

**30 August 2021**

**LA RENTRÉE**

Dear EPEE Members,

In this first EPEE newsletter of “La Rentrée” (i.e. the beginning of the new school year here in Brussels), it is my great pleasure to officially welcome EPEE’s newest member: [Smardt OPK](http://www.smardt.com/EU-EN/index.html%22%20%5Ct%20%22_blank), the world-leading company in oil-free chiller technologies. The EPEE Team is looking forward to working with you!

“La rentrée” is becoming palpable in the EU policy environment with EU institutions becoming more visible again after the summer. Behind the scenes, of course, the regulatory machine never really stopped. A case in point is the PFAS-dossier: EPEE led the drafting and sending of a letter (see below) to national authorities following the official publication of their intention, in July, of restricting PFAS (among them F-Gases) under the EU REACH Regulation. Among other things, our letter asked for an extension of the deadline for comments. We were just informed that, indeed, the deadline was extended from 19 September to 17 October, so there is a bit more time to react.

Other EPEE summer highlights include meetings with the UK authorities on the British F-Gas Regulation revision and with the energy section of the European Commission on the Energy Efficiency Directive. As we are slowly but steadily coming closer to the Marathon Week of EPEE Working Group meetings in the second half of September, we are busy preparing and updating positions and advocacy strategies across our three pillars  - Decarbonization of Heating & Cooling, - F-Gases and - Ecodesign of RACHP equipment.

Yours sincerely,

Folker Franz, EPEE Director General

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**Calendars**

* [Calendar of External Events](https://www.epeeglobal.org/private-docs/epee-2016-calendar-of-external-events-2/)
* [Calendar of internal meetings 2021](https://www.epeeglobal.org/private-docs/epee-meetings-calendar-2021/)

INSTITUTIONAL UPDATES O N A L   U P D A T E S

**IPCC’S CLIMATE REPORT URGES POLITICAL LEADERS TO ACT ON CLIMATE**

* On 9th August, the Intergovernmental Panel on Climate Change (IPCC) released a [report](https://www.ipcc.ch/report/ar6/wg1/#FullReport) entitled “Climate change 2021 – The physical Science Basis”. This report presents the most recent data from various fields of science regarding the state of climate change.
* The report notably highlighted five potential future impacts: (1) temperatures will reach 1.5C above 1850-1900 levels by 2040; (2) the Arctic will be ice-free in September at least once before 2050; (3) there will be an increasing occurrence of extreme weather; (4) extreme sea levels events will occur once a year at more than half of tidal gauge locations by 2100; (5) there will be an increase in fire weather.
* This study has been described as a “code red for humanity” by the United Nation General Secretary Antonio Guterres as the report demonstrated that the temperatures and sea levels were increasingly rising because of human activities. He notably expressed that this should mean the end of coal, oil and gas as they have been identified by the report as the energies destroying the planet.
* Antonio Guterres called on OECD countries to phase out existing coal by 2030 and other fossil fuel by 2040. He also called on all countries to end new fossil fuel exploration and production and redirect fossil fuel subsidies towards renewables. He added that “by 2030, solar and wind capacity should quadruple, and renewable energy investment should triple” if the world wants to maintain its net zero trajectory by mid-century.
* Frans Timmermans, Vice-President of the European Commission in charge of the Green Deal also reacted by admitting that the report is alerting but that it proves that “it is not too late to stem the tide and prevent runaway climate change”.
* Many NGOs such as Greenpeace, Oxfam or CAN Europe reacted stating that it is urgent to phase out fossil fuels and to switch to 100% renewable energy as soon as possible.
* **Next steps**: The report is aimed to galvanize increased international commitments ahead of the COP26 Climate Conference that will be held in Glasgow from 02-12 November 2021.

R E L E V A N T   I N F O R M A T I O N   F O R   W O R K I N G   G R O U P S

**EEE WG:**

* **Meeting with DG ENER on Fit for 55:**On Thursday, 26 August the Director-General, Secretariat, Chair and Vice-chair of the EEE Working Group held a meeting with DG ENER’s Claudia Canevari (Head of Unit ENER B.2 for energy efficiency) and some key members of her unit. The exchange focused on EPEE’s priorities regarding the recently published EED proposal, but touched also upon connections to the EPBD, RED and F-Gas Regulation. EPEE was encouraged to further exchange with the unit’s heating and cooling expert, Mr Madis Laniste, upon his return from vacation. A follow-up meeting to this end will be organized in the coming weeks. Further, EPEE informed Ms Canevari about the close links between energy efficiency and the F-Gas Regulation, on which the Commission representatives requested further information as DG ENER was not consulted yet by DG CLIMA on the file.
* **Sustainable district cooling:** The Commission’s DG RTD has presented the results of a Horizon 2020 research project on a [New generation of Intelligent Efficient District Cooling systems](https://cordis.europa.eu/project/id/696098/results). The project’s main aim was the development of a toolkit to support more efficient, intelligent and less expensive DC. The main findings included that significant additional energy savings could be made through optimization of DC, that DC may fill an important niche in the increasing need for air-conditioning, but that the up-front costs and lack of public funding support often complicate the roll-out of infrastructure.

