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Russel had been Managing Director of the Grayling Brussels office since 2003. But with EPEE he was involved already from 2000, i.e. the year of its inception, so has been an integral part of EPEE’s journey. We are sad to see him leave. While Grayling Brussels is looking for a new Managing Director, the overall management of Grayling’s work for EPEE is being ensured by Jean-Christophe Kremer, whom many of you already know and met at the AGM in May.  Last week, Federica and myself from the Secretariat as well as a number of EPEE members headed to Bangkok to attend the annual Open Ended Working Group (OEWG) where UN countries discussed the implementation of the Kigali Amendment to the Montreal Protocol. It was a great opportunity to physically meet F-Gas policymakers from all around the world and especially Europe to discuss the most topical issues, namely the revision of the EU F-Gas Regulation. We also held a successful side event, of which you can read more below.  And finally: This is the last edition of the Bi-Weekly Round-up before EPEE goes into “estivation” – i.e. summer mode - just like all the EU Institutions here in Brussels. The next newsletter will appear on 5 September. On behalf of the whole EPEE Team I wish those of you who also take some kind of summer break a good, relaxing and well-cooled time!  Best regards,  Folker Franz, Director General | | |  |  |  | | --- | --- | | |  | | --- | |  | |  |  |  |  |  | | --- | --- | --- | --- | | |  |  |  | | --- | --- | --- | | |  | | --- | |  |  |  | | --- | | **WHAT'S NEW IN THE EU**   * **EU Parliament Energy Committee adopts position on the recast Energy Efficiency and Renewable Energy Directives** | | |  |  |  |  |  |  | | --- | --- | --- | --- | --- | | |  |  |  |  | | --- | --- | --- | --- | |  | |  |  | | --- | --- | | |  | | --- | | **MEPs vote to back boost for renewables use and energy savings**  On 13 July MEPs in the European Parliament’s Industry, Research and Energy (ITRE) Committee [agreed](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=509c7ed350&e=802e4750f5) on amended texts for recasts of the Energy Efficiency Directive (EED) and Renewable Energy Directive (RED).   * **RED**: The MEPs voted to raise the share of renewables in the EU’s final energy consumption to 45% by 2030 in the revision of the Renewable Energy Directive (RED). They also asked for EU member states to set a target for innovative renewable energy technology of at least 5% of newly installed renewable energy capacity in reference to “hybrid heat pumps” combining clean and fossil fuel energy. * **EED**: ITRE approved the Commission’s proposal of a binding EU 2030 energy efficiency target (both for primary and final energy). MEPs raised the EU target for reducing final and primary energy consumption. According to the adopted amendments, Member States will need to ensure a reduction of energy consumption of at least 40% by 2030 in final energy consumption and 42.5% in primary energy consumption compared to 2007 projections. * On the energy efficiency first principle (article 3), MEPs in the ITRE Committee agreed to increase the reliability of the application of the principle by clarifying that energy efficiency solutions should also take into account demand-side resources and system flexibilities. the principle must be assessed (and not anymore “taken into account”) both in the planning but also in the design of policy and major investment decisions. In that process, the compromise amendments add that Member States should take into account both the Commission’s [recommendations](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=e83c1d5e2b&e=802e4750f5) and [guidelines](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=8d5f2612cf&e=802e4750f5) on the Energy Efficiency First principle. * The adopted amendment on energy savings obligations (article 8-9-10) raised the annual rate from 1.5% to 2% from 2024 onwards. * On public buildings, the compromise text proposes to increase the scope of the 3% renovation requirement to buildings owned by public bodies, buildings occupied (either newly occupied or when reaching a trigger point) by public bodies, and buildings for social purposes. Those buildings must be renovated either to NZEB or the new Zero-Emission Building standard, in line with the recast of the Energy Performance of Buildings Directive (EPBD). * ITRE MEPs also backed ambitious measures on data centre sustainability. According to the adopted amendment, data centres with a total rated energy input exceeding 100 kW will be required to utilise the waste heat or other waste heat recovery applications unless it can show that it is not technically or economically feasible. In addition, a new article is introduced requiring data centres with an installed IT power demand of at least 100 kW to report on a set of sustainability indicators. * Finally, the compromise text also includes a number of amendments to increase the ambitions on heating and cooling, such as an acceleration of the decarbonisation timeline of district heating and cooling and a requirement for Member States to develop strategies to plan the replacement of heating and cooling appliances in public bodies and put forward local heating and cooling plans.   **Next step**: The plenary vote on the EED/RED recasts is planned for 12-15 September, after which trilogue negotiations will begin. | | | |  |  |  |  |  |  | | --- | --- | --- | --- | --- | | |  |  |  |  | | --- | --- | --- | --- | |  | |  |  | | --- | --- | | |  | | --- | | **WORKING GROUPS**  **EEE WG:**   * **Green Deal Taskforce**: The EPEE Green Deal Taskforce will meet on 20 July to discuss the state of play of the Fit for 55 files, focusing on the EPBD, and EPEE’s actions after the summer break. * **EPBD revision, European Parliament**: After the amendment deadline in the ITRE Committee on 08 July, the majority of amendments tabled by ITRE MEPs are now available since 15 July. The Secretariat is currently analyzing the amendments and will take stock with the Green Deal Taskforce on how EPEE’s priorities are reflected. The vote in the ITRE Committee on the EPBD remains scheduled for 25/26 October. * **EU Green public procurement criteria for buildings**: As members were informed at the EEE WG meeting in May 2022, EPEE is participating in a number of expert subgroups of the Commission’s Joint Research Centre (JRC) that work on developing the new EU GPP criteria for buildings. The start of work in most subgroups has been delayed and will only commence after the summer. A call took place for expert subgroup 1d (Life-cycle carbon assessment) on 15 July, where the JRC presented their goals for this subtheme. Interested members may find the slides of that meeting [here](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=9bef62f2aa&e=802e4750f5).   **F-Gas WG:**   * **EPEE’s OEWG side event “Accelerating the HFC phase down in Europe – the importance of good modelling” in Bangkok** - On 12 July, EPEE held a side event to the Open Ended Working Group where UN countries discuss the implementation of the Kigali Amendment to the Montreal Protocol. The HFC Outlook modelling tool used by EPEE was presented to the participants, representing EU Member States, Third Countries and companies coming in number from all around the world. Speakers included James Curlin, Head of OzonAction, Law Division, UNEP and Ray Gluckman, Gluckman Consulting, alongside with Folker Franz and Federica Rizzo. After the side-event, Toshiba Carrier factory organised a visit. The recording of the event can be found [here](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=b96f056e31&e=802e4750f5). * **Stakeholders mapping**: The F-gas Regulation Revision proposal has been published on 5 May 2022. The possibility for feedback from stakeholders on the Have Your Say Portal of the European Commission’s website was open until 29 June. EPEE participated to this exercise and [published its position](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=59e98b3487&e=802e4750f5) on 22nd June. A total of 155 feedbacks have been published. EPEE has shared with the F-gas WG a mapping and analysis of the stakeholders replies. * **Council of the EU:** On 28 June, the French presidency hosted its last Environment Council meeting in which one of the points of the agenda in the Any other business section was dedicated to the Regulation on fluorinated greenhouse gases. The European Commission presented its revision proposal to the Environment ministers, which led to no further comment. The F-gas regulation revision was then discussed at Working Party level again on 6th of July, under the Czech Presidency. * **EPEE Amendment Proposals**: The EPEE Secretariat with members of the Impulse Team meeting started working on a draft document proposing EPEE amendments to the F-gas Regulation Revision Proposal. * The **survey for EPEE OEM members on proposed F-Gas bans** is now closed, after receiving a good amount of answers. A first summary of the results will be presented to the respondents this week before the F-gas WG will be informed about them. Thank you to all the participating companies. * **PFAS REACH restriction**: A PFAS Task Force meeting has been held on Thursday 7 July to discuss on the latest gathered intelligence on the PFAS dossier. Furthermore, members discussed the opportunity to develop an EPEE’s PFAS checklist to assess the existing PFASs in the supply chain and to identify PFAS priorities. The objective is to get prepared for the derogations requests in the coming months. * Additional discussions were held in relation to the upcoming **RAC committee** which will be held on 13 September on the Firefighting Foams Restriction Dossier. EPEE is invited to this meeting as stakeholder. It is a good opportunity for EPEE in order to be prepared for the universal PFAS REACH Restriction.   **Ecodesign WG:**   * **Ecodesign for Sustainable Products Regulation (ESPR):** the Sustainable Products Initiative (SPI) resulted in a Commission proposal for an ESPR. This file was published on 30 March, presented by the Commission at a Consultation Forum on 31 March, and EPEE provided its feedback to the proposal on 22 June 2022. Our [position on the ESPR](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=2daba6234f&e=802e4750f5) is available online. * **Revision of MEErP:** the Commission published the consultant's proposals for a MEErP revision, which were discussed at a stakeholder meeting on 23 June 2022. The WG Ecodesign is now preparing a position paper with feedback to the consultants’ proposal. * **ENER Lot 1 (space heaters)**: EPEE is compiling feedback concerning the VHK data monitoring proposals. This will result in our feedback that can be shared with the VHK consultants and the Commission. * **ENER Lots 1 (space heaters) and 10 (air conditioners):** concerning the BAM proposals for dynamic compensation methods, DG ENER requested our views. The WG Ecodesign has shared its position with the BAM and the Commission, and will also discuss follow-ups. * **ENER Lots 10 (air conditioners) and 20 (local space heater):** the Commission published its proposals for a merged energy label under ENER Lots 10 and 20, which was presented and discussed during a Consultation Forum on 24 June 2022. EPEE participated to this meeting. A [public consultation](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=6bcc3ab72b&e=802e4750f5) is open till 15 August. The WG Ecodesign is drafting and reviewing a position following the Consultation Forum. For this purpose, a call took place on 15 July. | | | |  |  |  |  |  | | --- | --- | --- | --- | | |  |  |  | | --- | --- | --- | | |  | | --- | |  |  |  | | --- | | **Calendar**   * [Calendar of internal meetings 2022](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=41a28eb96a&e=802e4750f5) | | |  |  |  |  |  |  | | --- | --- | --- | --- | --- | | |  |  |  |  | | --- | --- | --- | --- | |  | |  |  | | --- | --- | | |  | | --- | | **WHAT'S IN THE NEWS**    **ENDs Europe**   * Report suggests EU gas boiler ban should come well before 2029 * MEPs back tougher tougher energy efficiency targets * Lack of finance slowing EU renovation wave, warn stakeholders * How the EU is facing up to the prospect of winter energy shortages   **Agence Europe**   * Czech Presidency of EU Council proposes new methodology for energy performance standards of buildings * MEPs want to aim for 14.5% reduction in EU energy consumption by 2030 * Inter-institutional negotiations start on CBAM and revision of European carbon market | | | |  |  |  |  | | --- | --- | --- | | |  |  | | --- | --- | | |  | | --- | | **ENDs Europe**  **Report suggests EU gas boiler ban should come well before 2029**  18 Jul 2022  Banning the sale of new fossil fuel heating boilers from next year would cut annual gas demand in 2030 by the equivalent of 11% of current imports into the EU, a new study suggests.  While ending their sale in 2023 would cut energy demand by 460 TWh or the equivalent of 28% of current imports from Russia, a 2025 deadline would see that figure fall to just 21%. But the 2029 phase-out date [proposed by the European Commission](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=69c4b3e719&e=802e4750f5) as part of its response to Russia’s war on Ukraine would shave a mere 1% off total gas import requirements the following year.  This is the conclusion of a report, published on Monday, by German thinktank Oeko Institut for the Cool Products campaign alliance, with input from Freiburg University, prompting green groups to renew calls for an earlier phase-out date.  “If we are serious about breaking free from gas dependency and lower consumers' bills it's time to walk the talk and introduce a EU-wide ban on placing on the market of fossil boilers: it's a win-win measure for both climate and EU's energy independence,” said Davide Sabaddin, deputy policy manager for climate at the European Environmental Bureau (EEB).  The European Commission plans to implement its 2029 ban through the current Ecodesign Directive, by formulating an energy performance standard for space and water heaters that not even the most efficient gas boilers could meet. A group of NGOs wrote to the EU executive in April calling for a 110% energy performance standard to be in place [by 2025 at the latest](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=8dd19ac307&e=802e4750f5).  The Cool Products report makes a number of assumptions, including a boiler replacement rate of 4% a year based on an estimated lifetime of 25 years. It is assumed expiring gas boilers would be replaced in 80% of cases by heat pumps, with district heating and other solutions accounting for the rest, but the process would be gradual rather than the abrupt switch away from gas that climate campaigners and others are calling for.  “In parallel, we advocate for a much higher renovation rate both in the [Energy Efficiency Directive] EED and [Energy Performance of Buildings Directive] EPBD and this would of course multiply the ecodesign ban effect because it would drive technology change beyond the ‘usual’ turnover rate,” Sabaddin told ENDS Europe, referring to replacement only when a unit breaks down.  The Commission’s energy directorate is currently working on an impact assessment for its proposed efficiency standard, and is expected to reach a final position towards November. This would be followed by consultation with other departments of the EU executive, and draft legislation would probably not be ready before autumn of 2023.  