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| **05 April 2022** ***Dear EPEE Members,*** Today the European Commission will publish its proposal for the revision of the EU F-Gas Regulation. Our sector will be loud and clear about the proposal’s parts where the Commission risks shooting itself in the foot by undermining the EU’s own climate and energy goals. But at EPEE we will also look at the less brute parts of the proposal. It is, for example, likely that the proposal will require Member States to collect emission data electronically (where possible). This requirement would chime with the wider digital strategy that is slowly but profoundly transforming the industrial sector. Look at last week’s European Commission proposal for Ecodesign of Sustainable Products (see below) which wants to create digital product passports.  Or have a look at the currently discussed Energy Performance of Buildings Directive, and its provisions to boost the deployment of smart Technical Building Systems (TBS). Whether it comes out of the F-gas door, the Energy Efficiency door or the Ecodesign door – the Internet of Things is not only possible. It is increasingly mandated by legislation. Best regards, Folker Franz, Director General  |

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| **WHAT'S NEW IN THE EU****European Commission publishes a package proposal to make products more sustainable**   |

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| * On 30 March, the European Commission presented a package of proposals with the aim to make sustainable products the norm in the EU, boost circular business models and empower consumers for the green transition. This initiative stems directly from the EU [Circular Economy Action Plan](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=8eac2eee8e&e=802e4750f5).
* The [proposal for a Regulation on Ecodesign for Sustainable Products](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=0836920a1e&e=802e4750f5) sets new rules for almost all physical goods on the EU market to make them more friendly to the environment, circular, and energy efficient throughout their whole lifecycle from the design phase through to daily use, repurposing and end-of-life. It aims to achieve this through a Digital Product Passport as well as by extending the existing Ecodesign framework to cover a broader range of products as well as the scope of requirements with which products are to comply with.
* A further proposal seeks the [revision of the Construction Products Regulation](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=6a02d3df8a&e=802e4750f5) in order to boost the internal market for construction products and ensure that the regulatory framework in place is fit for making the built environment deliver on EU sustainability and climate objectives.
* Finally, the package includes a proposal to amend the [Consumer Rights Directive](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=5b2a23c35f&e=802e4750f5) to oblige traders to provide consumers with information on products' durability and reparability in an effort to empower consumers in the green transition so that consumers are better informed about the environmental sustainability of products and better protected against greenwashing.
* **Next steps**: The European Commission opened a call for feedback on the Sustainable Product Initiative from 3 April to 30 May 2022. The Ecodesign WG will meet on 07 April to discuss EPEE’s reaction to the proposal. The proposed Consumer Right Directive will be discussed by the Council and the European Parliament.

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| **WORKING GROUPS** **EEE WG:**  * **EPBD position:** EPEE’s position on the revision of the Energy Performance of Buildings Directive (EPBD) has been approved by the EEE WG and was submitted to the European Commission’s consultation by the deadline on 31 March. Interested members may find the [position](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=68ee2b83df&e=802e4750f5) on the EPEE website, and the document containing the detailed amendment proposals on the intranet [here](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=5bc589922f&e=802e4750f5). The Secretariat invites all members to make use of these documents also in their own advocacy activities.
* **EU Taxonomy environmental criteria**: On 29 March, the Platform on Sustainable Finance published its [final report](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=a6b0f1bd53&e=802e4750f5) with recommendations for screening criteria (detailed in the [Annex](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=82c73f4724&e=802e4750f5) to the report) in the areas of sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems. The points made in the [EPEE & EHPA position](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=d629bc0618&e=802e4750f5) from September 2021 on the manufacture of durable & circular electronic equipment were largely taken up in the final report. On the basis of these recommendations, the European Commission will propose a delegated act under the Taxonomy Regulation, which is announced for Q3 this year.

 **F-Gas WG:*** **F-Gas Regulation Revision**: The European Commission is expected to publish the revision proposal on the F-gas Regulation in the early afternoon on Tuesday 5 April, as per the College of Commissioners meeting agenda. The EPEE Secretariat is working on a joint press release with EHPA and ARE and will monitor the publication closely. The F-gas WG Impulse Team is already discussing the initial input for EPEE’s public consultation response on the final proposal
* **Meetings with policymakers**: An EPEE Delegation met with members of the Timmermans Cabinet and DG CLIMA on 30 March to discuss the F-gas Regulation revision and the Joint Statement by EPEE, EHPA, and AREA. The key meeting takeaways were that there is a high likelihood that Commission will not make substantial changes to the leaked draft and that the Commission wants to change the way RACHP industry invests and operates with a push towards natural refrigerants. The Commission representatives signalled some flexibility on the timing of bans but not on the policy direction.
* **RRR Taskforce**: The EPEE RRR Taskforce met on 24 March to discuss preparations for the next WEEE Forum Refrigerants Roundtable meeting taking place on 04 April. In addition, Peter Sleigh (Koura) was appointed as the vice-chairman of the RRR TF to support the increasing activities of the TF.
* **Essential use**: In the context of the EU Chemical Strategy for sustainability the consultant Wood E&IS has been tasked by the European Commission to develop the Essential Use concept. A draft EPEE commentary paper has been circulated to the WG on 01 April for review. The Secretariat asks all members to provide their feedback by 07 April EOB.

 **Ecodesign WG:**  * **ENER Lots 1 (space heaters) and 2 (water heaters)**: a) EPEE uploaded its feedback to the Calls for Evidence for [ENER Lot 1](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=56f6ec3fcb&e=802e4750f5) and [ENER Lot 2](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=22441b0781&e=802e4750f5). b) The Working Group is elaborating its position on MEPS.
* **ENER Lot 11 (fans)**: a Consultation Forum took place on Friday 1 April 2022. The Working Group members will debrief on the Consultation Forum and decide on follow-up steps during a videocall on Thursday 7 April 2022.