**F-Gas WG:**

* **F-Gas Regulation review**: The Impulse Team will meet on 8 September to discuss a draft position paper on the F-Gas Regulation review which will include projections from Ray Gluckman’s EU HFC Outlook Model.
* **PFAS activities**: On 13 August, EPEE and several other industry associations (the letter was co-signed by ADC3R, APPLIA, AREA, EFCTC, EHI, EHPA and EPFA) sent a [joint letter](https://www.epeeglobal.org/private-docs/joint-industry-letter-on-the-pfas-roi-13-august-2021/) to the five NCAs in charge of the PFAS restriction proposal, asking for clarifications regarding the scope of the restriction and an extension of the deadline for feedback to the second call for evidence, which had been set for 19 September. In a response received on 30 August, the five authorities agreed to extend the deadline to 17 October.

R E C E N T L Y   P U B L I S H E D   R E L E V A N T   P R E S S   A R T I C L E S

**AGENCE EUROPE**

* EEA highlights Member States’ progress and shortcomings on air pollutants

**ENDs Europe**

* Growth of renewable energy poses new waste challenges, says EEA

**EurActiv**

* Carbon pricing in buildings and transport is necessary but must be done well
* It’s crunch time for France’s tumultuous renewable energy debate

**AGENCE EUROPE**

**EEA highlights Member States’ progress and shortcomings on air pollutants**

*Brussels, 26/08/2021 (Agence Europe)*

The European Environment Agency (EEA) published a briefing note, on Thursday 26 August, on developments in the EU Member States regarding the reduction of key air pollutant emissions.

Based on the latest available data from 2019, this document shows that the EU27, as a whole, has respected the emission ceilings set in 2010 by the EU Directive (2001/81).

Extended until the end of 2019 by an amendment to the text via Directive 2016/2284, these ceilings concern emissions of the four main air pollutants: nitrogen oxides (NOx), non-methane volatile organic compounds (NMVOCs), sulphur dioxide (SO2) and ammonia (NH3).

All Member States met their respective national ceilings for NOx, NMVOCs and SO2 in 2019, notes the EEA.

In contrast, Croatia, the Czech Republic, Ireland and Spain exceeded their national emission ceilings for NH3.

Regarding the new targets for the period 2020-2029 set by Directive 2016/2284, only nine EU Member States (Belgium, Croatia, Czech Republic, France, Greece, Italy, the Netherlands, Portugal and Slovenia) have met their emission reduction commitments for the four pollutants mentioned above and for fine particulate matter (PM2.5).

As the main pollutant responsible for premature deaths and illnesses due to air pollution, the EU’s PM2. 5 emissions have decreased by 29% between 2005 and 2019, the document also points out.

However, significant efforts are needed to meet the reduction commitments for 2030 and beyond for this pollutant. In particular, the Czech Republic, Hungary and Romania will have to reduce their PM2. 5 emissions by more than 50%.

In 2018, around 379,000 premature deaths were associated with exposure to fine particles alone in the EU27 and the UK.

See the document: <https://bit.ly/3BhXXNF>

**ENDs Europe**

**Growth of renewable energy poses new waste challenges, says EEA**

While a rapid [deployment](https://www.endseurope.com/article/1725211/eu-solar-power-hits-new-record-coal-declines-sharply) of clean energy is needed to ensure Europe achieves its climate objectives, renewables equipment will face rapid obsolescence and generate complex waste streams, an EEA report warned.

The agency notes that 95% and 90% of PV and wind turbines, respectively, can be recycled, and the same is true for all metals used in batteries. Waste from these technologies includes rare earth elements and valuable materials such as steel, copper and glass, the EEA says.

However, the agency’s report notes, recovering these materials and reintroducing them into the production cycle is difficult due to the presence of hazardous substances (cadmium, arsenic, lead, antimony, polyvinyl fluoride and polyvinylidene fluoride in PV, for instance), complex logistics and high transportation costs, especially for blades, design that does not consider end of life or recyclability, and the overall lack of a recycling infrastructure.

To address these problems, the EEA recommends the adoption of circular economy approaches including eco-design, repair and upgrading, material-specific recycling targets and extended producer responsibility schemes.

“Today the amount of blades that need to be recycled is fairly small. That’s one of the main reasons why waste management companies have not yet invested in dedicated recycling technologies. But we want to be a frontrunner in sustainability,” Christoph Zipf, communications manager of industry group WindEurope, told ENDS.

