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Stay



Annual Report 2020

Objective of the annual report

CEDEC worked intensively on European energy initiatives throughout the year 2020. This report highlights the most important issues to which CEDEC has actively contributed. Thanks to a continuous proactive involvement with European institutions, CEDEC continued to put forward the strategic role of local and regional energy companies in the European energy landscape in full transition.

This report also features the positions adopted by CEDEC on European energy and climate policies.

For further specific information concerning CEDEC's positions and communications, you are kindly invited to visit our website www.cedec.com

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THE PRESIDENT'S STATEMENT

Dear CEDEC members and supporters,

2020 has been a very challenging year. Worldwide people, companies and politicians were faced with unprecedented challenges, bringing the global and local economy almost to a standstill. In Europe, when the Coronavirus spread as from Spring 2020, citizens, businesses and politics were hardly prepared for such a challenge. Apart from the negative physical and mental health effects of the crisis, many companies have been hit in an unprecedented way by restrictions on people's mobility and consumption patterns.

At the same time, public service companies as providers of services of general interest have a responsibility to guarantee a secure supply of essential services to their customers. This task became particularly challenging for people in the field, as contact restrictions had to be respected. Public utilities had to adapt overnight to this new situation, walking a tightrope between ensuring the safety of their staff and maintaining the continuity of their services. Local public utilities proved their resilience and their trustworthiness even in extremely challenging times.

The sanitary crisis has demonstrated yet again how important local public actors are, supporting society, proactive in their approach and close to citizens. Especially as for many people their home become their office and even classroom, essential infrastructures and services ensuring the permanent availability of electricity, heat, data and video communication, helped to maintain education, public health, and continuity of businesses.

While at EU level the focus of the EU institutions was on providing a European response to the challenges of the sanitary crisis through a new EU recovery instrument, the European Commission continued to deliver on its promise to bring Europe on the pathway towards becoming the first climate-neutral continent by 2050.

As regards the EU Green Deal, more pieces of the complex puzzle are seeing the light. The European Commission unveiled first strategies on the energy system integration and hydrogen and proposed an ambitious new climate target of 55% GHG emissions reduction by 2030. Now that the electricity market

framework has been defined, the Commission is preparing the ground for decarbonising the gas sector. One vital element will be hydrogen, the new “en vogue” energy carrier. The coming months will be decisive to shape the decarbonisation path of the gas sector and to plan the contribution and the roadmap of a new hydrogen economy. To make it right, it will be crucial to ensure that local integrated solutions are given the importance they deserve in the legislative package to come. As we did during the negotiations of the Clean Energy Package, we will need to share our know-how and visionary ideas to inspire the pages of this new chapter.

Speaking of the Clean Energy Package, and in particular of the EU DSO Entity for electricity, I want to particularly thank all CEDEC members for mobilizing their members to register as member of the EU DSO Entity, and for the exceptional solidarity between all CEDEC members to ensure the strongest possible representation of local energy companies in the future EU DSO Entity. I am fully convinced that CEDEC members and local energy companies will be one of the driving forces of the Entity. As it will gather a wide variety of electricity DSOs – diverging in size and business model – it will also be in our hands to shape its decision-making process, making it a democratic, reliable and influential partner in the EU energy landscape.

The economic damage caused by the Covid-restrictions will most probably impact the energy industry for many years to come. But it may equally present opportunities to adapt the investment environment towards climate protection efforts and a sustainable future.

Striving for a more resilient economy and society that achieves climate neutrality through a high level of innovation and competitiveness, with balanced measures that leave no citizens behind. To make this happen, we will continue our efforts to ensure that the EU institutions take the local economic and social opportunities – including those of local energy companies - into account, underlining the fundamental role locally integrated solutions will play in achieving the EU climate goals effectively and efficiently.

Let me conclude by expressing my gratitude to all CEDEC members, for their tireless support and dedicated work despite the challenging times and circumstances we have been facing. It is very encouraging to experience that European values and valuable exchanges across borders do not cease even in times of crisis. I am convinced that we will come out of this crisis even stronger with new innovative and creative ways to make the energy transition a reality.



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A handwritten signature in blue ink that reads "F. Bieberbach". The signature is fluid and cursive.

Florian Bieberbach
CEDEC President

WHO WE ARE

The European Federation of Local and Regional Energy Companies (CEDEC), located in Brussels, represents the interests of more than 1.500 local and regional energy companies, serving 85 million electricity and gas customers and connections, with more than 350.000 employees, and with a total turnover of €120 billion.

CEDEC was founded in 1992 in Brussels and has been actively advocating the interests of local and regional companies active in the fields of electricity, gas and district heating at European level.

"In the process of shaping Europe's energy future, there is no time to waste: Listen to experts from the field, translating their know-how into vision"



85.000.000 consumers



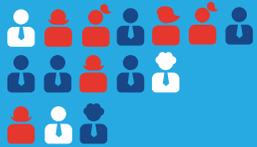
"Linking 85 million European gas and electricity customers, throughout urban and rural, local and regional energy companies"

1500 companies

"1500 local and regional energy companies are ready to contribute to a sustainable energy future"

"Representing local energy companies means representing 350.000 jobs all across Europe"

350.000 employees



WHAT IS OUR MISSION

1 Representing the interests of its affiliated local and regional companies on European level, through a continuous dialogue with policymakers in the European institutions, and through active and constructive contributions to official working groups and Commission Fora;

2 Promoting the exchange of information and technical and economic experience regarding energy distribution between its members on one hand, and between CEDEC and relevant international organisations on the other;