* **Sustainable Consumption of Goods Initiative**: EPEE took the lead in developing a [joint industry position](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=78c592c625&e=802e4750f5), which was co-signed by five other associations.  This document also forms the basis for the EPEE feedback to the [Call for Evidence](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=3c9f26254d&e=802e4750f5) on this policy file.
* **Sustainable Products Initiative**: a Consultation Forum took place on 31 March 2022, during which the Commission its proposals for an Ecodesign for Sustainable Products Regulation (ESPR). The Working Group will debrief on the meeting during a videocall on 7 April 2022.
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| **Calendar** * [Calendar of internal meetings 2021](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=24e6da6daa&e=802e4750f5)
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| **WHAT'S IN THE NEWS**  **Euractiv*** Europe’s booming demand for heat pumps exposes bottlenecks (mentioning EPEE)

**ENDS Europe*** Heating and cooking ‘major sources’ of air pollution – study
* Taxonomy: Expert group advises on pollution, biodiversity and circularity criteria
* Taxonomy: EU expert group proposes economy-wide ‘traffic light’ scheme
* Commission seeks green overhaul of construction products rules

**Agence Europe*** Greens/EFA MEPs file a request to oppose complementary delegated act on EU taxonomy
* “Platform on Sustainable Finance” makes proposals to extend scope of EU taxonomy
* [European Commission adopts new working plan on ecodesign and energy labelling](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=812cdf500b&e=802e4750f5)

  EURACTIV  Europe’s booming demand for heat pumps exposes bottlenecks Sky-high gas prices have sent demand for heat pumps booming across Europe, exposing a range of bottlenecks limiting industry’s ability to deliver, including a shortage of skilled labour, as well as the need to simultaneously insulate buildings to ensure maximum efficiency. Heat pumps, sometimes described as reverse air conditioners, use electricity to concentrate heat potential and are comparatively more energy efficient than gas boilers. As Europe’s appetite for gas comes under scrutiny for financing the Kremlin’s war in Ukraine, Europeans are rushing to install heat pumps in a bid to eliminate Russian gas. The task is gigantic, though. Only 17 million heat pumps are already installed [across Europe](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=b2a4dc76ee&e=802e4750f5) relative to Germany’s 20 million gas boilers. “We need a gas reduction strategy, and one that really has an effect,” said German Vice-Chancellor Robert Habeck on 20 March. “That means we should stop installing new gas heating systems in houses,” he added. In practice, this means installing heat pumps instead of gas boilers. Already in December, the newish German government decided that any new heating system installed after 1 January 2025 should be required to run on renewable energy. The industry understood this benchmark as an [implicit mandate for heat pumps](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=9e1449cafe&e=802e4750f5). Germany is not alone in doubling down on the technology, with France also shifting subsidies to support the installation of new heat pumps. In the US, the Biden administration even [reportedly](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=9f7ef59258&e=802e4750f5) considered a wartime industrial effort to mass-manufacture heat pumps and ship them across the Atlantic in order to help Europeans wean themselves off Russian gas. The European Commission too is rolling up its sleeves. Through its REPowerEU initiative, the EU executive wants 30 million new heat pumps installed by 2030, saying this could save the EU 35 billion cubic meters (bcm) in gas consumption per year. For many of these programmes, inspiration came from Britain, where the level of ambition had already been raised before the Ukraine war. “The UK have very ambitious targets at 600,000 heat pumps per year by 2028,” says Jan Rosenow, director of European programmes at the Regulatory Assistance Project (RAP), a non-profit group. But with demand booming, the industry is struggling to keep up. “At the moment, demand is so high that installers are having problems installing the devices,” says Thomas Nowak, secretary general of the European heat pump association (EHPA). Lack of skilled workers It’s not just the manufacturing capacity that is running behind – the lack of skilled workers is also an issue. But the industry is confident it can handle growing demand. While workers are currently overwhelmed, the “flexibility of manufacturers and third parties will bring about new technologies and business models to the market in order to be able to make more offers,” Nowak said. Sceptics are quick to point to barriers preventing the mass roll-out of heat pumps, saying they perform poorly in badly insulated homes. Nowak does not dispute this, saying houses first need to be examined for their general level of insulation and electrical readiness before a quote can be given. If the price is accepted, installation can begin. To speed things up, Nowak says any general construction entrepreneur can carry out the first step. And when it comes to installation, he says worker upskilling can be quick. “A normal heating installer is already qualified to install a heat pump. What they have to learn in addition can be taught in a week,” he says. “We have previously organised five-day training courses at EHPA, during which we taught workers four days of theory, gave them one day of practice, and they were ready to install heat pumps.” Grid stability Another barrier preventing the mass roll-out of heat pumps is the grid’s ability to handle millions of new electric heating systems, with critics warning about the risk of blackouts if the network is not simultaneously reinforced. But energy utilities are confident that millions more can be added without putting grid stability at risk. “The lights will stay on with 50 million heat pumps,” the industry claims. “The large-scale roll-out of electric heat pumps will not jeopardise the security of supply of electricity, not now and not in the future,” [reads](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=276b0ba56b&e=802e4750f5) a joint statement by the CEOs of 13 energy groups which was sent to the European Commission last year. “Operators have been working together for decades to ensure a constant and high level of grid stability and have successfully faced similar challenges in dealing with the millions of electric devices which have been deployed in all households across the EU in recent years,” the industry coalition said. Insulation Still, improving building insulation is seen as a prerequisite for the mass roll-out of heat pumps and prevent grid overload. In Germany, the government is already aware of this. “We should massively advance building insulation, provide the necessary funds for this, but also raise standards in such a way that gas consumption is reduced,” Habeck noted. “You cannot possibly have 24 million heat pumps turn on at the same time in the morning. All across the UK, we will never have enough electricity generating capacity,” says Steven Heath, a heat pump expert at Knauf Insulation. While he believes heat pumps “are an answer” to decrease Europe’s reliance on gas, Heath says it is crucial that they are “installed in efficient homes, otherwise they’re not the answer.” Experts like Rosenow appear to agree. “It makes a lot of sense to start with those homes that are already heat pump ready, where you can achieve good efficiencies,” he said. However, according to him, a large enough heat pump can heat any home. “What I always say is, if you have no insulation, you should at least have the basics.” The F-gas problem While the obstacles can all be overcome, the industry also warns about regulatory risks. Heat pumps currently use a family of refrigerants called fluorinated