Several companies, such as Vestas, Siemens Gamesa and Ørsted, have pledged to produce fully recyclable wind turbines.

WindEurope has called for an EU ban on the landfilling of decommissioned wind turbine blades by 2025 and has teamed up with the European Chemical Industry Council (Cefic) and the European Composites Industry Association (EUCIA) to create a “[cross-sector platform](https://www.endseurope.com/article/1648845/wind-power-chemicals-sectors-join-forces-deal-old-turbines) to advance novel approaches to the recycling of wind turbine blades”.

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**Carbon pricing in buildings and transport is necessary but must be done well**

Without pricing CO2 emissions from buildings and transport, Europe will miss its -55% emissions target, but it must be introduced bearing in mind the political and societal risks, particularly in countries like Poland, writes Joanna Maćkowiak-Pandera.

The European Commission has put forward a proposal for EU regulations to help meet the 55% emissions reduction target in 2030. One of the key elements of the “Fit for 55 package” is the implementation of a mechanism to charge CO2 emissions from buildings and transport.

This proposal drew controversy from politicians to environmental organisations over its possible impact on EU society. But without pricing CO2 in these sectors, we will not arrive at 55% reduction. The question is how to design the mechanism so that it gains the political acceptance of all member states?

For many countries, including Poland, this debate will be uncomfortable. Since 2005, emissions in Poland have decreased by only 5%, and in transport, they have even increased. This has a negative impact on climate but we also pay in polluted air, environmental degradation, and our own health.

From an economic point of view, external costs are borne by society as a whole, irrespective of who uses what solutions and how much they pay. In Poland, annual external costs amount on average to about €2,000 per inhabitant (data from the Ministry of Labour and Social Policy and DG Move).

Countries with a lower level of development pay on average more than richer ones. Without including health and environmental costs in the price of energy or fuels, it is still efficient to buy coal-fired boilers to heat homes and to import old diesel from the “west”.

Reducing emissions in transport and buildings is essential if the EU is to achieve a 55% reduction in emissions by 2030. Introducing emission cost pricing for buildings and transport in light of adopted climate neutrality targets is essential, but how to do that? All political risks must be taken into account.

First, the introduction of a uniform price may inhibit decarbonisation if the cost of emissions is too low in transport and extremely high in buildings. In Poland, almost half of all buildings are still heated by coal, and 70% have a very low standard of energy efficiency.

Although there is a plan to replace black fuel with cleaner forms of heating by 2030, around 2025 when the emissions charge mechanism comes into force, many homes will still be heated not only with gas but coal. Assuming a CO2 price of €50 the cost of 1 MWh of gas will increase by around €12.

This means that users will pay around €100 more per year for gas to heat a 150m2 house to an average energy standard. In a similar building heated with coal, the price will rise by €450. It is worth remembering that in Poland, most buildings heated with coal are inhabited by rural residents with lower incomes.

The second major risk is precisely the disparity in income levels both within countries and between EU member states. The adopted solutions must include a mechanism for the fair distribution of costs, including support for the less well-off parts of society. The new Social Climate Fund is the move in the right direction.

A third risk factor in introducing a CO2 pricing mechanism for transport and buildings could be fears of a rapid rise in the price of CO2 emissions. Price increases in the EU ETS is not a distant memory: in the last year alone, the cost of allowances has increased by 150%.

The lack of a circuit breaker to prevent a rapid rise in costs could lead to a wave of social discontent, becoming fuel for populists and, consequently, hindering the transition.

**So how should the new emissions trading system for buildings and transport work?**

It is necessary to have two separate pools for buildings and transport because of the difference in the cost of reducing a tonne of CO2 in these sectors. Allowance prices should start at a lower ceiling and rise through price corridors with defined minimum and maximum values.

This is important to avoid price shock due to increases in the cost of heat and transport when regulation is introduced.

Member states with a better starting position (lower average emissions and higher income) can introduce additional emission charges according to unified rules at the national level.

All of the financial resources generated by the new system should be used in a deliberate redistribution to households, which will level the playing field for citizens with different income levels to participate in the Green Deal.

Measures should include social assistance, including subsidies for energy costs (for households) – but above all, support for energy efficiency – the replacement of heat sources, the development of public transport, and electromobility.

The creation of a social fund, as announced by the Vice-President of the European Commission Frans Timmermans, is important and necessary, but it is not enough.

The EU must develop common principles for combating energy poverty and take this subject very seriously. There is a lack of uniform definitions, monitoring of the phenomenon, and effective tools. Poland, like many other countries identifying poverty as the main barrier to the transformation, is still doing too little to solve this problem effectively.