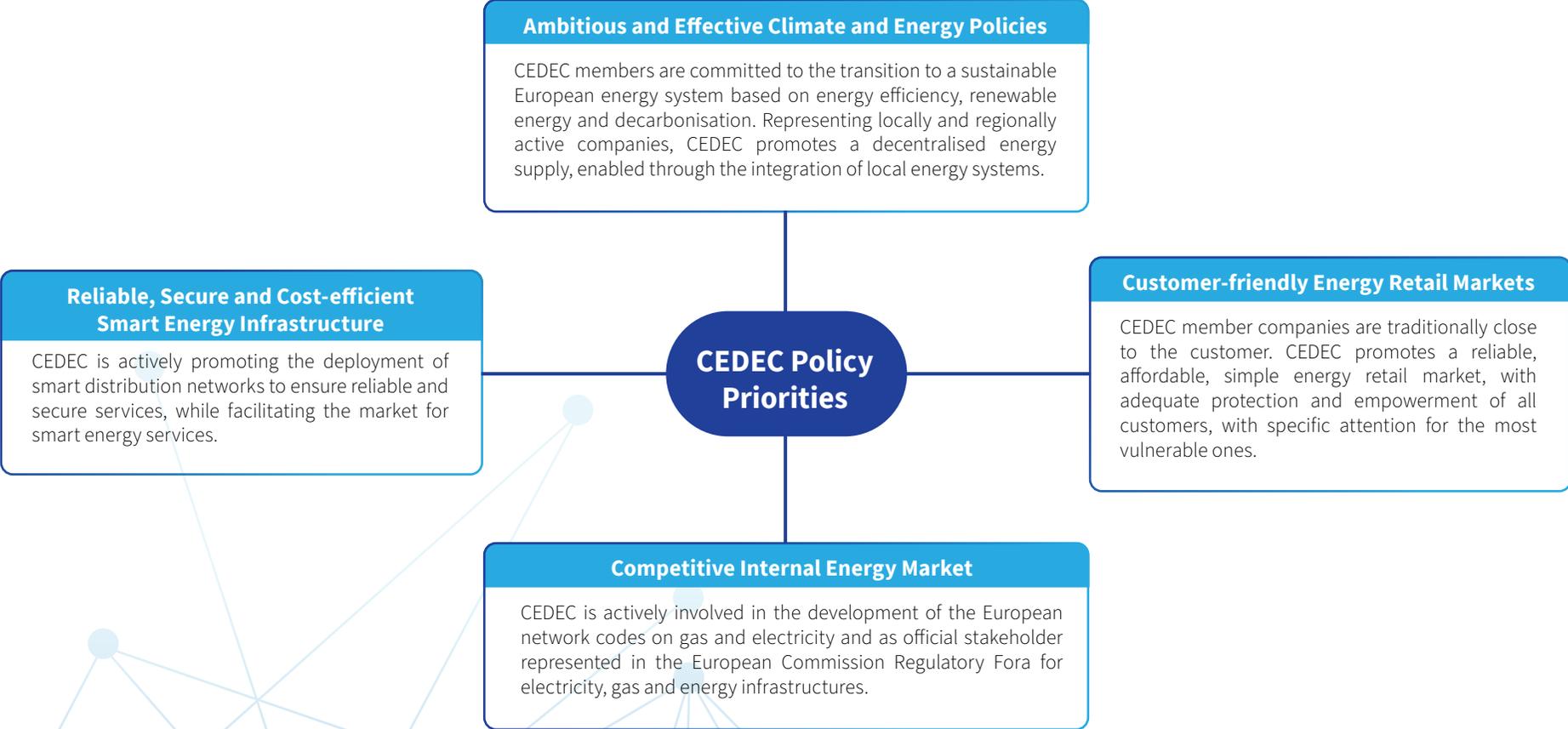
3 Delivering services to its affiliated companies by monitoring and analysing legislative and regulatory initiatives and communicating on relevant topics.



Therefore, CEDEC pursues the following activities, via its diverse organisational structures :

- › **Inform** its members on upcoming and ongoing political initiatives at European level, through Board and Working Groups meetings, seminars and webinars, website & members' portal, and newsletters;
- › **Develop** common positions on relevant policy issues;
- › **Represent** the interests of its members in their relationship with European institutions and international and national organisations;
- › **Organise** internal and public meetings to promote the sharing of experience, know-how and best practices;
- › **Contribute** to energy-related studies and research in the fields of economics, technology and social sciences.

General Policy Priorities



STRUCTURE AND ORGANISATION

As a non-profit association, CEDEC is governed by a Board of Directors elected by the members of the General Assembly. The CEDEC presidency is currently held by Florian Bieberbach, Chairman of the Management Board of Stadtwerke München. The CEDEC President is supported by four Vice-Presidents and the Secretary General.

General Assembly

Board of Directors

President

Florian BIEBERBACH (Stadtwerke München - VKU)

Vice-Presidents

Michel FAURÉ (SICAP - FNSICAE)

Luc HUJOEL (Synergrid)

Rudi OSS (Dolomiti Energia - Utilitalia)

George RODENHUIS (Netbeheer Nederland)

Secretary General

Gert DE BLOCK

The General Assembly and the Board of Directors are responsible for all association-wide decisions while CEDEC Working Groups (cf. page 11) are involved in the preparation of topic-specific policy positioning. During 2020, the Board of Directors took place physically only once on 28 January 2020 (Brussels – Belgium), and then - due to Corona travelling and meetings restrictions – virtually on 24 June 2020, 23 September 2020, and 19 November 2020.

Members of the Board of Directors (31/12/2020)

President

Florian BIEBERBACH (Stadtwerke München - VKU)

Administrators

Marcello BONDESAN (HERA - Utilitalia)

Nicola CECCONATO (ASCOPIAVE - Utilitalia)

(from November 2020)

Michel FAURÉ (SICAP - FNSICAE)

Daniele FINOCCHIARO (AGSM - Utilitalia) (till Aug. 2020)

Peter FLOSBACH (DEW21 - VKU)

Jacques GLORIEUX (INTER-REGIES)

Luc HUJOEL (Synergrid)

Heidrun MAIER-DE KRUIJFF (VKÖ)

Rudi OSS (Dolomiti Energia - Utilitalia)

George RODENHUIS (Netbeheer Nederland)

Xavier ROSEREN (FNCCR)

Elisa SCHENNER (Wiener Stadtwerke - VKÖ)

Stefan SEDIN (Jämtkraft - Elinorr)

Akhobi SITOU (Seolis - ELE)

Marc-Antoine SURER (SiLCOM - Multidis)

Géry VANLOMMEL (Fluvius - Synergrid)

Erik vON HOFSTEN (Lokalkraft Sverige)

Dick WEIFFENBACH (Netbeheer Nederland)

(from July 2020)

Michaël WÜBBELS (VKU)

Experts supporting the Board of Directors

Isabelle CALLENS (ORES - Synergrid)

Mirco CALIARI (AGSM - Utilitalia)

Eric DAVALLE (SIE - Multidis)

Francesco DELFINI (FNSICAE)

Falk ENGELMANN (VKU)

Marie-Pierre FAUCONNIER (Sibelga - Synergrid)

Dieter GISIGER (SEIC - Multidis)

Pascal GRIMAUD (Soregies - ELE)

Yves RAGUIN (FNCCR)

Konstantin SCHÖFMANN (VKÖ)

Björn TER BRUGGEN (Sundsvall Elnät - Elinorr)

Christian VIAENE (Sibelgas - Synergrid)

Commissioners

Pascal GRIMAUD (Soregies - ELE)

Jacques VANDEBOSCH (INTER-REGIES)

CEDEC Headquarters

Gert DE BLOCK – Secretary General

Catherine BIREN – Office & Event Manager

Monica DI PINTI – EU Policy Officer

Marc MALBRANCKE – Coordinator Network Codes

Andrea PRZYBYLA – EU Policy Officer

Working Groups

Experts from CEDEC members (both from associations and companies) develop positions on specific policy issues in the **Working Groups**, which meet either on regular or ad-hoc basis depending on the policy priorities.

WORKING GROUP “ENERGY AND CLIMATE”

The Working Group “Energy and Climate” focuses on the Commission’s proposals linked to the EU climate agenda and the European Green Deal, including energy efficiency and RES targets & policies, sustainable finance and the EU ETS scheme.

WORKING GROUP “SMART GRIDS”

The Working Group “Smart Grids”, chaired by Paul De Wit (Alliander – NL), focuses on the different strategic and operational aspects of smart electricity grids. The new roles and responsibilities of DSOs as market facilitator, the increasing use of flexibility tools, as well as management and communication of data regarding smart meters, play a central role in the discussions.

WORKING GROUP “GAS”

The Working Group “Gas”, chaired by Peter Jakwerth (Wiener Netze – AT), treats strategic European gas topics that are relevant for local and regional gas companies and the gas DSOs, including upcoming EU gas legislation, sectoral integration, terminology for renewable and decarbonized gases, methane emissions and the role of gas DSOs in the energy transition.