gases. F-gases were developed in the 1990s to replace the ozone-killing chlorofluorocarbons (CFCs) and hydrochlorofluorocarbons (HCFCs) but have subsequently come under fire for their high global-warming potential. Much like CO2, F-gases drive global warming and are very stable, meaning they will stick around in the atmosphere for a long period of time. To address this, the EU decided a phase-down of HFCs in 2015, imposing annual production quotas on manufacturers in order to incentivise the use of alternatives. But the industry is ringing the alarm that this could endanger the push to install heat pumps. “Any new measure in the revised F-Gas Regulation that would limit in a foreseeable future the availability or the choice of refrigerants (bans, stricter quotas) would necessarily slow down the speed at which heat-pump equipment will be deployed,” warns an industry coalition, which includes Nowak’s European Heat Pump Association (EHPA). While alternative refrigerants may work for some applications, the wide range of refrigeration, air-conditioning and heat-pump technologies and applications requires a variety of refrigerants, according to the group, which also includes the Association of Installers of Refrigeration, Air Conditioning and Heat Pumps in Europe (AREA) and the Association of the Refrigeration, Air Conditioning and Heat Pump Industry in Europe (EPEE). Having a full range of F-gases available is necessary “to speed up the massive deployment in a safe and highly efficient manner,” the group said in a letter to the European Commission. ............................................................................................................................................ENDS Europe **Heating and cooking ‘major sources’ of air pollution - study**Poland’s use of coal for heating and Italians’ fondness for wood-fired stoves are among the major sources of exposure to harmful air pollution in Europe, according to a new report suggesting the impact of energy use in buildings could be comparable to that of traffic. The European Environment Agency estimates that fine particulate matter (PM2.5) alone is responsible for around half of 307,000 premature deaths attributable to chronic exposure to polluted air, and that half of overall exposure happens at home. A study published today by the European Public Health Alliance (EPHA) estimates the overall health and social costs at some €27bn. The report commissioned from Dutch think tank CE Delft suggests health impacts from home heating and cooking are concentrated in the east of the EU, with Poland, Slovenia, Hungary and Czechia occupying fifth to second place. Luxembourg has the highest annual health costs per household at €424, but the authors put this anomaly down to the relatively high energy use and the EU’s highest per capita GDP. The survey of mainly Eurostat data along with previously published analyses shows wide geographical variation also in the relative impact of heating/cooking and transport related emissions on population health. In Germany, traffic is responsible for over 80% of the related costs, while in Poland, the same proportion is due to burning fossil fuels – mainly coal – in the home. It is wood, however, that accounts for the bulk (57%) of the overall health impact and association cost. Wood-fired stoves account for 84% of the impact in Italian homes, and Italy ranks highest in terms of overall national health costs, with close to €4.7bn attributed to air pollution from heating and cooking at home. EHPA noted, however, that European regulators have “largely neglected heating and cooking as sources of air pollution”, and argued a review of the Ambient Air Quality Directive – a public meeting next week will feed into an impact assessment – should address the related outside air pollution. At an event hosted by the EHPA on Thursday, Zorana Andersen of health campaign group the European Respiratory Society, told ENDS Europe that the revision must have “much stricter implementation” of air pollution limits and “must reflect the latest scientific evidence” to match the stricter air quality guidelines published recently by the World Health Organization. Pau Garcia Audi, policy officer at the European Commission’s directorate-general for energy, explained at the event that air quality improvements would come about as a natural by-product of revised policies in the Energy Performance of Buildings Directive, part of the ‘Fit for 55’ package of climate and energy policy. However, Dr Richard Lowes, a senior associate at the Regulatory Assistance Project, said that health concerns reinforce calls to reduce the support for biomass in EU energy policy and shift the focus solely to heat pumps and district heat networks, which, he said, “don’t involve any combustion at the point of heating”. “It’s not a coincidence that if you stop burning stuff in the home and opt for energy efficient and renewable options, we also get the health benefit of better indoor air quality,” Lowes said. The uropean Respiratory Society’s Andersen said, however, that changing Europeans’ heating and cooking habits will be no easy feat, particularly when it comes to wood-fired stoves. “I can say from a Danish background, we associate it with cosiness and home”, she said, anticipating “social, cultural and even political barriers” to any new policies to limit their installation. “For that reason, informing the public of health concerns will be crucial through the AAQ revision”. For indoor pollution, the EPHA pointed to the ongoing negotiations over ecodesign regulations for heaters and boilers. NOx limits for space heaters should be made stricter, the campaign group said. The EHPA echoed the warnings that burning fossil fuels and biomass at home is clearly a threat to health as well as the environment. “That’s why we are calling on political leaders to oversee a ‘big clean switch’, helping households transition to clean home cooking and heating,” director general Milka Sokolović said. ............................................................................................................................................ **Taxonomy: Expert group advises on pollution, biodiversity and circularity criteria**While controversy rages over whether investments in nuclear and gas should be classed as climate-friendly under the Taxonomy Regulation, the EU’s Platform for Sustainable Finance this week published its recommendation for screening criteria related to four other environmental objectives. The Taxonomy Regulation is designed to channel finance away from environmentally harmful activities by barring them from increasingly popular ‘green’ or ‘climate friendly’’ investment products, while also limiting to some extent access to public support. EU lawmakers are currently scrutinising a European Commission delegated act setting the criteria for assessing sustainability on the basis of two objectives: climate change mitigation and adaptation. The EU executive has yet to present delegated acts dealing with the other four: the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems. The Platform for Sustainable Finance published on Wednesday, to little fanfare, its recommendations for screening criteria in these areas. The report addresses a huge range of activities and technologies. For example, the sale of second-hand goods, except motor vehicles, is deemed – under specific circumstances – to make a ‘substantial contribution to transition to a circular economy’. In another area, the report identifies three ways in which crop production can make a “substantial contribution to the protection and restoration of biodiversity and ecosystems”: incorporating large biodiversity rich areas; abstaining from the use of synthetic plant protection products and copper; or ensuring a “sustainable farm gate nitrogen balance”. The campaign group Zero Waste Europe (ZWE) responded to recommendations on waste management activities, welcoming the call to exclude non-hazardous waste incineration from what amounts to the EU official