

**13 September 2021**

Dear EPEE Members,

At EPEE, we believe that consumers in the EU need to have the right to know the most efficient solution to heat their rooms, when they decide between different products to buy - like convection heaters, radiant heaters, or heat pumps. Therefore we support a common energy label for all those devices in our [**new position paper**](https://www.epeeglobal.org/wp-content/uploads/EPEE-Position-Paper-20210910-on-ENER-Lot-10-after-the-CF-of-6-Jul-2021.pdf)**on Ecodesign and Energy Labelling for Air Conditioners and comfort fans**, that we have sent to the European Commission (see below)**.**

We are also busy reaching out to **Members of the European Parliament**, wo are currently discussing a [**draft Motion**](https://www.europarl.europa.eu/meetdocs/2014_2019/plmrep/COMMITTEES/ENVI/RE/2021/06-21/1231861EN.pdf)**for the upcoming COP26 UN Climate Conference**. We support this Motion, except for [one Amendment](https://www.europarl.europa.eu/doceo/document/ENVI-AM-695069_EN.pdf) (Nr. 335) that simply calls on the European Commission “to accelerate the hydrofluorocarbon (HFC) phase out before 2030, supported by the introduction of additional placing on the market prohibitions on new HFC-based equipment in key sectors such as air conditioning and heat pumps“.

The European Parliament needs to recognize the **nexus between HFC and carbon emissions**: the reduction potential of CO2 emissions from electric heating & cooling technologies is much bigger than the direct emissions from the F-Gases, which these technologies rely upon for their optimal functioning. The Parliamentary vote on the Motion is scheduled for 18 October.

Looking forward to discussing these and many other issues at our “Marathon” meetings of the F-Gas, EEE and Ecodesign Working Groups, as well as the Associations Forum, next week.

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

**EUROPEAN PARLIAMENT COMMITTEE ON ENVIRONMENT DEBATES FIT FOR 55 AND DESIGNATES FIRST RAPPORTEURS**

* On 07 September, the European Parliament’s Committee on Environment, Public Health and Food Safety (ENVI) designated the first set of rapporteurs for some of the Fit for 55 files. On 09 September, the Committee debated various proposals under the Fit for 55 package, mainly the revision of the EU ETS, and the Social Climate Fund.
* The ENVI MEPs designated as rapporteurs include Eleonora Evi (Greens, Italy) for the Energy Efficiency Directive, Nils Torvalds (Renew, Finland) for the Renewable Energy Directive, Mohammed Chahim (S&D, Netherland) for the Carbon Border Adjustment Mechanism (CBAM). The rapporteur for the revision of the Emissions Trading System (ETS) will come from the European People’s Party (EPP), but it is yet unclear which MEP it will be.
* Notably, with the exception of the EU ETS, the ENVI Committee will not be the lead committee on these files. This role will fall to the Committee on Industry, Research and Energy (ITRE) which has yet to designate its rapporteurs. ENVI will nevertheless be heavily involved, and its opinions will be among the most influential for the final positions of the Parliament on the various files.
* The debate in the Committee on 09 September kickstarted the debate on Fit for 55 in the Parliament with an exchange on the EU ETS between the Commission’s Directorate General for Climate (DG CLIMA) and MEPs. Overall, MEPs from across the political spectrum voiced strong reservations on the Commission’s plans to extend carbon pricing to the building and transport sectors, with the main concerns being the impact this might have on fuel prices for final consumers.
* **Next steps**: More information on lead rapporteurs in the ITRE Committee will likely become available in the coming days. From the Member States’ side, the EU Energy Ministers will meet on 22 September in Slovenia for an informal exchange on the revisions of the RED and EED.

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:**

* **Reminder: World Cold Chain Symposium event:** The EPEE-sponsored Virtual World Cold Chain Symposium organized by the Global Food Cold Chain Council (GFCCC) and UN Environment Programme (UNEP) will take place on 14 September. Interested members may register [here](https://wccs.foodcoldchain.org/).
* **Green Deal Taskforce:** The Green Deal Taskforce met on Tuesday, 07 September to discuss the Fit for 55 proposals, updating EPEE’s positions on the Energy Efficiency Directive and Renewable Energy Directive, as well as ongoing advocacy activities towards the institutions. The Secretariat is now in the process of updating the relevant drafts, which will be shared with the WG ahead of the meeting on 23 September.