Commission vice-president Frans Timmermans is due to present this Wednesday a winter energy preparedness plan, which is set to include emergency measures to deal with a complete cut-off of Russian gas supplies, which will probably emphasise the importance of insulating buildings and substituting fossil fuel heating with sustainable alternatives.  ................................................................................................................................................................  **MEPs back tougher tougher energy efficiency targets**  13 Jul 2022  The European Parliament’s industry committee has adopted a more hawkish stance than the Commission or EU Council in backing legally binding requirements for member states to cut energy consumption by the end of the decade.  ITRE, as the committee is known, adopted on Wednesday by 50 votes to seven with 13 abstentions [a draft report](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=318dacf609&e=802e4750f5) on a proposed revision of the Energy Efficiency Directive (EED). It calls for final energy consumption to be 40% below, and primary energy consumption to be 42.5% below, a forecast for 2030 based on the growth trajectory as it appeared in 2007.  The European Commission had proposed a 9% reduction, which it based on a new 2020 baseline to account for dramatic changes in Europe’s energy landscape over the past decade and more. It proposed last month to increase that target to 13% in light of the ongoing energy crisis.  Governments recently agreed to the original 9% target, leaving the matter of a possible four-point increase in the wake of Russia’s invasion of Ukraine to subsequent ‘trilogue’ talks between the EU’s legislative bodies.  Using the 2020 baseline, the position adopted by the ITRE committee today equates to 14.5% below the more recent baseline scenario.  ITRE differs from the Council position not only in terms of headline target: it also wants both consumption targets to be legally binding, while governments said only the cut in final energy use should be obligatory. Moreover, the parliamentary committee wants legally binding national targets for each of the 27 member states – something the Council staunchly opposes.  The committee also agreed that MEPs should push for the explicit annual energy savings obligation stipulated in the directive to be raised to 2%, compared to 1.5% proposed by the Commission and supported by the Council.  Of this 2%, up to a quarter can be achieved through fossil fuel solutions, such as replacing public transport with newer, more efficient systems, but only until 2028, whereafter only replacement with sustainable renewable energy solutions will count.  This proviso does not apply to home heating however. Only replacement with sustainable solutions such as heat pumps or renewable energy will count from the moment the law enters into force.  “We don’t want to incentivise new fossil boilers in residential buildings, so going from an oil boiler to a gas boiler cannot be counted in the energy savings obligation,” S&D group lawmaker Niels Fuglsang, rapporteur for the file, said at a press conference after the vote.  Addressing one of the key areas of energy consumption – and waste – in the EU, the ITRE position calls for the extension of a requirement to renovate at least 3% of publicly owned buildings each year – to include many of those rented by public bodies.  It also covers social housing, although member states can opt out if there is a risk of increased rents because the cost of renovation outstrips the money saved through energy efficiency improvements. Moreover, ITRE calls for public money spent on energy efficiency to go to those living in energy poverty in proportion to their numbers in the population as a whole.  ITRE adds a provision on data centres, which would have to connect to district heating networks – which can make use of the excess heat they generate – unless they can demonstrate that it is not technically feasible. All municipalities of over 30,000 people would have to make a heating plan, and consider district heating as an option.  The committee also backed tougher enforcement provision built around the legal obligation to meet the targets at the national and EU level. The draft negotiating mandate was broadly welcomed by the Coalition for Energy Savings, whose membership includes a diverse alliance of industry and local authority bodies.  Arianna Vitali, the coalition’s secretary general, said it would “signal that a strong legal framework to cut demand, thanks to energy efficiency measures and investments, is the way forward for an energy independent, inclusive, and climate neutral EU”.  Jutta Paulus, shadow rapporteur on the file for the Greens, urged the Parliament to back the ITRE position in a plenary vote, slated for September, that will precede the trilogue talks. She particularly welcomed the call for binding targets, “because voluntarism and low targets will not advance the urgently needed changes”.  “Under pressure from us Greens, subsidies for climate-damaging fossil gas boilers will also be removed as an efficiency measure,” Paulus added.  Fuglsang anticipated “further intense negotiations” after the summer break, noting that the Czech EU Council presidency had indicated it would prioritise the file. “In this time of too much energy dependency on Russia, we can actually increase our independence by increasing energy efficiency,” Fuglsang said.  