list of sustainable activities, or a kind of green label. “In our view, this is in line with the Taxonomy Regulation that clearly says that we shouldn’t increase incineration capacities as it would harm the transition to the circular economy,” said Janek Vähk, ZWE’s climate, energy, and air pollution programme coordinator. “On the other hand, it’s disappointing that sorting and recycling of mixed waste was excluded from the scope of activities considered to contribute towards the transition to the circular economy despite the evidence that this would increase the recycling of municipal solid waste and packaging,” Vähk added. Waste management industry groups, including the waste-to-energy lobby groups CEWEP and ESWET, issued a joint statement countering the recommendation to exclude waste incineration, instead proposing a set of criteria such as not burning any recyclable waste. Incinerating mixed residual municipal waste can be part of a “holistic” approach and prevents it becoming a form of pollution, the groups said, while warning that an outright exclusion of incineration from the EU green list could lead to illegal disposal or export “where EU waste will certainly have a negative environmental impact”. Lauriane Veillard, a ZWE policy officer dealing with chemical recycling of plastic, welcomed the recommendation to consider the approach sustainable only for the treatment of post-consumer waste, and using a batch-based mass-balance approach. “This, if adopted, will put an end to current greenwashing claims by ensuring a precise, credible and transparent verification process on recycled content claims in products,” Veillard said. The European Commission said the platform’s report would be “carefully analysed in due course” while noting that it “does not bind” officials “on any decision on the matter”. In a [report published the previous day](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=895a4d57bf&e=802e4750f5) into the potential for further developing the taxonomy system and broadening its application, the platform recommended a “traffic light” system where some activities or technologies could be labelled ‘amber’ rather than ‘green’ providing they continue improving in respect to their environmental impact. ............................................................................................................................................**Taxonomy: EU expert group proposes economy-wide ‘traffic light’ scheme**The European Platform for Sustainable Finance has proposed to transform the EU’s nascent green standards, known as the taxonomy, into an all-encompassing system for categorising the environmental performance of investments. The permanent expert group, appointed by the European Commission to guide the implementation of the taxonomy, proposes two new categories alongside the existing green label in a new report due to be published on Tuesday. The report, seen by ENDS Europe, recommends that the taxonomy framework also provide labels for ‘amber’ intermediate activities that are “sustainable if performance keeps improving” and unsustainable ‘red’ economic activities that cause significant harm. “As soon as we started to look at this… we realised that we needed to look at the whole economy and… that greening is needed everywhere,” explained [Nancy Saich](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=0ef7d6035a&e=802e4750f5), from the European Investment Bank, who led the platform’s work on the report, during a presentation on Monday. “It’s… essential that we look across all six environmental objectives to address the parallel climate and environmental emergencies,” she added. The platform’s recommendations come in response to a formal request from the Commission to explore a possible extension. The experts have [repeatedly said](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=dc49f0c9cf&e=802e4750f5) that the Commission’s delegated act, which includes energy production with nuclear and natural gas, is contrary to the Taxonomy Regulation. “An extended taxonomy framework with a more nuanced approach to recognising activities at different [environmental] performance levels could… prove useful to ensure these non-green investments are labelled clearly and transparently,” the platform’s report reads. “Introducing these additional performance levels over time, starting with voluntary reporting would allow entities in impactful industries to tell their transition stories.” Sebastien Godinot, from environmental group WWF, welcomed the proposal for a broadened taxonomy. “One piece of a jigsaw does not give a full picture,” he said. “Just like the successful EU energy efficiency label, we need the taxonomy to contain different categories and cover all key sectors to clarify where we are now and accelerate the transition to a sustainable economy.” However, the EU expert group recognised the limited scope under the existing regulation to introduce an extended traffic light taxonomy. Instead, it proposed “a guidance document” to encourage voluntary uptake as a first step and called on the Commission to table a proposal to revise the taxonomy regulation at a later stage to bring in amber and red categories. “This proposal will not replace any of the green taxonomy,” Saich noted, while clarifying that the platform’s proposal aims to creatively use the existing taxonomy criteria on significant harm for a red label. “We are suggesting that the bits that are not green can be more clearly understood using criteria that are already… in the green taxonomy, it’s just not set out for that purpose,” she said. With a proposal to extend the taxonomy to the whole economy, the platform also recognised that some activities may simply fall outside its colour labelling scheme. The platform’s report notes that “over a third of the economy is for activities which are unlikely to be included in an environmental taxonomy for many years if ever” while proposing a new category for “low environmental impact activities” to enable companies falling outside the colour-coding “to show that their overall activities, while not considered as green, do not cause environmental or social harm”. According to the experts, a broader taxonomy would also alleviate risks of a “green bubble” with booming demand for green investments, and limited assets available that meet the current green criteria. But the report notes opposition to an extension among “some corporates fearing blacklisting[with] problems raising finance for transition or accelerating the risk of stranded assets”. ............................................................................................................................................**Commission seeks green overhaul of construction products rules**Manufacturers would have to declare the environmental performance of construction products under plans to improve industry standard setting that the European Commission published on Wednesday. Internal market commissioner Thierry Breton told reporters the proposal to revise the Construction Products Regulation (CPR) seeks to harmonise standards to encourage better energy efficiency, empower the Commission to overcome blockages in the standardisation process and introduce a digital passport for construction products that would include environmental performance. The construction sector, he said, “is absolutely essential for energy renovations, and we know that it’s important for the green deal, it’s also important for our energy sovereignty” – particularly in light of Russia’s invasion of Ukraine. The Commission’s proposal aims to address numerous shortcomings in the current CPR, including its inability “to deliver on broader policy priorities, such as the green and digital transition”, an explanatory text reads. “The CPR does not allow to establish environmental, functional and safety product requirements for construction products, therefore hampering the possibility to address non-performance based issues,” it says. To rectify this, the new proposal would require manufacturers to