



22 February 2021

MARK YOUR CALENDARS

DBDH Webinar: Ringsted district heating utility to become fossil-free

- The Danish Board of District Heating (DBDH) is organising a webinar to showcase how Ringsted district heating utility has completely redesigned its heat generation plant to limit the use of fossil fuels, resulting in reduced carbon emissions and higher energy efficiency while also minimizing heat costs.
- The [webinar](#) will take place on March 2 @ 4:00 pm - 5:30 pm.
- Sign up to the webinar by sending an e-mail to ej@dbdh.dk

INSTITUTIONAL UPDATES

PORTUGUESE PRESIDENCY SCRUTINIZES MEMBER STATES RECOVERY PLANS REGARDING CLIMATE-RELATED SPENDING

- On 17 February, the Portuguese Presidency of the European Council sent a [series of questions](#) to Member States related to their planned reforms and investments aimed at accelerating the green transition as part of the national Recovery Plans. The main aim is to assess the obligation to devote at least 37% of the total allocation of each plan to climate-related investments.
- Member states are asked to prepare a declaration outlining what concrete reforms are foreseen in the areas of climate and energy and in particular how they plan to combine Recovery and Resilience Funding with other EU and national funding on scaling up renewable energy, energy efficiency and infrastructure.
- As most Member States have by now submitted their draft Recovery Plans to the Commission, concerns are growing about the feasibility of national plans to fulfil the 37% climate spending target, as well as the general 'Do No Significant Harm' (DNSH) principle that must be respected for all investments under the Recovery and Resilience Facility.
- Recent [analysis](#) has shown that many Recovery Plans do not fully align with the principles set out for the Recovery and Resilience Facility, and that many Member States plan to allocate significant funding to support measures for fossil fuel infrastructure. For instance, the draft put forward by France allocates only 23% to climate-related spending and 55% of its planned expenditure risks violating the DNSH principle. Many other plans face similar issues.
- **Next steps:** Member States will present an overview of their climate-related spending plans at the Council Energy Working Party meeting on 2 March. The final deadline for submitting Recovery Plans under the Recovery and Resilience Facility is 30 April, although it has recently been indicated that this deadline might be flexible should the issues outlined above persist.

RELEVANT INFORMATION FOR WORKING GROUPS

EEE WG:

- **Trinomics study on supply chain resilience:** On 11 February, the Secretariat participated in a workshop hosted by Trinomics on the resilience of critical supply chains for the energy transition. Since heat pumps were identified by the study team as a critical technology, EPEE was invited to provide feedback on the current analysis. Interested members may find the slide deck used to guide the workshop on the Intranet [here](#). The draft report will be submitted to the Commission on 21 March.
- **EC Guidelines on EE1st:** On Wednesday 24th February, EPEE will attend a Commission expert meeting to discuss the future guidelines on implementing the Energy Efficiency First (EE1st) principle. EEE WG members have received a dedicated email with a request for feedback to help prepare EPEE's contribution to the workshop.

Ecodesign WG:

- **ENER Lot 1 Space heaters:** A coordination call with members and the Secretariat took place on Wednesday 17 February, with the aim to comment the outcome of the WG 1/2/3 plenary meeting. A draft position paper was circulated to members for further comments – with deadline on Wednesday 24 February – before submitting it to the technical consultant on Friday, 26 February.
- **Ecodesign & Energy Labelling Work Plan:** The technical consultants working on the Preparatory study for the Ecodesign and Energy Labelling Working Plan released a batch of [draft reports](#) on 9 product groups. Deadline for submissions of comments is 19 March. The Secretariat is assessing the need to draft EPEE's position on the document on industrial smart sensors.

F-Gas WG:

- **REACH restriction of PFAS:** Members of the Impulse and REACH Taskforces met on Thursday 18 February to discuss the draft PFAS engagement strategy that was prepared by the Secretariat. The revised draft is with the Steering Committee for approval, following which it will be circulated to EPEE members.
- **EC report on split air-conditioning:** The Secretariat submitted the position paper on the DG CLIMA report on split air-conditioning to the Commission on 12 February. JBCE and JRAIA joined EPEE in co-signing the position.