WORKING GROUP “DIGITALISATION”

The Working Group develops positions and produces recommendations on legislative proposals related to digitalisation of infrastructures, services and data. The Working Group also analyses the interlinkages with already existing legislative measures on related topics (i.a. GDPR, NIS Directive, PSI Directive, ePrivacy, Cybersecurity Act, etc.)

WORKING GROUP “NETWORK CODES ELECTRICITY”

The Working Group “Network Codes Electricity”, chaired by Marc Malbrancke (Synergrid – BE), followed up on the development and the implementation of the European Network Codes for Electricity, and on the impact of those codes on Distribution System Operators (DSOs).

WORKING GROUP “GRID TARIFFS”

The Working Group “Grid tariffs” analyses different grid tariff models and related regulatory approaches throughout the EU Member States, and continues to develop future-proof concepts for grid tariff structures.



WORKING GROUP “CONSUMERS”

The Working Group “Consumers” works on issues related to the functioning of the energy retail markets for all types of consumers, including for the most vulnerable ones. It closely follows the activities in this field of the EU institutions and the Council of the European Energy Regulators (CEER).

WORKING GROUP “TRADING”

The Working Group “Trading” handles subjects regarding wholesale markets in a broad sense, as f.e. MIFID, REMIT, capacity mechanisms and balancing issues.

TASK FORCE LOCAL BROADBAND

This task force focuses on monitoring EU legislation in the area of fiber, broadband and digitalisation as well as advocacy with the European Commission, BEREC and other relevant EU organisations.

MEMBERSHIP BENEFITS

CEDEC membership entails multiple benefits for local and regional energy companies who wish to actively engage at European level:

INFORMATION

Receive the most current policy updates and top-level analysis;

INFLUENCE

Shape European policymaking through your contribution to CEDEC positions;

EXCHANGE

Share knowledge and best practices in CEDEC working groups and webinars;

VISIBILITY

Ensure the representation of local and regional actors on European level through CEDEC communications and actions.

How to join us?

CEDEC membership is open to all associations and companies with an interest in the European energy sector (local generation, grids, metering, supply and energy services, broadband and digitalisation), representing activities on local or regional scale and/or with local shareholders.

For more information please contact info@cedec.com.



CEDEC POLICY PRIORITIES 2019-2024

The 2050 energy and climate challenges

DECARBONISE, DECENTRALISE, DIGITALISE

While the Clean Energy Package is paving the way for an ambitious trajectory towards 2050 targets, the European Green Deal needs to kickstart the realisation of full decarbonisation throughout all EU policy frameworks.

The energy transition needs additional incentives for making it real, including at local level, through sectoral integration and by maximising the potential of local resources.

A roadmap with intermediate steps in 2030 and 2040 is needed to create visibility for investors, big and small, private and public. In respect for future generations, the ambitions must be set high to ensure that the mission becomes possible.

Decentralised is the new normal - Local and digital, close to citizens and customers

Make sectoral integration happen locally - Linking electricity with gas, heat and transport

From natural gas to renewable and decarbonised gases - Realising the potential

Sustainable financing - Transforming energy infrastructures

The digital energy (r)evolution - Opportunities and challenges for the industry and stakeholders

A just and inclusive transition - Getting all on board

Implementing the Clean Energy Package

Respect the balance between European solutions and subsidiarity

The Clean Energy Package has reviewed all strategic lines in the existing EU legislation on energy.

Its implementation should now respect the spirit of the agreements between Commission, Parliament and Member States.

New designs have been agreed, new lines have been drawn, new concepts have been developed. Taking into account the large diversity between member states, in types of economic actors, market dynamics, renewables potential and energy mix, the balance that was found between European solutions and subsidiarity must be respected to ensure effective and efficient answers to the unprecedented challenges ahead.

SOME COMMUNICATION HIGHLIGHTS

27.01.2020 European Commissioner for Energy Kadri Simson welcomes the opinions of CEDEC and other Distribution System Operators on integrated energy systems.

On 27 January, CEDEC and Distribution System Operators exchanged views with Kadri Simson, the European Commissioner for Energy, on synergies that combined systems for energy, transport & heating can provide at local level. The Commissioner’s approach of integrated, local energy systems was very much appreciated.



11.06.2020 EUSEW event on District Heating

The climate neutrality ambition in the European Green Deal requires efficient solutions for sustainable energy. In the framework of the EU Sustainable Energy Week, CEDEC has joined forces with the European Covenant of Mayors and COGEN Europe in a virtual session to provide interdisciplinary perspectives and share experiences on district heating as a sustainable energy solution on the local level.

18.06.2020 Joint letter on key enablers for a fast, safe and affordable decarbonisation of buildings

This alliance of European associations addressed a joint letter to the European Commission on future applications for renewable and decarbonised gases, sector coupling, and innovative heating technologies – all considered as key enablers for a fast, safe and affordable decarbonisation of buildings.



18.11.2020 Annual Congress 2020: Local integrated energy systems for an Inclusive energy transition

The CEDEC annual Congress was held virtually for the first time and attracted more attendants than ever before, including an impressive set of high-level speakers, and a large audience of participants from local energy companies, international organisations, European Institutions and Member State representatives.

CEDEC's President and SWM München CEO, Dr Florian Bieberbach opened the Congress by highlighting the crucial role of local energy companies for achieving the energy transition. "A successful energy transition can only happen when also including the local level."

Catharina Sikow Magny underlined in her keynote speech that the European Commission "will focus

more on local production and decentralised energy systems which will bring benefit in terms of decarbonisation ultimately making our economy more sustainable."

After the inspiring debates, Gert De Block, CEDEC Secretary General, concluded: "No silver bullet technologies on the stage this morning, but a mixture of shared know-how, empathy and vision. We count on the European institutions – the Parliament, the Council and the Commission – to develop a balanced path to reach the necessarily ambitious climate targets. Having an integrated view on energy, heating and mobility; giving the place they deserve to local energy companies; and taking care of making the energy transition an inclusive one."



15.12.2020 EU DSO Entity for electricity – Constitution and signing of the Statutes

On 15 December 2020, the EU DSO Entity for electricity was formally constituted at the Notary's office, where the Statutes (Articles of Association) have been signed by the four EU associations (CEDEC, E.DSO, Eurelectric, Geode). This moment marked the end of many months of intensive negotiations on the drafting of the statutes, and was the first formal step towards the establishment of the EU DSO Entity.



January

- ▶ On 27 January, CEDEC and Distribution System Operators meet with Kadri Simson, European Commissioner for Energy, exchanging views on synergies of combined systems for energy, transport & heating at local level. The Commissioner's approach of integrated, local energy systems was very much appreciated.

February

- ▶ On invitation of DG ENER, CEDEC contributes to the kick-off meeting for the development of a Network Code on Cybersecurity. This will be the first European Network Code that will co-developed by TSOs and DSOs, as foreseen in the Clean Energy Package.
- ▶ On 10 February, CEDEC meets with Commissioner Timmermans, Vice-President of the European Commission, exchanging views on the Green Deal and the expected impact on different segments of the energy system.
- ▶ CEDEC meets with Members of the European Parliament that are active in the field of energy, explaining its views on policy priorities for the legislative period up to 2024.