include within their products’ technical documentation “mandatory or facultative calculation of environmental, including climate sustainability” to be assessed in relation to delegated acts drawn up by the Commission or to harmonised technical specifications developed by the European standardisation organisations. An annex to the regulation lists environmental characteristics to be covered by technical specifications, including the mandatory calculation of climate impacts. The legal text also contains obligations for manufacturers to “design and manufacture products and their packaging in such a way that their overall environmental, including climate sustainability reaches the state of the art level”, using many of the requirements set out in the Ecodesign Regulation such as reusability and recycled content. Speaking to ENDS Europe, Ioana Popescu of the Environmental Coalition on Standards (ECOS) welcomed the proposal, which she said would effectively introduce ecodesign requirements to the construction sector. But she queried the lack of details on when the Commission plans to draw up technical specifications for individual product classes. “The fact is that in the CPR [proposal] there is no work plan, there is no timeline for doing so, there is no prioritisation of product groups,” Popescu said. The European Environmental Bureau (EEB) was more negative, highlighting the lack of “legally binding environmental requirements for product performances” in the proposal. Fernando Sigchos Jimenez, the secretary general of the European Builders Confederation (EBC), told ENDS Europe he welcomed “the greater inclusion of sustainability elements… as long as the administrative burden is reduced to a minimum”. He added that the EBC “is worried of a too broadened role for the European Commission in the standardisation system”, saying the adoption of delegated acts “should a priori be limited to specific cases and as a last resort, and not become the rule”. A spokesperson for Construction Products Europe said the industry group would respond to the proposal in due course. ............................................................................................................................................AGENCE EUROPEGreens/EFA MEPs file a request to oppose complementary delegated act on EU taxonomy Greens/EFA MEPs on the European Parliament’s Committee on Economic and Monetary Affairs (ECON) and the Committee on the Environment (ENVI) tabled, on Tuesday 29 March, a request for a draft resolution opposing the draft complementary delegated act on the EU taxonomy. “We consider that the proposed technical screening criteria raise serious doubts as to their legality while the Commission in the adoption of the act has overridden important procedural requirements, undermined the role of the European Parliament and failed to provide reasons for the inclusion of nuclear and gas related economic activities”, the email to the secretariats of the two parliamentary committees states. Adopted by the European Commission on 2 February (see EUROPE [B12882A1](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=510cbce766&e=802e4750f5)), the delegated act provides for the inclusion of fossil gas and nuclear energy in the taxonomy as “transitional” activities. The European Parliament has until 11 July to oppose it. (DG) ............................................................................................................................................**Platform on Sustainable Finance’ makes proposals to extend scope of EU taxonomy**The ‘Platform on Sustainable Finance’, a stakeholder group advising the European Commission on the EU taxonomy, presented a new report on Monday 28 March in which it argues to extend the scope of the taxonomy by creating additional categories of economic activities. The aim is to provide better guidance to private investors by further qualifying the classification system for determining whether an economic activity can be deemed to be environmentally sustainable. “We expect it will remove the fear held by some that the ‘not green’ [classification] is a negative signal that requires no finance at all”, said the report. While the Commission has recently adopted a draft delegated act to include electricity generation in gas and nuclear power plants in the EU taxonomy, the Platform, which is highly critical of the delegated act (see EUROPE [B12911A22](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=b7a1d51e75&e=802e4750f5)), would like to provide greater clarity on the different levels of environmental performance of economic activities. “Just like the successful EU energy efficiency label, we need the taxonomy to contain different categories and cover all key sectors to clarify where we are now and accelerate the transition to a sustainable economy”, said Sébastien Godinot, Senior Economist at the WWF European Policy Office and member of the Platform. The Platform therefore recommends extending the framework of the taxonomy by adding four categories in addition to the current category of ‘sustainable economic activities’. The first two categories (red categories) would cover activities deemed ‘unsustainable’, distinguishing between those that could benefit from taxonomy-recognised investment as part of a transition plan to urgently raise their environmental performance to intermediate levels (category 1), and those that will continue to cause significant environmental damage and should therefore be prioritised for taxonomy-recognised investment as part of a decommissioning plan. The third category (‘amber category’) would be for activities that have an intermediate environmental performance. They are defined as those activities that fall between the first two categories mentioned above and the ‘sustainable economic activities’ (or green category), and which could benefit from an investment recognised by the taxonomy within the framework of an intermediate transition plan. Taking the example of an existing natural gas plant, the report presents a transition pathway that could be considered to be an intermediate transition: retrofitting the plant for blending renewable natural gas and low-carbon gas and/or possibly installing carbon capture and storage technology to reduce the plant’s emissions to less than 270 g CO2e/kWh (one of the thresholds foreseen in the Commission’s delegated act for inclusion in the taxonomy of gas plants for which a construction permit has been granted before 31 December 2030). The fourth category would be activities with a low environmental impact, i.e. those that do not significantly harm the environment, but also do not make a substantial contribution to any of the 6 environmental objectives of the taxonomy. According to the Platform, this category could allow companies to illustrate that their overall activities, although not considered to be green, do not cause environmental or social damage. The full report will be published on the European Commission’s website on Tuesday 29 March.  ............................................................................................................................................