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| **Dear EPEE Members,**  After a very successful Chillventa Conference and Trade Fair last week, the RACHP community is now digesting the amendment proposals to the EU F-Gas Regulation Revision in the European Parliament. Both the Rapporteurs for the ITRE and the ENVI Committee have published their reports – the former takes into account the links between this regulation and the heat pump roll out of REPowerEU, the latter doesn’t. EPEE is preparing its reactions to these reports towards Members of European Parliament. Furthermore, this week sees EPEE joining forces with other associations on a number of initiatives pushing for energy efficiency first, higher efficiency and renewables targets, and a fully-fledged heating and cooling plan in the wake of REPowerEU and Fit for 55. See details below. Best regards, Folker Franz, Director General  |

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| **WHAT'S NEW IN THE EU****Energy crisis still at the top of the agenda of EU institutions** |

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| **Informal European Council in Prague*** Leaders gathered in the Czech capital on 7 October to agree on common measures to bring down soaring energy prices. However, EU leaders **failed to agree** on clear guidelines for joint emergency measures to protect businesses and citizens. This is due to the continuing divisions over the modalities for the introduction of a gas price cap.
* Indeed, all Member States want cheaper gas with as little collateral damage as possible to relations with suppliers. This mostly comes down to a choice of **subsidizing imports versus imposing a lower price** and risking scaring away scarce global supply.

**Next step:** The Commission will submit more detailed proposals for energy market interventions ahead of the formal European Council summit on 20-21 October. **Informal meeting of energy ministers in Prague*** Ministers responsible for energy met in Prague on 12 October to define the European Commission's legislative proposals regarding **joint purchases of gas** or possible **price capping**.
* The main elements of the Commission’s proposal should include a functional platform for joint gas purchases, increasing the transparency of the TTF price index and strengthening its resilience to speculative behaviour and enhancing energy savings and solidarity between Member States.
* The ministers focused on the issue of high gas prices and the search for a quick and effective solution. They also discussed the energy preparedness of individual countries, the EU as a whole, as well as neighbouring regions before the coming winter.

**Next step:** The legislative proposal will be published by the Commission on October 18 and will be discussed at the formal Energy Council on October 25 in Luxembourg. **REPowerEU*** On 4 October, the Council agreed its [general approach](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=b565c0752a&e=802e4750f5) on the REPowerEU plan to phase out the Union’s dependency on Russian fossil fuel imports.
* In practical terms, it seeks to add a new REPowerEU chapter to EU member states’ national recovery and resilience plans (RRPs) under NextGenerationEU, in order to **finance key investments and reforms** which will help achieve the REPowerEU objectives.
* In its position, the Council modifies the origin of the funds for REPowerEU as well as the allocation key by introducing a formula which takes into account cohesion policy, member states’ dependence on fossil fuels and the increase of investment prices.
* To finance the additional € 20 billion proposed by the European Commission, instead of auctioning from the ETS Market Stability Reserve, the Council opts for a combination of sources: 75% from the Innovation Fund and 25% from frontloading ETS allowances.
* In its position, the Council also limits the obligation for member states to submit the REPowerEU chapter only to cases where they wish to request RRP additional funding in the form of RRF loans from NGEU.
* The amendments also delete the Commission’s attempt to enshrine into EU law the principle that renewables should be considered a matter of “overriding public interest”. If adopted, the principle would help protect new renewable projects against legal challenges, which have delayed the construction of wind farms.
* EU member states have kept the Commission’s proposal to create ‘go-to’ areas for renewables. But the amendments introduced by EU member states increase the length of time required for permitting processes in those areas.
* In parallel, the European Parliament’s ITRE Committee was to vote on 13 October on the same file. The most contentious issue relates to whether nuclear power generation can be supported by the RRF in the context of REPowerEU. MEPs will also have to take a position on whether the ‘do no significant harm’ principle should not apply to investments related to the REPowerEU chapters in the RRPs.

