



BRIEF NEWS

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EU at COP30: balancing internal negotiations with global climate ambition



Ahead of the UN climate conference COP30, the EU secured agreement on its 2040 climate target just before Commission President von der Leyen travelled to the Amazon. On 5 November, EU environment ministers decided to cut 90% of GHG emissions by 2040 based on 1990 levels, which, however, can be reached using up to 5% of foreign carbon credits. Another 5% will be considered under a review clause, offering additional flexibility to Member States.

To win over reluctant member states on the Climate Law, ministers also agreed to delay by one year the rollout of the ETS2, the carbon pricing system for fuel used for road transport and heating buildings. Prior to the Council meeting, the Commission had proposed stabilising the CO2 price below €45/tCO2 between 2027 and 2029 to limit negative price impacts, but the conclusion on the delay reflects the political sensitivities around extending carbon pricing to sectors directly affecting essential energy needs of consumers.

Carbon markets are not only a hot topic within the EU bubble but are also a priority at COP30 in Belém. The EU joined a coalition with 17 countries to improve cooperation on carbon markets by aligning practices and standards, which adds to the broader context of its engagement at the summit. In view of this, the bloc seeks to address the global “ambition and implementation gap” while navigating internal differences and a negotiating environment in which major emitters resist stronger targets and key partners like the U.S. are absent.

- Ongoing consultations: Heating & Cooling Strategy and Electrification Action Plan
- EU at COP30: balancing internal negotiations with global climate ambition
- Spotlight on: Commission Work Programme 2026
- EU’s Apply AI Strategy to target faster AI uptake in the energy sector
- FSR policy brief: potential domains for an energy omnibus
- Upcoming meetings and events

Spotlight on: Commission Work Programme 2026

On 21 October, the European Commission published its work programme for the coming year under the title “Europe’s Independence Moment”, building on measures intended to secure strategic autonomy, competitiveness, and innovation.

A significant share of the 2026 agenda consists of simplification, aiming to reduce administrative burdens for European enterprises and making “EU law easier to implement”. Omnibus and simplification proposals shall streamline key rules across several key sectors, including energy product legislation, taxation, competitiveness, and innovation.

The simplification approach should also facilitate the completion of the Single Market by 2028 by removing barriers in capital, energy, services and telecoms. In the energy domain, core priorities will be to bring down energy prices for households and companies and ensuring an “Energy Union by improving its governance, upgrading grids, removing existing bottlenecks, cutting red tape for cross-border energy projects and boosting electrification and the resilience of the electricity system.”

Relevant initiatives in the energy sector in 2026

Q1

Electrification action plan & heating and cooling strategy

Q2

Omnibus to simplify energy product legislation*

Q3

Update of the Energy Union governance*

Energy Union package

- CO2 transportation infrastructure and markets*
- Energy efficiency framework*
- Renewable energy framework*

Climate package

- Update of the EU ETS including the market stability reserve*

* legislative initiatives

EU’s Apply AI Strategy to target faster AI uptake in the energy sector

The Commission’s Apply AI Strategy is the EU’s main sectoral plan to promote AI adoption and innovation, especially among SMEs and guide full AI uptake in strategic sectors. The Strategy includes three pillars: targeted actions for 10 strategic sectors (including energy), cross-cutting support measures, and a new governance system via the Apply AI Alliance and AI Observatory.

In a Communication from 8 October, the Strategy identifies energy as a key sector for AI adoption. It highlights AI’s potential to improve efficiency across the value chain—through better grid management, renewable integration, smarter infrastructure and storage use, building design, and automated trading. It also notes uneven AI uptake in the energy sector, especially in grid management, demand-side flexibility, and network planning, citing strict safety rules, fragmented governance and limited data-sharing as barriers. To close these gaps, the Commission will support AI models for forecasting, optimisation, “digital twins” and system balancing; develop a Strategic Roadmap on Digitalisation and AI for energy; and standardise reporting on AI systems’ energy use, including data-centre efficiency and metrics for AI power consumption.

Ongoing consultations: Heating & Cooling Strategy and Electrification Action Plan – deadline 20 November

The Commission is expected to publish its Electrification Action Plan and Heating & Cooling Strategy in Q1 2026. Both initiatives aim to accelerate the shift from fossil fuels to electricity and improve energy efficiency across heating, cooling, industry and transport.

The Electrification Action Plan seeks to raise electricity’s share in final energy use to around 32% by 2030 by removing barriers and identifying priority actions for cost-effective, system-friendly electrification in transport, industry and buildings. Linked to the Clean Industrial Deal and Affordable Energy Plan, it foresees rapid rollout of electrification solutions, tax incentives for industrial electrification, and continued investment in renewables and flexibility. The Commission is also developing tariff methodologies to encourage efficient grid use and reduce the raise of overall system costs, alongside measures to speed permitting and reinforce grids.

The Heating & Cooling Strategy targets rapid decarbonisation and efficiency gains in a sector that accounts for half of EU energy use and remains heavily fossil-fuelled. It will support integrated planning of electricity infrastructure and district heating/cooling networks, systematic waste-heat recovery, and major expansion of heat pumps, geothermal, solar thermal and upgraded district heating. Broader measures include better insulation, efficient appliances and consumer participation in demand response.

Public consultations on both initiatives run until tomorrow, 20 November 2025.

FSR policy brief: potential domains for an energy omnibus

In October, the Florence School of Regulation (FSR) published a policy brief titled “EU regulatory simplification: ideas supporting the energy transition,” outlining proposals to streamline regulation and improve EU-level governance in the energy domain. FSR identifies three simplification opportunities: moving from explicit to implicit cross-border participation to ease capacity-mechanism implementation; streamlining the PCI process by removing late-stage steps and reinforcing regional cooperation; and replacing the volume-based carbon market reserve with a price-based mechanism to improve transparency and responsiveness. At the governance level, FSR argues for entrusting shared TSO responsibilities to ENTSO-E, enhancing ACER’s oversight of EU-wide and regional entities (EU DSO Entity, ENNOH, RCCs), and establishing a dedicated Market Coupling Operator.

Additional potential domains for simplification were identified, ranging from consumers and financing to the EU Methane Regulation and regulation on cybersecurity. Read the full policy brief [here](#).

Upcoming meetings and events

- CEDEC / Energy Cities / ECF Webinar “Decarbonising Heat in Europe: Lessons from Local Actors & Utilities”: [Register here](#) – 24 November 2025
- CEDEC Working Group Implementation – 26 November 2025
- CEDEC Platform Local Broadband – 5 December 2025
- CEDEC Board of Directors – 11 December 2025