**European Commission adopts new working plan on ecodesign and energy labelling**The European Commission adopted on Wednesday 30 March a working plan on ecodesign and energy labelling for the 2022-2024 period to cover new energy-related products and to raise the level of ambition for already regulated products. Presented alongside a proposal for a regulation on sustainable products (see EUROPE [B12922A1](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=18821d2457&e=802e4750f5)), the plan aims in particular to apply new rules to product groups that are not yet subject to regulation today, such as smartphones, tablets and solar photovoltaic systems, which constitute the fastest growing waste stream. A range of new product groups including low temperature heaters (radiators, convectors, etc.), professional laundry appliances, professional dishwashers, electric vehicle chargers and universal external power supplies will be subject to assessment. Review of existing rules By the end of 2024, the European Commission must also present or adopt 38 revisions of existing EU ecodesign and energy labelling measures, with 8 more to come in 2025.Currently, ecodesign regulations are in force for 29 product groups, while energy labelling regulations apply to 15 product groups. These rules have saved Europeans more than €120 billion on their bills in 2021, the European Commission estimates. Strengthening rules compliance In addition, the institution will take action to help Member States monitor their national markets for ecodesign and energy labelling. According to its estimates, at least 10% of the potential energy savings from ecodesign and energy labelling are lost due to non-compliance. This represents 15.3 megatonnes of oil equivalent (Mtoe) of primary energy per year in 2020 (i.e. 178 terawatt hours), or €6.4 billion in annual consumer expenditure on energy bills (based on 2020 energy price levels), the European Commission communication says. In terms of emissions, this corresponds to an additional 31 million tonnes of CO2 equivalent per year. It should be noted that this new plan is a transitional measure until the Sustainable Products Regulation comes into force. To access the plan and its annexes: [https://aeur.eu/f/124](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=5cebe37cf8&e=802e4750f5) ............................................................................................................................................   |

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|  **ENDs Europe****Timmermans aide challenges MEPs to propose alternative to new ETS**Diederik Samsom, chief of staff to green deal chief Frans Timmermans, has defended the European Commission’s plans to expand emissions trading to buildings and road transport, challenging lawmakers to propose a different mechanism with the same focus on intra-EU solidarity.“If you talk about solidarity in this package, you talk about European solidarity. Not national solidarity,” Samson said during a webinar on Thursday hosted by Climate Action Network (CAN) Europe. He warned that while wealthy EU member states could straightforwardly cut emissions from cars and buildings through national measures – taxation and regulation – Europe’s poorer countries would struggle to afford it without extra support.“Members of the European Parliament have said ‘we will come up with an alternative for this instrument’. Please do. I invite everybody – I challenge everybody – to come up with an alternative,” he said. “If you say ‘we get rid of the new ETS and we replace that with a stricter Effort Sharing Regulation’, you replace water with a bucket. Because one’s an instrument, and one’s a target.”The Effort Sharing Regulation obliges member states to cut emissions in non-ETS sectors, while leaving it up to governments to put in place mechanisms to do so.He added: “We do think that the package as we have constructed it has the best chance of meeting both the financial, technical, but most of all the social challenge on a European scale.”MEPs and green groups have expressed [serious concerns](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=7a7d1020d6&e=802e4750f5) about the proposal, which they claim would raise the cost of fuel for households without doing enough to drive investment in low-carbon alternatives. Plans for a €72bn [‘social climate fund’](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=438d9cc003&e=802e4750f5) to support poorer households have also come under fire as inadequate, although [officials insist](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=2704d80ca5&e=802e4750f5) it would equate to around €3,500 for every household currently struggling with fuel bills, either in the form of direct financial support or investment in clean energy and energy efficiency.Responding to Samsom’s comments, Monica Frassoni, president of the European Alliance to Save Energy, warned that the unpopularity of the proposal could be compounded by the [current surge](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=4d791b1c00&e=802e4750f5) in energy prices.She also said she was worried about the upcoming proposal to revise the Energy Performance of Buildings Directive, [due in December](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=dca739e164&e=802e4750f5).“We understand that there is a lot of hesitation on the part of the Commission to present minimum performance standards. And this is a problem,” she said. “Because in the moment in which you don’t define what you have to do at the minimum everywhere, then you are bound to have a low level of renovation, if any, and again you are not actually exploiting the whole of your potential.”.......................................................................................................................................................................**EU doubles down on renewables in response to gas price shock**The EU executive set out a range of possible short and medium-term responses member states could use to address price volatility in the gas market, including emergency vouchers or partial bill payments for poor households, targeted tax cuts, state aid, wider access to renewable power purchase agreements, and financing renewables subsidies through “sources outside the electricity bill”.The Commission also pledged in its communication to investigate “indications for [sic] any possible anti-competitive behaviour” among energy suppliers. An initial assessment by EU energy regulators agency ACER, also published on Wednesday, said it had found “no obvious indication nor evidence of systematic manipulative behaviour or insider trading”.Most member states – 20, according to the Commission – are already taking or considering taking short-term measures such as price caps or temporary tax breaks.The communication also makes clear that the rising cost of allowances on the EU emissions trading system (ETS) has [only had a small impact](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=0803f36c81&e=802e4750f5) on energy prices.“The effect of the gas price increase on the electricity price is nine times bigger than the effect of the carbon price increase,” it says. “It is important to note that the carbon price from the ETS provides a fundamental incentive to switch to cheaper renewable energy, more energy efficiency and performing buildings, and to low-carbon energy sources.”Speaking to reporters on Wednesday, energy commissioner Kadri Simson said that member states could use increased ETS revenues to fund their short-term support to households. The carbon market generated an extra €10.8bn in revenue in the first nine months of 2021 compared to the same period last year, she said. “There is no limit to how much of this can be used to protect vulnerable households.”While prices are expected to fall from April next year, “future temporary sharp changes cannot be ruled out as global supply and demand may not always adjust smoothly due to a [sic] geopolitical, technological and economic factors”, the communication states.With future volatility in mind, it also sets out medium-term measures to increase access to gas storage “including for renewable and low-carbon gases”. The Commission will consider proposing legislation to support financing gas projects if they “contribute to reducing greenhouse gas emissions in a way that supports the transition towards climate neutrality, but are not eligible to be included in the [green] taxonomy”.“Gas has a role in the transition, but at the same time its contribution is bound to change in the long term,” said Simson. “It will have to become green, biomethane, e-gases or renewable hydrogen.”But the document also makes clear that accelerating the transition to renewables will be vital to cutting electricity prices.Member states should [make permitting for renewables](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=1fb53d340b&e=802e4750f5) easier – supported by Commission guidance to be published next year – support self-consumption of clean power and boost production of equipment, it says.