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| **WORKING GROUPS****EEE WG:**  * **Joint letter on Energy Efficiency First:** The objective of the letter is to pursue more ambition on Energy Efficiency, especially Article 3 on the “Energy Efficiency First (EE1st)” principle of the Energy Efficiency recast. While the Parliament’s position would expand its application to several economic sectors (transport, buildings, water, ICT, agriculture, financial), the Council’s General Approach would limit the principle to projects with a value above EUR 150 million, thus excluding many local projects that do not reach these thresholds. The letter is addressed to Kadri Simson, European Commissioner for Energy, Niels Fuglsang, MEP rapporteur, and Josef Zikela, Czech Minister of Industry and trade,
* **Joint letter on higher energy efficiency and renewable energy targets:** initiated by **CAN Europe**, it is addressed to the **Czech Prime Minister Petr Fiala**. The letter aims at supporting **higher energy efficiency and renewable energy targets** in the revisions of the EED and RED (without mentioning though a specific figure for the two objectives). CAN Europe has invited several organisations to co-sign, including the Coalition for Higher Ambition, Rescoop, Energy cities, Eurocities, Iclei, EREF, Solar Power Europe, EGEC, ECOS, Climate Alliance, EEB, DENEFF. Quotes from the different organisations will also be included in the media coverage.
* **Co-signing the “10 Points Heat Transition”:** EPEE has co-signed the “10-Points-Heat Transition” together with **EHPA, Solar Heat Europe, BankWatch, Energy Cities and others**.  The Objective is to accelerate the EU heat transition by phasing-out fossil fuel-based technologies and rolling out renewable and sustainable waste heat sources, and by supporting sustainable district heating. It is presented as 10 points plan to support the Heating & Cooling transition.
* **EPBD revision – delay in the EP:** the timeline for ENVI compromise **amendments is delayed until 15 November** and the vote in **ITRE is postponed from 26 October to 29 November**. The rapporteur may be considering starting the Trialogues with the Committee’s mandate. The vote in plenary may be scheduled in January, at the earliest.
* **EBDP revision – ongoing negotiations in the Council**: a rev5 document has been published in the framework of the COREPER I meeting on Wednesday 12 October. There are two opposing blocking minorities, focusing on the topic of MEPS: FR/DE/LU/NL + others (on progressive side) vs almost all the other Member States (conservative). The Czech Presidency aims for General Approach on **25 October**, at the Energy Council in Luxembourg.

**F-Gas WG:*** **ENVI draft report:** the rapporteur Bas Eickout (Greens, NL) published its draft report where he proposes to further tighten the HFC allocation quota compared to the Commission proposal and that all F-Gases (not only those higher than a certain GWP value) should be covered by bans 12, 14, 16, 17. Besides, he proposes that ban 14 covers all stationary refrigeration equipment in 2024 and several new bans :

○ All F-Gases in transport refrigeration in vans, trucks and trailers, ships and reefer containers in 2027;○ All F-Gases in mobile air conditioning in passenger and cargo ships, buses, trams, metros and trains in 2027;○ All F-Gases in Mini chillers in 2027; ○ All F-gases in Displacement and centrifugal chillers in 2027. * **ITRE draft opinion:** the draft opinion of ITRE Committee by Lead Rapporteur MEP Sara Skyttedal has been published. Several amendment proposals proposed by EPEE to Sara Skyttedal were directly taken up. On our priority amendments:
* For Ban 17 (150GWP limit for plug in and other self-contained AC and HP equipment): the rapporteur proposes to delete “other self contained” so to have a more narrow scope of the 150GWP ban, in line with our current recommendations.
* On ban 18b (150GWP ban for split systems <12kW), the rapporteur proposes to delete it in line with our current recommendations. On the other hand for ban 18c (150GWP ban for split systems >12kW), the rapporteur seems to want to delete the exemption for safety requirements from 2030.
* On the HFC phase down, the rapporteur suggests only a slight delay in the phase-down schedule from 2027 to 2030.