RECENTLY PUBLISHED RELEVANT PRESS ARTICLES

Agence Europe

[United States officially rejoins Paris Agreement](#)

[European Commission to establish full certification for renewable fuels and gases](#)

ENDS Europe

[Commission takes four member states to court for breaking environmental law](#)

[EU seeks green reforms to 'outdated rulebook' on global trade](#)

Euractiv

[Concerns raised over green spending as EU moves forward with recovery plan](#)

Agence Europe

United States officially rejoins Paris Agreement

While the G7 leaders were meeting to discuss the Covid-19 pandemic, global recovery, and the climate, Friday 19 February also marked the United States' official return to the Paris Agreement, 30 days after signing the presidential decree providing for this return. From day one of his mandate, US President Joe Biden decided to do the exact opposite to his predecessor, Donald Trump, who initiated the US withdrawal procedure on 4 November 2019 (withdrawal which became effective one year later, on 4 November 2020). "Today's the day. We're officially back in the Paris Agreement - again, part of the global climate effort", said John Kerry, the US Special Presidential Envoy for Climate, on Twitter.

European Commission to establish full certification for renewable fuels and gases

The revision of the European directive (2018/2001) on renewable energies ('RED II') "will include a comprehensive certification for renewable and low-carbon fuels and gases", said the European Commissioner for Energy, Kadri Simson, on Thursday 18 February, on the occasion of the 10th meeting of the European Refining Forum. She added: "It will come with an updated set of incentives to promote the use of these fuels in various sectors". Scheduled for next June, this review will be accompanied by a number of other initiatives, such as the revision of the Energy Efficiency Directive and the Energy Taxation Directive, forming the 'Fit for 55' package, which aims to put the European Union on track to achieve a net reduction in emissions of at least 55% by 2030. See Kadri Simson's speech

https://ec.europa.eu/commission/commissioners/2019-2024/simson/announcements/speech-commissioner-simson-10th-high-level-meeting-eu-refining-forum_en.

ENDS Europe

Commission takes four member states to court for breaking environmental law

Germany, Slovakia, Poland and Slovenia all face legal action at the Court of Justice of the EU for failing to comply with environmental rules ranging from air quality to nature conservation, the European Commission has said.

In its latest infringements package published on Thursday, the EU executive has targeted Slovakia for its breaking daily limit values of particulate matter pollution since 2005, Germany for failing to set adequate conservation measures for protected habitats, Poland for missing action plans to deal with transport noise pollution, and Slovenia for not treating wastewater to a high enough standard.

Germany's federal and regional governments are "failing to designate a significant number of sites" as special areas of conservation, the commission states, and have not made sure their conservation goals are "sufficiently quantified, measurable and reportable".

Jutta Paulus, a German Green MEP, said the commission's decision to take Germany to court was "long overdue", noting that "it is embarrassing for a country that likes to think of itself as a leader in environmental politics".

Slovakia's case is the latest in the commission's clampdown on rampant infringements of air quality rules.

Last year, the EU executive referred Bulgaria, Greece and France to the CJEU for breaking PM10 limits, while a number of other member states were put on formal notice. In November the CJEU ruled against Italy for systematically and repeatedly breaching daily and annual limit values for PM10 across several regions, and handed down a similar ruling against Hungary earlier this month.

Slovakia stands accused of consistently breaching PM10 levels in the Banskobystrický region, the city of Kosice and its surrounding region almost every year since 2005.

"The air quality measures, presented by Slovakia, have not proven to be timely and effective to reduce pollution within the agreed limits and they do not contribute to keeping the exceedance periods as short as possible, as required by EU law," the commission states. Belgium, Czechia and Poland have also received reasoned opinions – the stage before a CJEU referral – for failing to bring nitrogen dioxide levels below EU limits.

Poland has breached the Noise Directive by failing to put in place in time plans for reducing noise from 20 major sections of railway and 290 major sections of road. The commission notes that the Polish government has not included a requirement for noise action plans to keep a record of public consultations in its law transposing the directive.

Finally, Slovenia faces a CJEU case for inadequate wastewater treatment in Ljubljana, Trbovlje, Kocevje and Loka since 2016. The latter three cities have also breached more stringent wastewater requirements for discharges in sensitive areas. The commission has concluded that gaps in wastewater quality data provided by the Slovenian authorities indicate they "have failed to prove compliance". Another reasoned opinion issued in the infringements package targets Cyprus for inadequate environmental impact assessment rules relating to public access and consultations. The commission has also sent five letters of formal notice – the stage prior to a reasoned opinion – relating to environmental infringements to:

- Poland, for failing to comply with a 2018 CJEU ruling requiring it to bring its management plan for the Bialowieza Forest in line with EU protections,
- Romania, for not implementing in full the Industrial Emissions Directive by failing to require installations without permits to suspend their activities and having "inadequate penalties",

- Lithuania, for not establishing detailed enough conservation objectives for its special areas of conservation,
- Spain, for not doing enough to prevent “any further deterioration” of the Llobregat delta, a Natura 2000 site, threatened by the expansion of Barcelona’s airport,
- France, for incorrectly transposing the Environmental Impact Assessment Directive.