“The EU’s commitment to significantly reduce its greenhouse gas emissions and fossil fuels consumption is fully confirmed by recent events,” the communication reads. “The clean energy transition is the best insurance against price shocks like the one the EU is facing today.”The Commission will also task ACER with assessing the current design of the wholesale power market. For its part, the agency’s assessment warns that a power system dominated by renewables “is likely to remain inherently volatile” unless the sector is supported to roll out solutions such as storage and aggregated demand response at scale.Consumer rights group BEUC said the Commission’s recommendations could significantly relieve the pressure on households struggling with energy bills.“Now we need to see urgent action from national governments to follow through on this ambition, implement these measures and protect consumers from these rapid price rises,” said director general Monique Goyens in a statement. However, “looking ahead, we need to depart from our energy dependency on fossil fuels and the volatile global markets that expose consumers to price spikes”, she said.But some MEPs were sceptical about the Commission’s announcement. S&D vice-president Mohammed Chahim said he had hoped it would be “much more ambitious”.“The toolbox does not contain enough on how we will accelerate the green transition, even though this is a key factor for resolving the issue and preventing it from happening again in the future,” he said, although welcomed the decision to evaluate the design of the electricity market........................................................................................................................................................................**Euractiv****Emerging renewable energy markets require well-designed auctions**Auctions are an essential part of the policy toolkit for promoting cost-efficient renewable energy development. Still, policymakers must be prepared to tailor their design to local conditions and adjust for market-specific challenges, write Geoffrey Ho, Corinna Klessmann, and Fabian Wigand.Policymakers around the world increasingly use competitive bidding processes to determine the level of support required for renewable energy projects and to select which projects will receive support. These bidding processes, broadly known as auctions, range from simple tenders to complex, multi-stage, dynamic bidding systems.Although varied, these auctions all let the market determine price levels as opposed to tariffs being set by government authorities. Auctions can promote the cost-efficient development of renewable energy projects, revealing bidders’ costs and helping drive renewable energy costs down. They can also provide a transparent and objective way to allocate financial support and help governments to plan effectively for renewable energy capacity additions.In the European Union (EU) and Energy Community countries (a group of neighbouring countries, mostly in southeast Europe, integrating into the EU energy market), the trend towards renewable energy auctions is driven by the Guidelines on State Aid for Environmental Protection and Energy 2014-2020 (commonly known as EEAG or State Aid Guidelines). The EEAG are under review but will remain valid until the end of 2021.However, there is no one-size-fits-all approach when it comes to designing and implementing renewable energy auctions. The design must always account for local context and differences between countries, particularly renewable energy market maturity and energy sector liberalisation.There are many challenges and considerations when designing auctions in countries with a nascent renewable energy sector compared to more mature markets. The following sections discuss some of the main considerations, drawing from Guidehouse’s experience advising policymakers on renewable energy auctions worldwide, including European research projects (e.g. [AURES](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=b91049c7a2&e=802e4750f5)) and assignments for the European Bank for Reconstruction and Development and other development institutions.**Renewable energy market maturity**Mature renewable energy markets tend to have a strong pipeline of projects under development. This is usually not the case in emerging renewable energy markets. In addition, the permitting regime for renewable energy projects may be relatively new and untested.Policymakers who wish to run a bidder-sited auction, where bidders are responsible for proposing sites, should consider the existing project pipeline and allow enough time for bidders to identify and develop new sites. This can take significant time, especially for resource and environmental assessments when existing data is scarce. If the auction timeline is too rushed or the auction capacity is set too high, the auction and hence prices could fail to be competitive.In emerging markets, policymakers should think carefully about the qualification criteria that developers must satisfy to participate in an auction. For example, local developers in a country with no operational renewable energy projects may find it impossible to meet past experience requirements. Authorities need to find a strategic balance between building up the local sector and attracting international experience. A common approach is to allow local and international companies to team up as a bidding consortium.This question of experience also extends to the financiers of renewable energy projects. Although local banks are usually keen to get involved in the financing of the country’s nascent renewable energy sector, they may have limited experience compared to international lenders. This issue becomes pertinent in the context of renewable energy auctions if, for instance, bidders are required to demonstrate a robust financing plan and sources of funding.**Energy sector liberalisation**In many emerging markets, there is a broader programme of energy sector reform happening at the same time as renewable energy auctions. These regulatory changes create uncertainties for developers and lenders that can be addressed through prudent auction design. Two examples follow.According to the State Aid Guidelines, operating aid should be provided as a premium on top of the market price, whereby the generator sells its electricity directly in the market. Although this is generally straightforward in liberalised markets, many Energy Community countries still lack a liquid wholesale power market, so there is no clear market price.In this case, transitional arrangements are needed until a market-linked support mechanism can be introduced. Policymakers must carefully design these transitional arrangements (e.g. non-market-linked support with grandfathering or conversion provisions) for renewable energy auctions to facilitate their acceptance with developers and lenders while respecting the State Aid Guidelines.Secondly, in many emerging markets, the power sector is not fully unbundled, and the market structure may still be undergoing major changes. A key concern is the creditworthiness of the entity that will provide the financial support awarded to renewable energy generators, especially if the entity is newly established or if it is unclear how the entity will be funded. These institutional and commercial considerations are just as important as other auction design questions when preparing an auction programme.**Auctions as an opportunity for policymakers**Increasingly ambitious renewable energy targets and falling renewable energy prices have rightfully created a sense of urgency for governments around the world to introduce auctions, attract renewable energy investment, and reduce costs for consumers. Policymakers should seize the opportunity to implement well-designed, tailored auctions that build and de-risk their renewable energy markets to enable low prices and sustainable market growth...............................................................................................................................