ITRE) to enter into negotiations with the Council, after the ITRE adopted its **report on the Regulation on trans-European networks in energy (TEN-E)**. The EP’s position supports funding the development of hydrogen infrastructure, such as electrolysers as well as carbon capture and storage. Projects based on natural gas will no longer be eligible for EU funding. For natural gas projects from the 4th or 5th list of PCIs, the report foresees a derogation that will allow, under strict conditions, a fast-track authorisation procedure. Very positive is the change introduced by the EP on smart electricity grids, which provides for projects at low voltage to be supported and deletes both the requirement of a compulsory TSO involvement when it comes to DSO projects and the need to involve a Member State border.

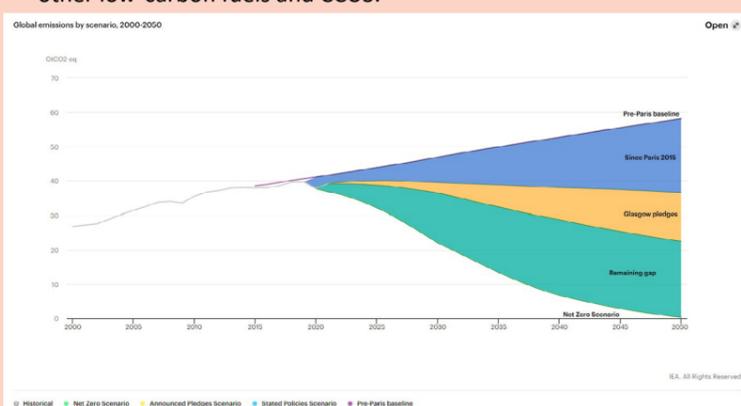
Following the agreement of Member States on 11 June on the **Council’s negotiation position**, the so-called **General Approach** (cf. [July brief news](#) for more details), the EP’s negotiating mandate now paves the way for interinstitutional negotiations (so-called **trilogue negotiations**) on the TEN-E proposal.

## Spotlight on: IEA World Energy Outlook 2021

The most awaited [yearly energy publication](#) is out, giving much food for thought. While positively observing the steady growth of renewables and electric vehicles, the report highlights that the rapid/uneven economic recovery from Covid recession is challenging the energy system with price increases and a rebound on coal and oil.

Interestingly, the Outlook shows clearly the gap between the current climate pledges of governments around the globe and what is needed to keep the global temperature rise below 1.5°C. It also suggests 4 measures that could help bridge the gap:

- *A massive additional push for clean electrification*, which would include PVs, wind and hydropower, but also nuclear power “where acceptable”;
- *A relentless focus on energy efficiency*, to accompany with materials efficiency and behavioural change;
- *A broad drive to cut methane emissions from fossil fuel operations* being the most cost-effective abatement opportunities in the energy sector;
- *A big boost to clean energy innovation*, notably hydrogen-based and other low-carbon fuels and CCUS.



## FOR OUR MEMBERS!

### LIFE Clean Energy Transition call for proposals 2021 is out!

Under the LIFE programme, the Commission is making available €95million funding to project ideas accelerating the EU clean energy transition. The call for proposal will stay open until 12 January 2022. More information on the topics and guidance on the application can be found in the following link: [https://cinea.ec.europa.eu/life/life-calls-proposals\\_en](https://cinea.ec.europa.eu/life/life-calls-proposals_en)

### Reading of the month

[DG ENER, EU energy in figures – Statistical pocketbook 2021](#)



### Ongoing consultations

→ [Public consultation on various files of the “Fit for 55” package – 18 November 2021](#)

→ [Public consultation on digitalising the energy sector – EU action plan – 24 January 2022](#)

### Upcoming meetings & Events

→ CEDEC Working Group on Fit for 55: 21 October 2021

→ CEDEC Board of Directors: 28 October 2021

→ CEDEC Annual Congress: 10 November 2021 (Brussels)