We have very important months of negotiations ahead of us on the implementation of the “Fit for 55” package. Without reducing emissions from transport and buildings, it will be impossible to achieve the goal of climate neutrality.

We need a mechanism for pricing the costs of emissions in these new sectors, but it is very important that new regulations are introduced with great sensitivity to public concerns. Without the gentle introduction of the ETS-2, for example with price cap as we propose, the Commission may throw the baby out with the bathwater.

**It’s crunch time for France’s tumultuous renewable energy debate**

As the debate on renewable energies and nuclear rages across France, nuclear proponents, environmentalists, scientists and politicians will have to set aside their differences in order to advance the energy transition.

While France’s [energy transition law of 2015](https://www.ecologie.gouv.fr/loi-transition-energetique-croissance-verte) provides that by 2030 40% of French electricity production must come from renewable sources, much progress remains to be made.

“Today, we are at 25%. We still need to accelerate,” says Alexandre Roesch, general delegate of the Renewable Energy Trade Association (SER).

According to Roesch, while onshore wind power is “on the right track”, solar power needs to be developed “almost fourfold”. Regarding wind power, “we have visibility until 2024. We need to see things in the longer term”.

France lagging behind in renewables can be explained in part by the fact that close to 70% of its electricity production is based on nuclear power. By comparison, [the share of renewables in electricity production reached 23.4%](https://fr.wikipedia.org/wiki/%C3%89lectricit%C3%A9_en_France) in 2020.

However, more effort needs to be made for France to achieve carbon neutrality, according to a study published in June 2021 by the country’s electricity transmission operator RTE. “All six scenarios presented in this study foresee a strong increase in renewable energies,” RTE told EURACTIV.fr.

According to Roesch, France will have to rapidly develop its offshore wind and solar power capacities as these are the areas where volumes will be the highest. “For offshore wind, the French potential is around 50GW. For onshore wind power, 17GW are already installed, and 36GW should be reached in the high trajectory of the [multiannual energy programme (PPE)](https://www.ecologie.gouv.fr/programmations-pluriannuelles-lenergie-ppe). Solar energy is at 10GW, and it should be around 40,” he added.

**€30.5 billion in state aid**

The European Commission also wants to see the development of renewables boosted in France with the authorisation of a €30.5 billion French aid scheme in July.

The budget will be used to finance solar, hydro and onshore wind projects via calls for tender between now and 2026 for a total of 34GW. This financial support comes in the wake of the new European climate objectives set out in the European Commission’s “Fit for 55” package unveiled on 14 July, which included plans to increase the share of renewables to 40% of the EU’s energy mix by 2030, up from 20% currently.

The French plan authorised by Brussels does not, however, concern offshore wind power, although seven offshore wind farms are currently under construction in France, which are due to be commissioned between 2022 and 2027.

“Offshore wind does not work on the same system,” Roesch explained. “It is the State that obtains the authorisations to build and which organises a competitive dialogue. It is during this dialogue that the specifications are defined. The candidates then submit a bid,” he added.

**The battle of Saint-Brieuc**

While the French government seems determined to cooperate with Europe to achieve its objectives, the topic remains divisive on home turf.

Wind power, for instance, is source of tension with some saying it creates noise pollution and destroys marine and land biodiversity. Yet, according to the renewables syndicate, “there are impact studies with a strong landscape component. There are legal obligations to recycle the parks at the end of their life. It is a very regulated sector.”

Still, fishermen and inhabitants of the Saint-Brieuc bay are unhappy about the 62 wind turbines the area is supposed to accommodate, saying the sector is not sufficiently regulated.

“Sacrificing marine biodiversity, our best ally against climate change, on the pretext of fighting greenhouse gas emissions is total nonsense,” said Lamya Essemlali, president of Sea Shepherd France, an environmental NGO.

For Valérie Pécresse, president of the Île-de-France region, “the wind farm project must be started from scratch”. “The procedure has not been done and does not need to be done” and it “involves negligence,” she added.

**What about nuclear power?**

With renewable energy posing so many issues, France could simply continue to heavily rely on nuclear power.

However, according to Roesch, “the nuclear fleet as it is today will not remain in its current state indefinitely. The challenge is to maintain our security of supply and our ability to fight climate change.”

“Even in the event of a revival of nuclear power, the current reactors will eventually have to be shut down for age-related reasons and because it does not seem possible to replace them at the extremely high rate at which they have been commissioned,” adds RTE.

There is no doubt that the subject is eminently political in the run-up to the 2022 presidential elections.

“The debate must not be caricatured around a debate between nuclear and wind power. That would be very simplistic,” Roesch cautions. “Whatever the choice made by the next president on the revival of nuclear power, in all the RTE scenarios, almost 50% of renewable electricity is needed. If we don’t keep to this, we will have to use fossil fuels again,” he said.

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