**F-Gas WG:**

* **F-Gas Regulation review**: The Impulse Team met on 8 September to discuss the EPEE draft position paper on the F-Gas Regulation revision. The meeting started with a general presentation by Ray Gluckman on the HFC Outlook Model, which was followed by a discussion on how to use the figures to support the advocacy efforts in the context of the F-Gas Regulation revision. The Secretariat will be circulating an updated version of the draft position paper with the Impulse Team this week. In addition, EPEE F-Gas WG members have been invited to an internal webinar on the state of play in the US context on the F-Gas sector on 16 September.
* **PFAS activities**: The Secretariat and the REACH TF are currently finalising the autumn PFAS strategy and developing the RoI consultation response (DL: 17 October) by compiling comments from members. The Secretariat will also start preparing a new toolkit for associations. In addition, the Secretariat continues to develop and discuss the joint PFAS webinar in the context of the PFAS Gathering.

**Ecodesign WG:**

* **ENER Lot 10 (air conditioners)**: following the Consultation Forum meeting of 6 July 2021, the Working Group finalised a position on the most recent proposals from the Commission on the review of ecodesign Regulation 206/2012 and energy labelling Regulation 626/2011 for air conditioners and comfort fans (ENER Lot 10).  In the first part of the text, we elaborate our views on the proposals in the Addendum Report on alternative testing methods and thermal comfort. The second part of this paper explains our support for a merged energy label for air conditioners and comfort fans (ENER Lot 10) and electric space heaters (ENER Lot 20), as we believe that this will help consumers choose the most energy efficient products. Our position is [available online](https://www.epeeglobal.org/wp-content/uploads/EPEE-Position-Paper-20210910-on-ENER-Lot-10-after-the-CF-of-6-Jul-2021.pdf) and has been distributed to the Commission and relevant Member State contacts.
* **ENER Lots 1 and 2 (space and water heaters)**: the European Commission organises Consultation Forum meetings on Monday 27 and Tuesday 28 September 2021 on ENER Lot 1 (space heaters) and ENER Lot 2 (water heaters). EPEE will participate as well and will prepare in the coming weeks its speaking points and strategy for at the Consultation Forum.

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**

* Commission struggles to convince MEPs of benefits of a new carbon market for road transport and buildings

**ENDs Europe**

* Environment committee reaches agreement on dividing up Fit for 55 files

**Agence Europe**

**Commission struggles to convince MEPs of benefits of a new carbon market for road transport and buildings**

MEPs again expressed serious reservations about, and even opposition to, the European Commission’s proposal to establish an EU Emissions Trading Scheme (ETS) covering emissions from fuels used for road transport and heating of buildings, during a debate in the European Parliament’s Committee on the Environment, Public Health and Food Safety (ENVI) on Thursday 9 September.

Presented on 14 July as part of the ‘*Fit for 55*’ climate legislation package, this proposal would lead to the creation of a carbon market adjacent to the current ETS and operating on similar principles *(see EUROPE*[*B12762A1*](https://agenceurope.eu/en/bulletin/article/12762/1)*)*.

Fuel suppliers would be responsible for monitoring and reporting the amount of fuel they place on the market. From 2026 onwards, they would then have to buy emission allowances which they could trade according to their needs, with the obligation to surrender sufficient allowances at the end of each calendar year, depending on the carbon intensity of the fuels.

The total quantity of allowances put on the market would be capped and reduced over time, so that the total quantity of emissions would decrease.

**Widespread scepticism in Parliament**

While the mechanism is therefore not new and has proven its worth in reducing emissions from the power sector and manufacturing industry through the current ETS, the Commission’s proposal is struggling to convince MEPs because the sectors covered are different.

Before a representative of the institution, MEPs reiterated their fears - already expressed on 14 July *(see EUROPE*[*B12762A10*](https://agenceurope.eu/en/bulletin/article/12762/10)*)* - that fuel suppliers would pass on the increased costs of the new carbon market to consumers, leading to higher heating bills and unsustainable petrol prices for the most vulnerable households.

This scepticism seemed to be shared by a large majority, if not all political groups in Parliament, although there were nuances.

“*We are critical of the new ETS system on road transport and buildings (…) We think it’s important that you truly evaluate your proposal because this will have social implications if we don’t do this better*”, said Jytte Guteland (Sweden), coordinator of the S&D Group.

Emma Wiesner (*Renew Europe*, Sweden) also questioned whether an ETS was really the best mechanism to reduce emissions from the buildings and road transport sectors.