March

- ▶ In order to support its members in dealing with operational consequences of the sudden Corona-related business restrictions, CEDEC launched the 'Corona – Experience Exchange Zone'. This Extranet chapter intended to stimulate the exchange of day-to-day experiences on operational measures, helping to ensure the continuity of energy supply to citizens and businesses during this unprecedented challenge.
- ▶ CEDEC together with associations from sectors of major importance for European economic development and innovation published a joint statement, pleading for a Sustainable Finance Taxonomy that should deliver sustainable growth in Europe through a more balanced mix of promising technologies.

April

- ▶ For the preparation of the Implementing Acts on Data access and interoperability, CEDEC contributes to the kick-off meeting of the Editorial Team, organised by DG ENER. DSOs, TSOs and ESMIG will provide advice to the Commission for the adoption of the Implementing Acts.
- ▶ CEDEC addressed together with other EU organisations a joint letter to the European Commission, European Parliament and the Permanent Representatives of the Member States to express their strong support for the EU's response to tackle the challenges of the COVID-19 pandemic.
- ▶ The European associations representing the distribution system operators (DSOs) – CEDEC, E.DSO, Eurelectric and GEODE - and ENTSO-E launched a common report on the development and integration of new flexibility services in the electricity system and market.
- ▶ CEDEC replied to the European Commission inception impact assessment on the delegated act for a taxonomy for sustainable investments.

CEDEC HIGHLIGHTS 2020

May

- ▶ The four EU associations representing gas DSOs – CEDEC, Eurogas, GD4S & Geode – start a structured cooperation between gas DSOs at EU level, inspired by the EU DSO Entity for electricity that will be formally launched in 2021.
- ▶ CEDEC replied to the EC Public Consultation on the European Strategy for data.
- ▶ In the framework of the H2020 project *Energy-SHIFTS*, CEDEC exchanges enriching ideas with 4 academic researchers in sociology, on social topics related to energy, like energy poverty, protection of vulnerable customers, social fairness of energy transition schemes, and citizens' engagement.
- ▶ CEDEC develops its reply to European Commission Public Consultations on Preparing a future EU strategy on Energy System Integration and on Strategy for Hydrogen.

June

- ▶ At the General Assembly of CEDEC on 24 June, Dr. Florian Bieberbach has been re-elected unanimously as President of CEDEC.
- ▶ On 24 June 2020, the final draft statutes of the EU DSO Entity, containing its detailed governance rules, were formally submitted for approval to the Agency for the Cooperation of Energy Regulators (ACER) and to the European Commission.
- ▶ CEDEC replied on the European Commission Public Consultation concerning the Revision of the Directive 2014/94/EU on the Deployment of Alternative Fuels Infrastructure.
- ▶ CEDEC replied to the European Commission Public Consultation on the White Paper on Artificial Intelligence - A European Approach

July

- ▶ CEDEC welcomed the European Commission's Strategy for Energy System Integration, as finally this approach is recognized as an essential element to realize sustainable energy systems in a cost-efficient way, including at local level.
- ▶ CEDEC welcomed the publication of the European Commission's Hydrogen Strategy. This conceptual framework and strategic vision should be at the basis of the accelerated development of a sustainable hydrogen economy in the European Union.
- ▶ CEDEC replied to the European Commission Public Consultation on the Renovation Wave initiative for enhanced energy measures in public and private buildings.
- ▶ CEDEC replied to the European Commission Public Consultation on the review of the TEN-E Regulation.
- ▶ CEDEC replied to the European Commission Public Consultation on a renewed sustainable finance strategy.

August

- ▶ CEDEC replied to the European Commission roadmap on the strategy to reduce methane emissions.

September

- ▶ CEDEC launches its Task Force Local Broadband, bringing together member companies with an interest in the development of future-proof local broadband, with a particular focus on rural areas. First topics of attention are the Commission's consultations on the state-aid regulation in this field and on the review of the Broadband Cost Reduction Directive.
- ▶ CEDEC replied to the European Commission Public Consultation on the evaluation of the 2011 White Paper 'Roadmap to a Single European Transport Area' and on the announced European Strategy for a Sustainable and Smart Mobility.
- ▶ Kick off meeting of the 'Prime Movers' stakeholder group on gas quality and hydrogen handling chaired by CEDEC together with the other EU associations representing gas DSOs – Eurogas, GD4S, Geode – and ENTSOG.

October

- ▶ On 14 and 15 October, CEDEC contributed to the Gas 'Madrid' Forum organized by the European Commission, with a presentation on behalf of the EU associations representing gas DSOs .
- ▶ CEDEC replied to the European Commission Public Consultation on the revision of the
- ▶ Energy Taxation Directive.
- ▶ CEDEC replied to the European Commission Public Consultation on the revision of the NIS Directive.
- ▶ On 29 October, CEDEC attended the annual Energy Infrastructure 'Copenhagen' Forum organised by the European Commission.

November

- ▶ On 18 November, CEDEC organised its successful Annual Congress virtually, under the inspiring theme "Local integrated energy systems for an inclusive energy transition".
- ▶ On 19 and 20 November, CEDEC attended the annual Citizen's Energy Forum organised by the European Commission.
- ▶ CEDEC is founding partner of the new European network called ENZA : European Net Zero Alliance. ENZA represents a broad array of EU associations in the energy sector.
- ▶ CEDEC becomes member of the European Clean Hydrogen Alliance, set up by the European Commission to launch a pipeline of hydrogen projects in Europe. CEDEC will be represented by Gert De Block at the CEO Roundtable on residential applications. On 26 and 27 November, CEDEC attended the European Hydrogen Forum organised by the European Commission.

December

- ▶ On 7 and 8 December, CEDEC attended the Electricity 'Florence' Forum organised by the European Commission.

2020 KEY TOPICS

The “Clean Energy Package” – Implementation

Many provisions of the 2019 Clean Energy Package for All Europeans (CEP) are currently still in the process of being transposed in the EU Member States. Therefore policy makers, market participants and stakeholders only start to feel the impact of the 1.000 pages long new energy framework.

In 2020, CEDEC and its members focussed particularly on the establishment of the new European body for electricity DSOs at EU level, the so-called EU DSO Entity. CEDEC's work also evolved around the secondary legislation emerging from Directive (EU) 2019/944 (the “Electricity Directive”) and Regulation (EU) 2019/943 (the “Electricity Regulation”), among which the development of future network codes and guidelines and the preparation of implementing acts.

CEDEC will continue to closely follow the progress of these new initiatives and will keep its members updated on each of the next steps. It will also be crucial that implementation of these key pieces of legislation will be promptly completed, and that all successive energy legislation will respect the spirit of this new energy framework.

Towards the establishment of the EU DSO Entity

Certainly, one of the important novelties stemming from the Clean Energy Package is the establishment of the new EU DSO Entity as foreseen by Article 52 of the Electricity Regulation.

It will define future cooperation between European Distribution System Operators (DSOs) on the one side and the European Network of Transmission System Operators for Electricity (ENTSO-E), the Commission and ACER on the other side.

To make Article 52 a reality, the four EU associations representing electricity DSOs (CEDEC, E.DSO, Eurelectric, Geode) got to work in Spring 2019. Together they created a Joint Task Force consisting of representatives from the EU DSO associations and representatives of DSO companies.