This report is scheduled to be debated in the ITRE Committee on 26 October, and other MEPs of the ITRE Committee can propose amendments by 27 October. * **Follow-up MEP Bas Eickhout (Green, NL) office:** following the meeting on 28 September, EPEE addressed some further clarifications on the sector commitment to 2050 and 2030 climate and energy objectives, erroneous or untransparent assumptions of the Impact Assessment, the challenge behind using flammable refrigerants even with updated European standards, uncertainty created by the PFAS dossier under preparation, or the long-term process to upskill hundreds of thousands of heat pump installers
* **Meeting with MEP Ladislav Ilčić ‘s office (ECR, Croatia):** On Friday 14 October, EPEE met the assistant of the ECR rapporteur in the ITRE Committee, which was very supportive regarding EPEE’s position.
* **ICHARMA gathering in Brussels:** Members of ICHARMA met in person for the first time in years on 6-7 October, organised in Brussels by EPEE. Delegates from worldwide heat pumps organisations (AHRI, HRAI, KRAI, JRAIA, ABRAVA, Eurovent) had the opportunity to exchange with Tom van Ierland, Head of Unit for the Montreal Protocol, Clean Cooling & Heating and Digital Transition, European Commission and Members of the European Parliament Esther De Lange (EPP, NL) after a visit of the Institution.
* **Chillventa – ASERCOM/EPEE Symposium:** EPEE and ASERCOM organised their traditional Symposium ahead of the [Chillventa](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=644c168204&e=802e4750f5) fair on 10 October, in Nuremberg, Germany. In front of a full room and online participants, panelists shared their views on the multiple challenges faced by the sector. Energy transition, F-Gas regulation, PFAS were intensely discussed in the presence of Tom van Ierland and Rhein Cornelius from DG CLIMA.
* **Chillventa:** from 11 to 13 October, EPEE took part of the Chillventa fair and **held a stand** together with ASERCOM. **EPEE Director General** held a [talk](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=b249fa1bcf&e=802e4750f5) about "Decarbonising heating and cooling - The role of F-Gases", following the invitation of the Centro Studi Galileo
* **F-gas Industry Gathering:** The representatives met on 6 October in hybrid at EPEE’s offices. Organisations around the table discussed the on-going amendment proposals on the Draft F-gas Regulation and advocacy actions.
* **PFAS TF:** the Task Force met on 6 October in EPEE’s office and online and were able to share a networking lunch while discussing the latest developments on the PFAS dossier. The new PFAS checklist will be distributed this week to the F-GAS WG.

**Ecodesign WG:**   * **Ecodesign for Sustainable Products Regulation (ESPR):** EPEE is now cooperating with likeminded industry associations to advocate for an implementable ESPR. In the meantime, the EPEE TF ESPR will convene on 17 October 2022 to discuss further advocacy strategies, so that EPEE’s amendments are considered by Parliament and Council .
* **Compliance Support Facility (CSF):** the Commission proposed an industry-driven consortium mechanism operating as a reactive help centre for the whole industry. A Call for Tender was published in May 2022 with a deadline to reply in November 2022, and the Austrian Energy Agency is setting up a consortium to answer the Call for Tender. The Steering Committee agreed with the WG Ecodesign recommendation that EPEE should become an associate partner to this consortium, which means that we will have the opportunity to monitor developments and provide inputs wherever we feel it is needed.
* **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 Call for Evidence and [public consultation](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=b984d166c6&e=802e4750f5) is open till 15 September. [EPEE already finalised its position](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=f6cc367c57&e=802e4750f5) and replied to the Call for Evidence and public consultation on 22 August 2022. We are now gathering support from likeminded organisations and reaching out to Member State authorities in order to solidify the support for a merged energy label. So far, we have cooperated with EHPA on our outreach to ECOS (16 September 2022) and the Swedish Energy Agency (20 September 2022).
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| **Calendar** * [Calendar of internal meetings 2022](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=c71f08923b&e=802e4750f5)
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| **WHAT'S IN THE NEWS**  **ENDs Europe** * Electricity transmitters pitch for central role in energy transition
* Electric heat has ‘huge’ potential to decarbonise industry
* ETS trilogue ends with little progress