Discussing his country’s EU Council presidency mandate with the ITRE committee this morning, Czech industry minister Jozef Síkela spoke of the need to inform Europeans of the need to cut back. “It is very important to make it clear to citizens that energy savings will be absolutely imperative,” Síkela said.  .............................................................................................................................................................  **Lack of finance slowing EU renovation wave, warn stakeholders**  12 Jul 2022  There is a “big gap” between the EU’s building renovation ambitions and reality, said stakeholders at an event in Brussels yesterday, citing finance as one of the main obstacles.  As a flurry of policies on energy efficiency in buildings works its way through the EU legislative maze, Sorcha Edwards, secretary general of Housing Europe, a housing campaign group, warned that “new obligations and targets are being imposed without the funding in place at national and local level”.  The comments came during the final conference of EU-funded consortium HEART, which aims at improving energy buildings efficiency. Through the [Renovation Wave](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=6a91a547ea&e=802e4750f5), the European Commission hopes to renovate 35 million households by 2030 and will set new energy standards through [an ongoing revision](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=7bbb50d7dc&e=802e4750f5) of the Energy Performance of Buildings Directive (EPBD).  Karlis Goldstein, an energy efficiency adviser in commissioner Kadri Simson’s cabinet, defended the Commission’s choice to “leave freedom to member states to choose which financial tools to put in place” in the EPBD.  Housing Europe’s Edwards agreed that flexibility for different member states is important, however, she stressed that there needs to be more tools available – “such as revolving funds, subsidised loans and public guaranteed funds” - to homeowners and housing associations.  “We need to look at what works and replicate it,” she said.  Adrian Joyce, secretary general of EuroACE, a trade association for energy efficiency in buildings, said speed was critical to achieve renovation targets. “We need to move on from pilot and demonstration projects,” he said. “We know it all works, we know we have the technologies and materials”.  Joyce also criticised the emphasis on cost-effectiveness. “In renovated homes, the real benefits to wellbeing can be significantly greater than they appear through typical return-on-investment thinking,” he said.  As part of the Fit for 55 package, the Commission proposed a social climate fund, with a value of €72.2bn between 2025-2032, fed by the extension of the EU’s emissions trading system to buildings and road transport.  Edwards warned that the €72.2bn target is “still far very far from what we will need”, and even warned that the timing of the extension “may accentuate the affordability crisis that we are seeing in the sector, before we can correct it with the climate fund”.  .........................................................................................................................................................  **How the EU is facing up to the prospect of winter energy shortages**  14 Jul 2022  As the European Commission prepares its ‘winter preparedness’ plan for possible gas shortages, member states are ramping up measures to ease the burden of rising prices on citizens. Some are greener than others.  Europe appears to have been in denial, but reality may be seeping in through the cracks – we could be facing energy shortages come winter. When Russia launched its war on Ukraine in February, the EU’s dependence on Russia for much of its oil and gas was laid bare even to those who had chosen to ignore it.  “Kadri [Simson] and I are among those who have warned for a long time about too much dependency on Russia and who had no illusions about Mr Putin and his regime,” green deal chief Frans Timmermans [said](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=11e6410f2f&e=802e4750f5) in March when asked why the EU had not acted sooner. Presenting the first draft of the REPowerEU plan, he said the Commission could now only play the hand it had been dealt.  Recent weeks have seen moves to more rapidly reduce dependence on fossil fuels, exposure to Russian blackmail proving a more effective motivator than pollution and an increasingly unstable climate. The plan calls for a sharp acceleration in the roll out of wind and solar power infrastructure, combined with an easing of planning procedures. Berlin has earmarked 2% of its territory for wind turbine deployment, while economy minister Robert Habeck suggested the previous Merkel government had [“left Germany out in the cold”](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=6f0b59e73e&e=802e4750f5) by failing to curb its dependence on Russia gas.  