While the work in 2019 was shaped by the elaboration of a set of deliverables – consisting of the statutory documents, the financing rules for membership, a list of potential members and rules on the consultation process with ENTSO-E and other stakeholders – the succeeding year was marked by their fine-tuning and their submission for approval to ACER and the Commission in June 2020.

After the four EU associations brought the statutory documents in line with the wishes and recommendations of ACER and the Commission, which have been communicated as part of their issued opinions, the legal entity behind the EU DSO Entity was formally constituted in December 2020 by four DSO representatives (Stadtwerke München, Enedis, Radius and Wiener Netze), the founding fathers of the EU DSO Entity, with the official signing of the Entity's Articles of Association.

In anticipation of the first General Assembly which will take place by the end of the first semester of 2021, interested DSOs could start registering online as member of the EU DSO Entity. CEDEC, encouraged its member companies to register within the formal deadline to ensure they could be part of the election process for the members of the Board of Directors and to guarantee the representation of local DSOs already at the first General Assembly and Board meetings. By December 2020, the number of 500 registrations was surpassed, with the majority being CEDEC affiliated members.

In 2021, CEDEC will focus on preparing and supporting its members for the Board election process, which will require intensive cooperation and solidarity between CEDEC members. The first General Assembly and Board meetings will have to be properly organised,

with well-prepared procedures taking into account some complexities in the governance process. Together with the interim Secretary General – who was contracted in November 2020 to assume management tasks during the set-up process – the four EU DSO associations will start the process for the selection of the first Secretary General.

CEDEC strongly believes that a strong representation of small- and medium-sized DSOs will contribute to the credibility and success of the Entity as a whole.

Development of new network codes

Network codes & guidelines

European network codes (NCs) and guidelines (GLs) for gas and electricity are detailed technical Regulations applicable in all Member States. Most network codes provide for country-specific thresholds and ranges to be decided on Member State level; and Guidelines need further development of terms and conditions, often but not only on EU-level. Therefore, the level of harmonisation on EU-level highly depends on Member States' choices during the implementation of NCs and GLs.

Involvement of the DSOs is crucial, mainly for grid connection and market integration issues. Within CEDEC this is organised through dedicated working groups, because the NCs and GLs impact DSOs on financial, technical and organisational level.

The following NCs and GLs have been developed over the years for gas and electricity.

NETWORK CODES FOR GAS

- NC CAM** → Capacity Allocation Mechanisms
- NC IO & DE** → Interoperability and Data Exchange
- NC GB** → Gas Balancing
- NC TAR** → Harmonised Transmission Tariff Structures

NETWORK CODES & GUIDELINES FOR ELECTRICITY

Connection Codes

- NC RfG** → Requirements for Generators Management
- NC DCC** → Demand & Distribution Connection
- NC HVDC** → High Voltage Direct Current

Market-Related Guidelines

- GL CACM** → Capacity Allocation and Congestion Management
- GL FCA** → Forward Capacity Allocation
- GL EB** → Electricity Balancing

System Operation Codes/Guidelines

- GL SO** → (Transmission) System Operation
- NC ER** → Emergency and Restoration

Implementation of all these NCs and GLs is now mostly finished, and only a few amendments have been published so far. However, for electricity, the Expert Groups under the European Stakeholder Committee Grid Connection are studying possible amendments of the NC RfG, NC DCC and NC HVDC. These proposals will ultimately find their way in amended NCs in the coming years.

In the meantime, the 2019 Electricity Regulation modified the process for the development of electricity NCs and GLs on several fundamental aspects :

- DSOs (through the EU DSO entity) will be able to develop NCs (in cooperation with ENTSO-E) if the domain touches mostly distribution.
- New NCs must be elaborated in a Drafting Committee, involving representatives of all relevant stakeholders.
- ACER will have to revise a NC submitted by ENTSO-E or the EU DSO Entity.
- The Commission can still develop guidelines, but now through more binding implementing or delegated acts and equally on NC topics.

The process for gas Network Codes has not been adapted accordingly yet, still attending the review of the gas package - delayed since 2016 and now announced by the Commission for end 2021.

Preparing new regulations on cybersecurity, data access and distributed flexibility

Network code on Cybersecurity

In February 2020, the Commission started the elaboration of a NC on Cybersecurity oriented on electricity grids through an informal process. DSOs and TSOs are leading the drafting process through a Drafting Team, followed-up by the Commission. CEDEC experts contribute actively to the drafting process.

In October 2020, the Drafting Team provided its 2nd interim report. The content of the report stays rather high-level: the NC will focus mainly on topics regarding governance, and not on specific technical solutions.

Implementing acts (IA) on data access and data interoperability

The Commission launched a process for the development of IAs on data access and data interoperability in April 2020. The process is led by the Commission, supported by an Editorial Team consisting of experts from DSOs, TSOs and ESMIG. CEDEC experts are involved in the Editorial Team. The work of the Editorial Team is linked with Expert Group 1 of the Smart Grids Task Force of the Commission.

By the end 2020 a first draft was ready for Part 1 on general principles and for Part 2 on interoperability and access to metering and consumption data. Further work will follow on demand response and customer switching.

Network code on distributed flexibility

End 2020, the EU DSO associations and ENTSO-E, supported by the Commission, started the development of a regulatory framework for distributed flexibility through a Joint Taskforce (JTF).

The JTF will establish a roadmap by July 2021, focussing on four clusters: market access & aggregation rules; product design & procurement; market processes & T&D coordination; measurement, validation & settlement. The DSOs developed a gap analysis comparing future needs with currently available regulation, which concluded that the new content on distributed flexibility issues requires a new NC; adapting existing NCs will not be sufficient.

TSO-DSO cooperation

DSOs and TSOs have been working together since many years on European level on numerous topics, including on NCs and GLs.

As increased cooperation at EU level is needed to tackle the future challenges of integrating distributed flexibility resources, to realise synergies in research, development and innovation and to comply with the Electricity Regulation, the EU DSO associations have signed in 2020 an extended Memorandum of Understanding (MoU) with ENTSO-E.

In 2020 DSOs and TSOs focussed on the establishment of a set of smart grid KPIs and the development of a common approach for network planning scenarios for the TYNDP process.

Regarding the smart grid KPIs (following up on the Clean Energy Package) a joint Taskforce delivered a common report with two limited sets of KPIs for DSOs and TSOs by the end of 2020. The report was presented to interested NRAs and CEER, but only the part on DSO KPIs was formally published early 2021.

Concerning common approaches for network planning, the TSOs and DSOs agreed – following up on conclusions of the 2020 Copenhagen Forum – to cooperate more effectively on DSO involvement in the TYNDP and on best practices on national and regional coordination in grid planning.

There are opportunities for significant improvement both on data exchanges for joint scenario building (including data confidentiality) and on improved grid planning coordination processes. For both chapters, the involvement of gas DSOs needs urgently to be stepped up.

On the gas side DSOs have been cooperating with the TSOs through the establishment of the Prime Movers' group on gas quality and hydrogen handling. Led by ENTSG and the EU gas DSO associations, this group involves stakeholders from the entire gas value chain, including consumers and traders, the standardisation body CEN, and the EC (as observer). The aim is to reach a better understanding on the main principles to handle gas quality related to renewable, decarbonised and low-carbon gases. The group will also evaluate if the tools provided by the Network Code on Interoperability and Data exchange are sufficient to implement the new gas quality management solutions and if not to propose amendments to this Network Code.