EU seeks green reforms to ‘outdated rulebook’ on global trade

The European Commission will push to bring international trade rules in line with its climate and environmental agenda as part of a wide-ranging review of its trade policy, it announced on Thursday.

In its revised trade strategy, the EU executive highlights the “acceleration of climate change, together with biodiversity loss and environmental degradation” as a top priority.

“EU trade policy should help transform the EU’s economy in line with the green and digital transitions. It should unequivocally support the [European] Green Deal in all its dimensions, including the ambition to achieve climate neutrality by 2050,” the document reads.

Reforming the rules overseen by the World Trade Organization (WTO), making better use of bilateral trade deals and promoting “responsible and sustainable supply chains” will be key to advancing the EU’s green agenda, it adds.

“The WTO has for decades provided the stability that is necessary for trade to expand, allowing countries to develop by integrating into the global economy,” EU trade chief Valdis Dombrovskis told reporters at the strategy launch on Thursday. “But the global rulebook is outdated. It no longer guarantees a level playing field. It does not respond to the sustainability and digital challenges.”

“The EU will engage with like-minded countries to pursue a strong environmental agenda at the WTO,” the document states. That will include a “trade and climate initiative”, “the liberalisation of selected goods and services, transparency, and greening of aid-for-trade”, and “the progressive development of disciplines on fossil fuel subsidies”.

The EU will also propose setting up a “multilateral investment court” within the UN Commission for International Trade Law – seen as an alternative to opaque investor-state settlement dispute mechanisms found in many trade and investment agreements, including the controversial Energy Charter Treaty.

Future trade and investment deals will include respect of the Paris Agreement as an “essential element” – used for the first time in the recently signed UK-EU deal – and the commission will propose including a chapter on “sustainable food systems”.

It will also “seek commitments” from G20 countries on reaching net-zero greenhouse gas emissions and “strengthen cooperation” with them on biodiversity, sustainable food production, pollution and waste.

Quizzed on the commission’s efforts to ratify the EU-Mercosur trade deal, which green groups have warned could hasten the destruction of the Amazon and Cerrado, Dombrovskis said the South American bloc was “ready to engage” on providing more commitments to halt deforestation.

Noting that the commission’s preparations to propose a carbon border adjustment mechanism (CBAM) are “already well advanced”, he added that “there seems to be some convergence that the direction is probably linked to a so-called notional emission trading system”.

While green groups welcomed the commission’s aim to align trade policy with the European Green Deal, they questioned whether the specific measures go far enough.

Monique Goyens, the head of consumer group BEUC, said the EU should open “the WTO Pandora’s box” by “reforming the organisation’s archaic rules to make sure that consumer protection measures such as labelling or the right to repair can no longer be perceived as barriers to trade”.

Climate Action Network Europe said the pledge to propose a sustainable food system chapter is unlikely to make meaningful improvements to new trade deals, if the “vague, often unenforceable language” that appears in current sustainable development chapters is anything to go by.

EURACTIV

Concerns raised over green spending as EU moves forward with recovery plan

The President of the European Commission, Ursula von der Leyen, has called on EU member states to speed up delivery of their national spending plans in order tap into the EU’s €750 billion recovery fund, but concerns have been raised over a lack of transparency on how the money may be spent.

The Commission President was in the European Parliament last Friday (12 February) for the official signing ceremony of the EU’s €672.5 recovery and resilience facility, the main component of the EU’s recovery plan from the coronavirus pandemic.

In a short speech at the ceremony, von der Leyen urged “all member states to ratify” a decision to unlock the fund “as fast as possible,” adding that EU institutions “are working intensively to get the national recovery plans ready”.

“So it is time to deliver, indeed,” she said.

Under a wider budget agreement reached by EU leaders in December, 37% of funding will be set aside for climate-friendly expenditure.

But NGOs have warned that EU spending guidelines could open the door to fossil gas while a lack of public scrutiny may lead to political disputes down the road.

“The Commission is greenwashing polluting projects like gas infrastructure and roads, and giving them access to the recovery fund of €672 billion. By funding climate-wrecking industries, this recovery plan is green in name only,” said Ariadna Rodrigo, Greenpeace EU policy advisor.

A guidance document on the ‘Do No Significant Harm’ principle applying to the recovery fund, adopted by the Commission on Friday (12 February), prevents funding going to projects that may impact the environment. It uses the same six environmental requirements as the EU’s green finance taxonomy, including on climate change mitigation and adaptation.

“The guidance leaves some very significant loopholes so that’s also a big concern,” said Felix Heilmann, who has been analysing the plans for E3G, a think tank.