Now Hungary – which the European Parliament’s civil liberties committee [this week dubbed](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=3d8c977006&e=802e4750f5) a “hybrid regime of electoral autocracy” – has just produced a [seven-point energy security action plan](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=00bcf2092a&e=802e4750f5). Budapest envisages ramping up its modest domestic gas production by a third to two billion cubic metres a year, and restarting mothballed lignite units at the [Mátra power plant](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=04f1ffcee7&e=802e4750f5) – the country’s second largest, alongside measures to boost domestic lignite production. The government’s intentions remain unclear with only public pronouncements to go on, although it said the 2030 coal phase-out date had not changed.  The campaign alliance Europe Beyond Coal this week said the “smattering” of plans to ramp up of coal-fired power generation, [also seen in Germany](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=32ce169f98&e=802e4750f5), Austria and the Netherlands, France and Greece, was no great cause for concern – more a consequence, again, of a failure to transition more rapidly to clean energy.  “It’s right that there is widespread dismay at coal rearing its ugly head, but we should not sensationalise what’s happening here: coal remains in terminal, structural decline,” said German campaigner with the group Fabian Hübner. “The German government has accompanied its emergency measures with repeated assurances that it is committed to exiting coal in 2030, and its plan to generate 80% of its electricity from renewables by 2030 is now law.”  Another point in the Hungarian plan, extending the operation of the Paks nuclear complex – the country’s largest power plant by far – is not really news: the [EU approved state support in 2017](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=4a87eb8188&e=802e4750f5), some years after prime minister Viktor Orbán secured a Russian loan to cover 80% of the costs of paying Russian firm Rosatom to build new units on the banks of the Danube.  Outlining the plan on Wednesday, Orbán’s chief of staff Gergely Gulyás also announced an export ban on ‘energy carriers’ – so oil, gas and coal – and firewood. In addition, an election winning 11-year price cap on domestic energy bills will no longer apply to any electricity or gas consumption in excess of the national average. Aware as any politician of the sensitivity of the issue, Gulyás stressed this would only affect one in four households.  It could, nevertheless, potentially lead to reduced consumption, something the REPowerEU plan is intended to do, and something the [IEA has been urging](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=626f101b10&e=802e4750f5) since the earliest days of the war. But there are also loud voices in Brussels calling for ballooning energy price rises to be addressed by capping prices, or reducing taxes – measures likely to increase demand, or at least limit its fall.  The European Peoples’ Party has been calling for a fuel tax holiday to help ‘hard working’ citizens [explore Europe](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=d2bd88c554&e=802e4750f5) by road and thereby ‘[save the summer holidays](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=cf97d2f9ec&e=802e4750f5)’ from the impact of war next door. Air travel notoriously has always enjoyed a fuel tax holiday, to the eternal chagrin of climate campaigners and irritation of a railway sector [competing with short-haul airlines](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=66f07dbba6&e=802e4750f5).  But some member states are taking a different approach. German state-owned rail operator Deutsche Bahn has been busy lately. This month it announced passengers can travel anywhere in the country this summer (and right up to December 2023) for €39.90. This just weeks after a €9 cap on local train services, which the German statistics office [credited with](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=5c349d92d0&e=802e4750f5) a marked increase in rail travel and a moderate decrease in road traffic. Not to be outdone, Spain [announced this week](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=b68d57396b&e=802e4750f5) that tickets on its national Renfe network – already on sale at half price – [will be free for four months](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=a35dfd3558&e=802e4750f5), albeit only from September (to be funded partly by a windfall tax on energy firms that have profited from rocketing prices).  We will doubtless see more of all these sorts of things in the coming months. But it is clear that what the EU is facing as winter approaches, and the Commission [has acknowledged](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=d31427167c&e=802e4750f5), is not so much a problem of demand for holiday petrol tempered by high prices, but the very real prospect of gas shortages. Vice-president Frans Timmermans is due to present next Wednesday a ‘winter preparedness’ energy plan, which will advise governments on how to nudge citizens into turning the thermostat down (we’ve been officially assured they [won’t be monitoring our showering habits](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=ba389caad1&e=802e4750f5)). Leaks suggest it will also detail ways to restrict supply if all else fails.  .........................................................................................................................................................  **AGENCE EUROPE**  **Czech Presidency of EU Council proposes new methodology for energy performance standards of buildings**  The Czech Presidency of the Council of the European Union proposed to the Member States to establish a new methodology for defining minimum energy performance standards for buildings, on Wednesday 13 July, in a new draft compromise (the second) on the revision of the relevant EU directive (EPBD - 2018/844).  In its proposal to revise the EPBD, the European Commission plans to introduce EU-wide minimum energy performance standards for the 15% of buildings identified by each Member State as the worst performing in their building stock (G-index).  Public and non-residential buildings should be renovated and upgraded to at least energy performance level F by 2027, and at least level E by 2030. Residential buildings should be retrofitted from G to at least F by 2030, and to at least E by 2033 (see EUROPE [B12854A13](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=28a98b71c0&e=802e4750f5)).  Under the Czech approach, Member States would be required to set minimum standards that ensure that non-residential buildings do not exceed certain energy performance thresholds expressed as a numeric indicator of primary energy consumption in kWh per m2 per year (kwh/m2.y).  These energy performance thresholds would be established on the basis of the non-residential building stock at the time of entry into force of this directive.  A first threshold would be set so that 15% of the national building stock would be above this threshold (this would correspond to the least energy efficient buildings). A second threshold would be set so that 25% of the national building stock is above this threshold.  Member States should then ensure that all non-residential buildings are below the 15% threshold from 2030 and below the 25% threshold from 2034.  For residential buildings, EU countries would be required to set minimum energy performance standards for multi-apartment buildings with more than ten building units.  These standards should be based on a national trajectory for the progressive renovation of the building stock. The trajectory would be expressed as a linear decrease in the average primary energy consumption of the residential building stock (in kWh/(m2.y)) and would indicate the number of buildings to be renovated each year.  In addition, single-family houses and multi-apartment buildings with ten or fewer building units that are sold, rented or donated after 1 January 2030 should achieve at least energy performance class D or better within 5 years of the sale, rent or donation.  In addition, the draft compromise introduces a new article to reinforce the installation of solar panels.  According to this article, appropriate solar energy capacity had to be installed: - on all new public and commercial buildings with a floor area of more than 250 m2 by 2027; - on all existing public and commercial buildings with a floor area of more than 250 m2 by 2028; - on all new residential buildings by 2030.  Member States would be required to define national criteria for the practical implementation of these obligations as well as for possible exemptions for specific types of buildings.  See the draft compromise: [https://aeur.eu/f/2ny](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=ba0e795455&e=802e4750f5) (Original version in French by Damien Genicot)  ................................................................................................................................................................  **MEPs want to aim for 14.5% reduction in EU energy consumption by 2030**  Brussels, 13/07/2022 (Agence Europe)  On Wednesday 13 July, members of the European Parliament’s Committee on Industry, Research and Energy (ITRE) voted in favour of increasing the EU’s ambition to reduce energy consumption, adopting by a very large majority (50 votes in favour, 7 against and 13 abstentions) the draft report by Niels Fuglsang (S&D, Danish) on the revision of the EU directive (2018/2002) on energy efficiency (EED).  MEPs want to aim for a 14.5% reduction in energy consumption in the EU by 2030 compared to the 2020 baseline projection (a projection of where current EU policies, combined with market trends, are likely to lead).  This is an increase of 5.5 percentage points (pp) compared to the target originally foreseen in the revision of the Directive (see EUROPE [B12762A8](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=c5bada66c9&e=802e4750f5)) and 1.5 pp compared to the target proposed by the European Commission in response to the Russian invasion of Ukraine (see EUROPE [B12955A4](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=756fb3277b&e=802e4750f5)).  However, this increased target does not appear in the text approved by MEPs, as they preferred to set the target on the basis of the previously used baseline scenario, i.e. from 2007, in order to take into account the progress already made by the Member States.  