Saying he was “*very sceptical*” of the Commission’s proposal, Greens/EFA coordinator Michael Bloss (Germany) said: “*As we understand, the price in this second ETS will be only around 30 euros (per tonne of CO2), and that means basically almost zero effect for reducing CO2 emissions in these sectors, but it puts a lot of burden on poor households*”.

ECR Group coordinator Alexandr Vondra (Czech Republic) expressed serious concerns about the “*social effects*” of the new ETS and more broadly the ‘*Fit for 55*’ package as a whole. He also asked the Commission to carry out a detailed impact assessment of the effects of the ‘*Fit for 55*’ package for each Member State and for each income group.

**The ‘Social Climate Fund’ deemed insufficient**

The Commission, for its part, defended its approach. In particular, it recalled that it plans to create a ‘Social Climate Fund’, financed by 25% of the revenues of the new ETS, to compensate for the social impacts of the latter *(see EUROPE*[*B12762A6*](https://agenceurope.eu/en/bulletin/article/12762/6)*)*.

However, several MEPs criticised this proposal.

For example, both Mr Bloss and César Luena (S&D, Spain) felt that 25% was not enough.

“*How can we ensure that the social climate fund will reach the most vulnerable households?*”, asked Petar Vitanov (S&D, Bulgaria).

**Phasing out free allowances divides**

Another point singled out by a number of MEPs is the phasing out of free allowances in the current ETS.

According to the Commission’s proposal for the reform of the ETS, these allowances will be reduced by 10% per year from 2026 onwards, with a total abolition in 2036.

At the same time as this phase-out, the EU Carbon Border Adjustment Mechanism (CBAM) would be introduced as an alternative tool to combat carbon leakage *(see other news)*.

But some MEPs, such as Mrs Guteland, Mrs Wiesner, Mr Bloss, Petros Kokkalis (*The Left*, Greece) and Martin Hojsík (*Renew Europe*, Slovakia), considered this pace to be far too slow, arguing that the abolition of free quotas should be accelerated.

Mr Hojsík also called the non-inclusion of the waste incineration sector in the ETS “*outrageous*”.

Dutch MEP Bas Eickhout (Greens/EFA) regretted that the Commission had not proposed an immediate abolition of all free allowances for aviation.

While the institution recognises that there is no risk of carbon leakage in this sector, it wants to phase out these allowances, with a view to complete elimination by the end of 2026 *(see EUROPE*[*B12764A10*](https://agenceurope.eu/en/bulletin/article/12764/10)*)*.

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**ENDs Europe**

**Environment committee reaches agreement on dividing up Fit for 55 files**   
   
The European Parliament’s main political groups have come to an agreement on how they will divide up the eight climate and energy proposals in the recent ‘Fit for 55’ package that will be scrutinised by the environment committee.

ENDS has learned that EPP lawmakers will take charge of four files: expanding the emissions trading system (ETS) to road transport and buildings, including aviation in the ETS and the CORSIA offsetting scheme, the proposed social climate fund, and reforms to the Effort Sharing Regulation.

The S&D will appoint rapporters to steer through parliament and lead negotiations with national governments over the proposals for a carbon border adjustment mechanism (CBAM) and for reforming the ETS market stability reserve (MSR).

Finally, the Greens and Renew Europe take one file each. The Greens have been tasked with drafting the environment committee’s (ENVI) report on a proposal to revise the land-use, land-use change and forestry (LULUCF) Regulation, while the liberal Renew Europe group will handle a proposal for tougher CO2 emissions standards for cars.

ENDS understands that Dutch MEP Jan Huitema will be Renew’s rapporteur for the car CO2 emissions file, while Finnish Green Ville Niinistö has confirmed he will be rapporteur for the contentious LULUCF file, which will go a long way to defining the role of forests in EU climate policy.

An EPP spokesperson said the group is yet to pick its rapporteurs, and that its environment committee members have until the middle of this week to indicate their interest in a given file. ENDS understands that Dutch lawmaker Mohamed Chahim will take charge of the CBAM file for the S&D, while the group has yet to appoint a rapporteur for the MSR reform.

The other files in the [Fit for 55 package](https://www.endseurope.com/article/1722229/fit-55-need-know-first-12-climate-energy-policy-proposals), named after the EU’s new emissions reduction target for 2030 and unveiled by the European Commission before the summer, will be handled by the committees on transport (TRAN) and industry, research and energy (ITRE), with ENVI producing an advisory opinion on each proposal.

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