The European Green Deal – 1 year later

The European Green Deal continues to be the central priority of the von der Leyen Commission, also one year after its publication in December 2019.

Despite the sanitary crisis, the Commission has been more or less on time with its agenda. Whereas its start was marked by commitments and visions, concrete actions are now slowly seeing the light.

Delivering on her pledge to provide the first European Climate Law within the first 100 days of the Commission's mandate, von der Leyen prepared the ground for making Europe a climate neutral continent by 2050.

A new 2030 climate target and the “Fit for 55” package

On 16 September, during the annual State of the Union, the Commission President Ursula von der Leyen announced the Commission plan to stepping up EU 2030 climate ambition. The plan – which defines the EC intention to increase the 2030 GHG emission reduction target to 55% - consists of a Communication on stepping up EU's 2030 climate ambition, with the related impact assessment, the final assessment of Member States' NECPs, and an amendment to the proposal of the draft European Climate Law.

Through the impact assessment the Commission states that a 55% target for 2030 is realistic and feasible despite the considerable investments it requires – notably in the energy sector and in sectors

hard to decarbonise such as buildings, transport and industry – and that it is indispensable to reach the climate neutrality by 2050. The decision to increase the 2030 target constitutes an important first step for higher climate ambitions in international fora and ahead of the 2021 EU Climate Conference (COP26) in Glasgow.

The 55% GHG emissions reduction target by 2030 should formally become law with the adoption of the so-called European Climate Law. The co-legislators, called to adopt their position on the Climate Law, have agreed on supporting a higher target, but the details of those positions prepared the ground for a challenging trilogue negotiation. The EP in its report adopted on the 8th of October, proposed to increase the target to 60% of GHG emissions reduction by 2030 compared to 1990, and asked the EC to provide a trajectory towards climate neutrality by 2050, eventually setting an intermediate target for 2040. The Council on the 10th of December, endorsed a binding target of 55% of GHG emissions reduction by 2030 compared to 1990, de facto aligning to the EC proposal. In particular the Council calls for the recognition of Member States' different starting points and of their right to decide their energy mix and to choose the most appropriate technology for them to reach the objective, explicitly mentioning that these include also transitional technologies such as gas.



For this target to become reality, the Commission will have to revise existing legislation and present the so-called “Fit-for-55” package by June 2021. Discussions will have to re-open on current targets such as on energy efficiency and the share of renewable energy, to achieve the new 55%. Likewise, the buildings and transport sector, under files such as the Energy Performance of Buildings Directive and the Alternative Fuels Infrastructure Directive, will receive special attention as in urgent need to decarbonise at faster pace. In addition, the expected massive legislative package foresees the revision of other important files such as the EU ETS, the Effort Sharing Regulation and the Energy Taxation Directive.

CEDEC has been closely following the dedicated EC workshops and discussions and has provided preliminary input to the Commission's work by replying systematically and thoroughly to all public consultations in these fields. Priority has been given to the revision of the Renewable Energy Directive, the Energy Efficiency Directive and the EU ETS to advocate the respect of technology neutrality among different renewable technologies, to ensure hassle-free implementation of the legislation agreed under the Clean Energy Package, and finally to support local integrated solutions and the activated role of DSOs.

Energy System Integration: break down the walls

As one of the main pillars of the European Green Deal, on 8 July 2020 the European Commission adopted a strategy on the Energy System Integration. The strategy delineates the pathway to achieve an integrated energy system, make further efforts in decarbonising all sectors of the economy and reach the climate neutrality objective by 2050.

It is based on 3 complementary and mutually reinforcing concepts:

- energy efficiency is at the core for the creation of a more circular energy system, and priority should be given to least energy intensive solutions, reuse of unavoidable waste for energy purposes and exploitation of cross-sectoral synergies;
- a greater electrification of end-use sectors will be driven by the declining costs and increased

production of renewable electricity and will be the preferable solution for decarbonising heating and cooling, low-temperature industrial processes and light-duty transport;

- renewable and low-carbon fuels, including hydrogen, have their role to play wherever electrification is not feasible, not efficient or have higher costs. This role includes the development of synergies between the gas and electricity sector for storage purposes.

To complement the Energy System Integration strategy, the Commission published on the same occasion the *Hydrogen Strategy for a Climate Neutral Europe*. This strategy details the Commission plan to harness the hydrogen potential to support the climate neutrality objective, laying down a roadmap for installing 6GW of renewable hydrogen electrolyzers by 2024 and 40GW of renewable hydrogen electrolyzers by 2030.

Since long before that, CEDEC had built and communicated a precise vision on what a truly integrated energy system should look like: a system able to maximise the integration of local renewable energy sources, buildings links between different sectors (electricity, gas, heating, mobility, waste), close to the customers and involving local communities in the energy transition.

Therefore, the holistic approach taken by the Commission strategy was much welcomed, but still lacks concrete proposals to support also local energy companies to implement local integrated solutions.

In particular, while properly recognising the value of renewable, decarbonised and low-carbon gases and synergies between the electricity and gas sectors (including for storage purposes), the Commission sees their role limited to high-temperature industrial processes and heavy-duty transport.

CEDEC has initiated several advocacy activities pleading for a balanced strategy, highlighting the strong local dimension of the sector integration, the increased role DSOs will play, and the need of developing new forms of gases, the molecules much needed to transport and store large quantities of energy. CEDEC will continue to plead for the recognition of the role of renewable, decarbonised and low-carbon gases in decarbonising end-uses in heating and mobility.



Digitalisation, data and cybersecurity

Throughout the year 2020 the Commission – after declaring ‘A Europe fit for the digital age’ as one of its main priorities for this legislative term – launched its first actions in the digital field.

As a first step, in early 2020, the Commission unveiled its strategies for Europe’s digital transformation. They consisted of two communications ‘Shaping Europe’s digital future’ and ‘A European strategy for data’, accompanied by a ‘White Paper on Artificial Intelligence’: together they outlined the priorities for the European digital economy for the next five years.

Whereas 2020 started off with strategies, first concrete legal proposals were only presented at the year’s end.

A new framework for EU data governance

In November 2020, the Commission presented its proposal for a Regulation on a European data governance, called the ‘Data Governance Act’.

This is the first in a series of measures of the European data strategy published in early 2020. It lays the foundation for sectoral specific common European data spaces which will cover amongst others environment and energy.

The Data Governance Act is intended to complement the provisions of the former Directive on the re-use of public sector information (PSI Directive) – now called the Open Data Directive – by providing for conditions

for the re-use of public data subject to the rights of others. To promote data exchanges, the proposal also introduces the concept of data intermediaries: they will have to comply with a number of requirements to be able to provide their data sharing businesses, as well as new provisions in the area of voluntary data donations (so-called “data altruism”).

CEDEC will closely follow discussions in the European Parliament and the Council, which will start in 2021. Particular attention will be paid to data intermediaries to ensure that this concept does not negatively affect data sharing within company structures.