**EU rules out banning gas boilers, aims for ‘gradual phase-out’ instead**The European Commission will not propose banning gas-fired home boilers “overnight”, a senior EU official has said, explaining that differences in energy mix between EU member states are just too big to apply a one-size-fits-all solution.Will the European Commission put forward regulations to push gas boilers out of the EU market, like it did with the internal combustion engine in the car sector?“It’s a difficult one,” admitted Paula Pinho, director at the European Commission’s energy directorate.On the one hand, the EU executive has indeed introduced requirements across various policy programmes “in order to make sure that we gradually phase out gas boilers,” Pinho said at a [European Parliament webinar earlier this week](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=d57ca7fbb3&e=802e4750f5).“But we also need to look at where the different member states stand,” she added, saying some EU countries “are much, much more advanced” than others in terms of decarbonisation.This means gas boilers are likely to stick around for longer in some countries than in others, Pinho said.“We do understand that this cannot occur overnight with a ban,” she explained. “So basically the idea is to gradually allow for the phase-out and put EU recovery money only where we can ensure efficient and sustainable heating. But not to go for the radical solution which would be to simply ban a technology that we see is still very widespread, and is still a reality in many homes.”IEA backs 2025 ban on fossil fuel boilersThe Commission’s announcement will come as a disappointment to environmental groups, which have called on the Commission to ban the sale of new gas boilers as of 2025, in line with recommendations from the International Energy Agency (IEA).“With the average lifetime of domestic gas boilers being over 20 years, millions of European homes could still be heated by fossil fuels well past the point at which the EU is supposed to have reached net zero,” [campaigners Davide Sabbadin and Melissa Zill said in an opinion article for EURACTIV](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=eeb1ba0b44&e=802e4750f5).According to their calculations, removing fossil fuel boilers from the EU market by 2025 would bring about 110 Mt of annual CO2 savings by 2050, compared to existing policies.“This nearly represents a staggering two-thirds of the emission reductions needed from residential and public buildings by 2050,” they point out.Green campaigners found unexpected support from IEA, which [published a report earlier this year](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=5484ef3e03&e=802e4750f5) saying no new fossil fuel boilers should be sold globally if the world is to achieve net-zero emissions by mid-century.The ban would apply as of 2025 “[except where they are compatible with hydrogen](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=135c5afd1e&e=802e4750f5),” the IEA added, saying that “natural gas use for heating drops by 98% in the period to 2050” in a net-zero emissions scenario.Another supporter of the ban on gas boilers is the energy minister of Luxembourg, Claude Turmes.“To reach climate neutrality, at some moment you have to ban or get rid of fossil technologies because they have a lifetime during which they stay on the market – they have an inertia,” Turmes said during a visit to Brussels earlier this month.“This is why you need at some point to ban fossil cars, as the Commission has proposed. And this is why we need to ban gas boilers as well,” he told Brussels-based journalists on 1 October........................................................................................................................................................................**Agence Europe****Energy transition too slow, warns new IEA annual report**Although a new “global energy economy” is emerging, the energy transition is still too slow, says the International Energy Agency’s (IEA) Energy Outlook 2021 report, published on Wednesday 13 October.“Every data point showing the speed of change in energy can be countered by another showing the stubbornness of the status quo”, the report says.According to the paper, public spending on sustainable energy in the post-Covid-19 economic stimulus packages has mobilised only about a third of the investment needed to put the energy system on a new track.The IEA also estimates that if governments fully implement the climate commitments they have announced so far, global energy-related CO2 emissions will fall by 40% by 2050. Moreover, global warming would be +2.1°C in 2100 compared to pre-industrial levels.“Despite progress, current climate pledges close less than 20% of the emissions gap between today’s policy settings and a Net Zero By 2050 path” (a scenario developed by the IEA —see EUROPE [B12721A27](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=345a2bfed7&e=802e4750f5)), lamented the agency’s executive director, Fatih Birol.See the report: [https://bit.ly/3lCDtKT](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=eb52cdd753&e=802e4750f5).......................................................................................................................................................................**MEPs finalise their position for COP26**On Monday 11 October, members of the European Parliament’s Committee on the Environment, Public Health and Food Safety (ENVI) adopted a series of compromise amendments to a draft resolution on the 26th United Nations Conference of the Parties on Climate Change (COP26), to be held in Glasgow from 31 October to 12 November.Among other things, the draft resolution urges the parties to the Paris Agreement to resolve the outstanding elements of the agreement, in order to “focus the coming five years in the further development and the strengthening of its implementations and operationalization”.The text mentions in particular transparency, Article 6 of the agreement which establishes the rules for an international carbon market and the common timetable for ‘nationally determined contributions’ (NDCs) - documents setting out the efforts made by each party to the Paris Agreement to reduce its greenhouse gas (GHG) emissions and adapt to the consequences of climate change.On this last point, MEPs support a common timetable of five years.They also call for increased efforts on climate finance and for an international roadmap that defines each developed country’s fair share of the collective commitment to mobilise $100 billion a year until 2025 to help developing countries tackle climate change, as well as mechanisms to ensure that pledges are translated into action.On the post-2025 climate finance target, MEPs support opening negotiations on a new target, exploring “a goal matrix with separate sub-goals”, including the share of subsidies.They further call on all EU Member States to “implement concrete policies, timelines and measures to phase out all direct and indirect fossil fuel subsidies by 2025 at the very latest”, while inviting all other parties to the Paris Agreement to take similar action.It should be noted that this amendment was not supported by the EPP, ID and ECR groups in the Parliament.Concerned about the growing global interest in Arctic fossil fuel reserves, MEPs urge the EU and its Member States to call for a global moratorium on offshore oil exploration in the area.The vote in the ENVI Committee on the amended report will take place on 12 October.For its part, the Council of the EU adopted conclusions for COP26 on 6 October (see EUROPE [B12806A5](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=47c385bedc&e=802e4750f5)).See the compromise amendments: [https://bit.ly/3AqA4CY](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=060ec19569&e=802e4750f5) |

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