The EU energy efficiency targets for 2030 in the draft report are actually 42.5% for primary energy consumption and 40% for final energy consumption, compared to 39% and 36% in the Commission’s original proposal. Current legislation sets this target at 32.5% (without distinguishing between primary and final energy consumption).  By adopting the package of compromise amendments negotiated between the EPP, S&D, Renew Europe and Greens/EFA political groups, MEPs also propose to make Member States’ national contributions to the collective EU target binding, as well as setting interim national targets in 2025 and 2027.  These amendments, previously detailed by us (see EUROPE [B12985A1](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=5688d7e384&e=802e4750f5)), also allow for the following: - an increase of the target for the public sector; - the inclusion of social buildings in the obligation to renovate public buildings, while providing for the possibility of a derogation; - an increase in the energy savings obligation; - the introduction of a new chapter on data centres; - the revision of the criteria for defining an ‘efficient’ district heating and cooling system; - the strengthening of the application of the ‘energy efficiency first principle’; - the establishment of ‘European sectoral energy efficiency partnerships’; - amendments to the criteria for the obligation to have an energy management system or to carry out energy audits.  Regarding energy savings, the amended draft report states that a quarter of the annual 2% target (i.e. 0.5%) can be achieved with fossil-based solutions until mid-2028.  After this date, 100% of energy savings must be achieved by renewable means.  However, “these fossil based energy savings cannot be taken into account when we talk about (...) going from a oil boiler to a gas boiler”, as Fuglsang pointed out during a press conference.  The vote for the whole Parliament will take place during the plenary session from 12 to 15 September in Strasbourg.  See the adopted text: [https://aeur.eu/f/2m6](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=b05884cf54&e=802e4750f5) See the results of the vote: [https://aeur.eu/f/2mj](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=153a888e4d&e=802e4750f5) (Original version in French by Damien Genicot)  ...............................................................................................................................................................  **Inter-institutional negotiations start on CBAM and revision of European carbon market**  Brussels, 11/07/2022 (Agence Europe)  The first of a potentially long series of inter-institutional meetings (‘trilogues’) was held on Monday 11 July on the Carbon Border Adjustment Mechanism (CBAM). “The upcoming negotiations will be intense”, warned EU Taxation Commissioner Paolo Gentiloni. The first meeting, which lasted for just one hour, allowed the institutions to present their positions and identify issues to be delegated to the technical level, according to one source.  A second political trilogue is not expected to take place before the end of September, according to this source, while technical meetings are expected to be held this summer. Paolo Gentiloni has indicated that he wants to reach an agreement by the end of the year, so that the CBAM in its transitional form can enter into force in early 2023.  The European Council and the Parliament have the difficult task of agreeing on the phasing out of free emission allowances for the sectors covered by the CBAM. The Member States are in favour of a complete phase-out in 2036 (see EUROPE [B12911A14](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=6c59c2fcd4&e=802e4750f5)), while the European Parliament advocates an end to these free quotas in 2032 (see EUROPE [B12977A12](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=5e2469a056&e=802e4750f5)).  In a new ‘position paper’ published on 11 July, the Europe Jacques Delors think tank has again stressed the need to quickly abolish free allocations of emission allowances.  It also indicates that the export rebates proposed by Parliament for CBAM-affected companies are likely to be challenged by the World Trade Organization (WTO). Again, this is an important point in the discussions where negotiations are likely to be difficult, according to a second source.  Reform of the carbon market is also going to be difficult  On the same day, the Parliament and the European Council also started the trilogues on the revision of the EU Emissions Trading System (see EUROPE [B12982A6](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=691619a127&e=802e4750f5), [B12977A10](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=3fa8cc540c&e=802e4750f5)).  According to one source, these initial exchanges have confirmed that the abolition of free emission allowances (also addressed in the CBAM text and mentioned above) and the introduction of a second ETS covering greenhouse gas emissions from space heating and road transport are the two most divisive issues.  “While it is important that we agree in principle, on many quite significant points there is a need for quite intensive negotiations”, acknowledged the Parliament’s rapporteur on the ETS review, Peter Liese (EPP, Germany). (Original version in French by Damien Genicot and Léa Marchal) | | | | | | | |