Review of cybersecurity rules - from NIS to NIS 2

After concluding that the current NIS Directive – containing EU-wide measures for a high level of security of Network and Information Systems - was not providing a sufficient level of cybersecurity protection, the Commission presented a new framework for cybersecurity rules in December 2020.

With the so-called NIS 2, the Commission wants to harmonise the cybersecurity standards in the EU countries. The determination of operators who are subject to these cybersecurity rules should no longer be left to the Member States, which – under existing rules – have leeway when setting threshold values determining who is considered to be an “operator of essential services”. Further, the notion of operators of essential services is abandoned and two new

categories – “essential” and “important” entities - are introduced, which will be subject to separate supervisory regimes.

In addition to the scope of application, the NIS 2 provides for a catalogue of standardised cybersecurity risk management measures, which will have to be implemented by the entities falling under the scope of the Directive.

CEDEC is convinced that high cybersecurity measures are needed to ensure the security and integrity of network and information systems. Many local public companies are already applying high cybersecurity standards, as they are part of the current NIS framework. For the upcoming discussions in the Parliament and the Council, it is, nevertheless, important to ensure that the new rules do not lead to a disproportionate burden for local companies.



Renew and decarbonise the gas sector

After years of uncertainties and prudent steps, the year 2020 has shed light on the essential elements that will determine and characterise the future of the gas sector in the EU.

Although very unpopular within the lobbies of the environmental NGOs and the electricity-only alliance, decarbonising the gas sector is considered key to deliver climate neutrality by 2050, because molecules will continue to be needed.

That's why, in addition to the highly expected Hydrogen and Gas market decarbonisation package, many other initiatives within the European Green Deal will directly and indirectly impact the gas sector. The upcoming legislation is expected to lead the shift from a 22% share of gaseous fuels mainly of fossil origin in total EU energy consumption today, towards a 20% of renewable and low-carbon gaseous fuels mix in total EU energy consumption in 2050.

The future Hydrogen and Gas market decarbonisation package

First announced as part of the Clean Energy Package and later expected by 2020, the future Hydrogen and Gas market decarbonisation package seems now to be confirmed for the end of 2021.

Based on the concepts outlined in the Energy System Integration Strategy and the Hydrogen Strategy, the Commission preparatory work, which started already in late 2018, has been intensified during 2020.



Hyped as the holy grail of renewable gases and sector coupling technologies, hydrogen gathered most of the European policy-makers' attention. Regrettably, and not corresponding with the future energy needs in many Member States, the Commission sees little room for the development of hydrogen at DSO level for decarbonising sectors such as buildings and light-duty mobility. Therefore, CEDEC work has been focusing on demonstrating the added value of renewable, decarbonised and low-carbon gases, including hydrogen, at local level. This includes the need for allowing blends with natural gas in the short and medium term to support hydrogen market development. The experience of CEDEC members in this field has been collected in a paper about the Challenges and Opportunities for Local Energy

Companies, showing future possibilities and existing projects for the development of hydrogen at local level.

The Commission published not only strategies and studies, including on the potential of sector coupling technologies and on the required policy for gas distribution, but also a proposal to reduce methane emissions in the energy sector. Addressing methane emissions in the European gas sector in a more structured and streamlined way has been a logic step to determine the role of gas in the transition towards climate neutrality.

On 14 October 2020, the EC has published a Methane Strategy for reducing anthropogenic methane emissions from the energy, agriculture and waste



sectors, which account respectively for 19%, 53% and 26% of the emissions. In order to reach the new target of 55% GHG emissions reduction by 2030, methane emissions need to be reduced by 35-37% by 2030 in comparison to 2005. According to the EC the most cost-effective methane emissions savings can be achieved in the energy sector, and therefore new measures are expected already by June 2021. Notably, the EC intends to come out with a legislative proposal to make measurement, reporting and verification (MRV) of methane emissions and Leak Detection and Repair (LDAR) programmes mandatory.

During 2020, CEDEC has been closely monitoring the EC work in this regard and has collaborated with other EU associations representing gas DSOs to convey common messages of the regulated downstream gas sector.

In 2021 this workstream is expected to further intensify in the upcoming legislative process. CEDEC will support a review of the gas regulatory framework into a single piece of legislation including all renewable, decarbonised and low-carbon gases, meaning no

separate EU legislation for hydrogen only. Also, new gases legislation should allow Member States and regions to adopt those technologies that are most cost- and resource-efficient according to their socio-economic and geographic characteristics.

The European Clean Hydrogen Alliance

On the occasion of the publication of the Hydrogen strategy on 8 July 2020, the European Commission launched the European Clean Hydrogen Alliance. The Alliance is deemed to provide a framework in which public authorities, industry and civil society collaborate in developing an investment agenda and a pipeline of concrete projects to deliver on the Hydrogen Strategy objectives.

The Alliance is further divided in 6 thematic roundtables addressing specific issues in the different parts of the hydrogen value chain: transmission & distribution, energy sector (focusing on storage and

flexibility), mobility, production, industrial processes, and residential applications.

Calling for a balanced representation of DSOs and local energy companies in the Clean Hydrogen Alliance, CEDEC has applied to become member, asked to participate in the relevant roundtables, and invited its members to do the same. CEDEC has been accepted for participating in the roundtable on “Residential applications”, now renamed on “buildings”. The six roundtables are in charge of building an investment pipeline of projects and the investment agenda in their area, taking into account the interdependence with the other round tables. When relevant to their mission, they may also flag obstacles and bottlenecks for the upscaling of hydrogen, provide input to the work on regulations, standardisation, and research and innovation priorities.

The Alliance work concretely started at the beginning of 2021, but aware of the Commission’s lack of consideration for the potential of decentralized hydrogen production, distribution and consumption, CEDEC has been conveying its members interests actively since the beginning. In the year to come, CEDEC work will focus on supporting the uptake of small-scale hydrogen projects into the Commission pipeline of projects, facilitating the involvement of member companies, and highlighting the case for hydrogen in decarbonising the built environment.

Sustainable Finance – EU Taxonomy

Throughout 2020 the discussion on the Sustainable Finance package, and notably on the so-called “taxonomy” classifying sustainable investments based on detailed technical criteria, shook the energy community. The “taxonomy” is expected to seriously impact the capital-intensive energy sector because of its effects on the financing conditions for investment decisions and on the attribution of future EU funding to innovation projects.

As from the Taxonomy Regulation agreed on December 2019, the details and criteria of the classification system are to be defined by means of “delegated act”. To draft this delegated act, the Commission’s Directorate General for banking and finance is advised by a Platform of Experts and builds on the work of the Technical Expert Group on Sustainable Finance (TEG), both with a questionably weak representation of the energy sector. Moreover, this legislative procedure foresees little involvement of the Member States and the European Parliament, whose experts are called to provide feedback, only late in the drafting process and with a tight timeline.

The final Taxonomy Report by the Technical Expert Group on Sustainable Finance (TEG), published in March 2020, did not take on board much of the energy sector feedback. Therefore, it confirmed stakeholders’ concerns that the taxonomy delegated act would propose stricter criteria than the Regulation itself, ultimately compromising the level-playing field among energy technologies and underestimating the benefits to the energy transition of renewable and low-carbon

gases, gas storage, CHP and other technologies likely to play an important role in the transition towards a climate neutral economy.