Gas is a grey area for the Commission. Fossil-fuel based power production and related infrastructure are excluded under the guidance, but it will be allowed where it is necessary to facilitate a transition to cleaner energy in coal-dependent countries.

“As a general rule, measures related to fossil fuels – including gas – are not deemed compliant with ‘do no significant harm’ principle and should not be supported by the RRF,” a Commission spokesperson told EURACTIV.

Spending on gas will vary across countries, with some like Poland planning to use fossil gas to replace coal, balance renewables or develop hydrogen, according to Eurogas, an industry association.

Both the European Commission and industry scenarios “foresee unabated emissions being eliminated by 2050, through growing shares of renewable and low-carbon gases as well as use of carbon capture, utilisation and storage,” said a spokesperson for the association.

To obtain EU funding for gas projects, national governments will need to prove that gas is part of a wider transition plan to renewables which does not create a “lock-in” effect into fossil fuels – for instance, “making sure that infrastructure is also suitable for the use of clean gases,” an EU official explained.

All these must be part of “a very clear and credible plan for decarbonisation,” with milestones and deadlines, the official stressed.

Public transparency

However, Barbara Mariani, senior policy officer for climate and energy at the European Environmental Bureau, pushed back on this.

“Gas is not a ‘bridge fuel’, it’s a stranded asset and a climate disaster for people and the planet,” she stressed.

Environmental groups have also raised concerns over a lack of public consultation on the national recovery plans, with some saying this goes against the Aarhus Convention, which mandates public participation on programmes related to the environment.

The way the Commission is approaching the process risks narrowing the amount of time available for public consultation, said a source familiar with the plans. According to that source, the Commission is attempting to get all the political conflict out of the way now to avoid appearing to withhold money from countries in need.

“There’s rarely been any public consultations. For example, working versions aren’t published so it’s really hard to assess and scrutinise for us, but also from national civil society,” said Heilmann.

The Commission disagrees, saying it has called on countries to engage with local and regional authorities, social partners, civil society and youth organisations.

“Involving stakeholders in the design and implementation of national recovery and resilience plans is a key prerequisite for achieving a sustainable and inclusive recovery in Europe,” a Commission spokesperson told EURACTIV.

Where is climate funding likely to go?

The plans are overall well-aligned with the objectives of the €750 billion EU recovery fund, placing a strong focus on green and digital spending, alongside social aspects, like education and skills, according to the Commission.

That green expenditure includes hydrogen projects, renewables, forestry and water management, sustainable urban transport and building renovation, an official explained.

The Commission’s hope is that the plans will lead to reform and more sustainable economies, but there are concerns this is not reflected in the drafts national plans submitted by the member states.

“In a handful of plans, we have issues that there is not enough green investment. There is too much of something else – of traditional infrastructure maybe: too much of roads and not enough for example efforts on renewables, energy efficiency or other cleaner technology,” a senior EU official explained.

Looking at the draft recovery plans available to date, Heilmann warned that the focus placed by national governments is more on gradual green progress rather than a radical shift to a sustainable economy.

“I think the Commission itself is quite disappointed by what it’s been seeing from member states,” Heilmann said.

Still, he pointed to Spain as a good example of reform. The plan released in October includes restoring 10,000 hectares of wetlands and 5,000 km of riverbeds as well as 100,000 electric charging points and 250,000 new electric vehicles by 2023.

Commenting on Spain's plan, Greenpeace has said the proposed investments are on the right lines, but raise concerns about investment into large infrastructures, like ports, and gas.

"We are particularly concerned that the commitment to the development of hydrogen as an energy vector is a gateway to the massive burning of fossil gas," added Miguel Ángel Soto from Greenpeace Spain.

Spending so far

Germany, France, Portugal and Spain are the first countries to have submitted their national recovery plans. But analysis of these by Green Recovery Tracker found that Germany, France and Portugal risk missing the 37% of funding set aside for climate.

It also found that €51.1 billion out of the €350,291,688,000 of EU and domestic finances the four countries intend to spend would have a negative or very negative impact on the climate.

Between the four countries, €41.8 billion of spending in the draft plans would have a positive impact while €97.8 billion would have a very positive impact. €159.7 billion would have no impact or an unassessable one.

In response to this, a Commission spokesperson said they will not give a running commentary on elements of the plans. However, they told EURACTIV that plans will not be accepted without hitting the 37% target for climate spending.

According to the Commission, 19 member states are exchanging progress on their plans in detail and seven others at the level of principle on Friday (12 February). The Commission's deadline for the plans is 30 April, although a senior EU official admitted that is "not a super hard deadline".