The Commission started working on the taxonomy technical criteria, the “delegated act” itself, in October 2020. The resulting draft proposal, published on 20 November and opened for feedback until 18 December, raised an unprecedented criticism from all sides, forcing the Commission to postpone the adoption – to April 2021 – and re-draft the proposal.

CEDEC has identified several issues for its members, reacted to the relevant consultations and intensified parallel advocacy activities targeting the European Commission and the Member States experts. CEDEC believes it is crucial that these criteria do not hamper the development of sustainable innovative and integrated solutions at local level, which we consider as key contributing elements to the energy transition. The technical screening criteria need to integrate concepts such as resource and energy efficiency, evaluate their benefit in terms of resource depletion, health and climate-resilience, and take into consideration reliable and affordable energy supplies. To further promote its position, CEDEC has joined a cross-sectoral coalition of representatives of the energy sector, industrial segments and energy

end-users. What we refer to as Taxonomy Coalition has issued several position papers and letters and has been meeting with the responsible DG in the European Commission.

In conclusion, after several years of intensive work on the file, the outcome of the process is disappointing and its consequences still unclear. The final word is now left to the Council and the European Parliament, which will decide to reject or adopt the new delegated act by the summer 2021.

Finally, as part of the European Green Deal, the Commission has started working on an updated version of the Sustainable Finance framework that would serve the ambitious objectives of the Green Deal. In July 2020, CEDEC has replied to the related EC public consultation.



Local Broadband

In 2020 CEDEC has opened a new policy chapter, as CEDEC embarks on a new activity on local broadband. For that purpose, CEDEC has launched a Task Force on local broadband in Autumn 2020 in order to align the positions of its members and to define its policy objectives.

The decision to dive into this new activity came very timely, as the Commission was preparing its review of two key pieces of its broadband framework: the revision of the current State aid rules for broadband network deployment and the review of the Broadband Cost Reduction Deployment Directive (BCRD). CEDEC started to engage in the review process of both initiatives, in order to prepare consolidated replies to the public consultations the Commission has launched in late 2020 on both measures.

As multi-utility companies, CEDEC members have a broad range of services, with many of them playing a leading role in providing essential infrastructures that ensure economic and social coherence, amongst others for broadband. Their involvement in broadband activities – from deployment and operation of infrastructure to the provision of internet and/or telecom services – is particularly relevant in less-populated areas where profitability is limited.

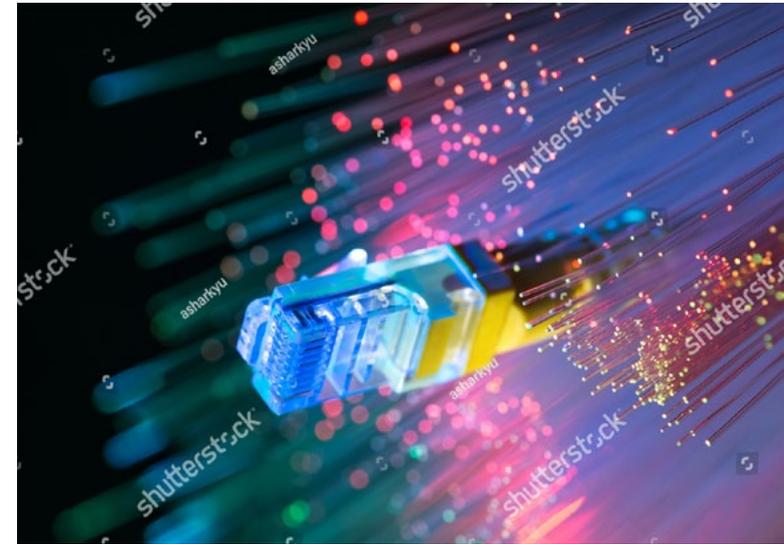
As regards the State aid rules for broadband network deployment, CEDEC believes that to achieve the goal

of overcoming the digital divide at the benefit of all citizens and local businesses, the application of these rules should not unduly burden small and medium-sized local companies willing to deliver much-needed broadband infrastructure. Local public utilities, especially if located in lower density areas, do not have profit-maximisation as a primary goal but want to provide their population with the same qualitative essential services as citizens living in areas where commercial and profit-driven companies are willing to deploy broadband networks.

In 2013, when the Broadband Cost Reduction Directive was adopted, its main aim was to incentivise the roll-out of high-speed electronic communications by decreasing deployment costs for broadband networks, which should ultimately lead to the acceleration of investments in new broadband networks. However, its application shows that the legally established rights of co-location with other network-bound infrastructures has negative effects countering the initial objective, and leading to economically inefficient duplicate infrastructure, and even resulting in local public utilities no longer undertaking any expansion. CEDEC believes that the rules need to be rectified as the current provisions trigger an obligation on public companies to grant a coordination request – even in a competitive context – putting them into a disadvantaged position and devaluating their business case.

The Commission's evaluation processes will be expected to deliver results in 2021. On the State aid rules review, CEDEC expects the Commission to present the evaluation results in the second quarter of the year including a decision on whether the rules need to be changed or not. As regards the Broadband Cost Reduction Directive, a first draft can be expected not earlier than towards the end of 2021.

Building upon the first CEDEC actions, CEDEC will intensify its activities in 2021 and especially follow-up on the next steps of the review processes.



THE COUNCIL IN 2020 - PRESIDENCIES

Croatia

The year 2020 has started off with Croatia taking over as Presidency of the Council of the EU from 1st January to 30 June. The last country to adhere to the EU held the rotating Presidency for the first time since joining in 2013.

The Croatian Presidency programme was driven by the motto “A strong Europe in a world of challenges”. In terms of energy policy, the Presidency has continued the work on the effective implementation of the Energy Union. A particular focus was placed on the potential of islands as a driving force behind transition to clean energy.

In light of the upcoming review of the gas market, the Presidency has begun discussions on a new gas (decarbonisation) package.

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Germany

On 1 July 2020, Germany took over the 6-month presidency of the Council of the EU until 31 December 2020. Under the motto “Together for Europe’s recovery”, the German Presidency has put the focus on overcoming the consequences of the COVID-19 pandemic and seeking answers to the challenges of the future. Particular attention was given to the major societal transformation processes such as climate change and digitalisation, to make Europe stronger, more equitable and more sustainable.

On energy and climate, the German Presidency highlighted the need for an ambitious climate and environmental policy. Whilst welcoming the European Green Deal as a comprehensive and ambitious strategy, the German Presidency was engaged to provide broad-based support for its implementation, ensuring that the Green Deal will help overcome the consequences of the COVID-19 pandemic.



During its 6-month term, the Presidency-in-Office also intended to work towards concluding the deliberations on the draft of the first European Climate Law.

Hydrogen was also introduced to play a role in the following months, after Germany had presented its National Strategy on Hydrogen in June, defining the steps needed to create a market for hydrogen technologies in Germany. Germany also has signed a joint political declaration of the Pentilateral Energy Forum on the role of hydrogen to decarbonise the energy system in Europe.

Further topics mentioned in the Presidency Programme were the rapid development of offshore wind energy, framework conditions for cross-border renewable projects, the expansion of carbon pricing to cover all sectors, the introduction of a moderate minimum carbon price within the EU ETS as well as active external energy policy to flank the European Green Deal.



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