**Agence Europe*** Revision of ‘EPBD’, Czech Presidency of EU Council seeks political agreement among Member States
* Energy performance of buildings, Germany, France, Luxembourg and the Netherlands call for ambitious compromise
* MEPs approve Peter Liese’s draft opinion on financing ‘REPowerEU’ from ETS revenues
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| **ENDs Europe** **Electricity transmitters pitch for central role in energy transition**Christian Ernhede 11 Oct 2022 Grid operators have set out their vision for a carbon-neutral energy system in a new report – alongside calls for more infrastructure investments – that places the industry at the centre of the future ‘system of systems’. The European Network of Transmission System Operators for Electricity (ENTSO-E) published a report on Monday recommending policies and market incentives that it deems necessary to realise Europe’s energy transition. “A power system for carbon neutral Europe is within our reach,” the group of electricity network operators say in their report. “This future power system in Europe will be… a system of systems [with] strong cooperation between transmission and distribution,” it adds, placing the organisation’s 39 national members, the transmission system operators (TSOs), at the heart of the proposed structure. However, gas transmission operators have sought to pour cold water on attempts by the counterparts in the power sector to place themselves at the centre of Europe’s clean energy future. “We are fully in line to see that the role of electricity will grow but as you know well the future is not all electric… electrons and molecules [will] play their respective and important role,” Piotr Kus, director general at the European Network of Transmission System Operators for Gas (ENTSOG), said at policy discussion on the new report on Monday. ENTSO-E’s report does not mince its words on the sector’s future predominance. “Electricity will play a central role in the achievement of a carbon-neutral energy system, because of the higher efficiency of electrical end uses versus synthetic green fuels, and because of the maturity of renewable electricity generation technologies,” it reads. The report authors also express scepticism about other frequently mooted carbon-neutral energy vectors such as green hydrogen. Current expectations for a high uptake of hydrogen technologies could be a ‘game changer’ if unmet, the authors warn, potentially jeopardising Europe’s transition plan. The report also puts little faith in carbon capture and storage (CCS), warning that it is “not mature / cost-effective [and] not consistent with the phasing-out of fossil industry processes”. ENTSO-E has also called for more investments and market reform to foster its envisioned energy transition pathway. “The future power system will be operated using all technological and organisational advances available, in cooperation with other parts of the system of systems [but] investments in the power grids, and in particular at transmission level, will be key to achieve the energy transition in a timely, secure and reliable way,” the report reads. Some €2bn in annual investments is required by 2030, according to the report. But that could lead to a net societal gain if the proposed electricity grid investments are met, with an annual €5bn in “associated socio-economic welfare”. “Today’s market design is not fully fit for delivering a climate-neutral energy system and needs to adapt,” said Gerard Doorman, from ENTSO-E. “The electricity market design should allocate value to what is most needed for the energy system, be it adequacy, flexibility or resilience [and] wholesale and balancing markets need to be made fit for the future generation mix,” he added. The European Commission is [planning](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=953e79cd13&e=802e4750f5) to present its plans to reform the EU electricity market by the end of the year. ..............................................................................................................................**Electric heat has ‘huge’ potential to decarbonise industry**Laura Cole 11 Oct 2022 A new study finds that Europe could rapidly slash gas consumption by rolling out heat pumps and hybrid furnaces for industries requiring heat below 200°C. The study by Climact, a low-carbon engineering consultancy, focused on four sectors that account for two-thirds of the EU industry’s gas use – ceramics, chemicals, glass and food. To varying degrees, the four sectors use some processes that only require temperatures of up to 200°C, an energy window with “enormous potential” for the uptake of electric alternatives to fossil gas. “It’s much overlooked that heat pumps help decarbonise industry’” said Thomas Nowak, secretary-general of the European Heat Pump Association (EHPA). “Available solutions can provide temperatures of up to 160°C and research aims at the 200°C boundary.” The report found that the glass sector, which represents 7% of industrial demand for gas, could incorporate hybrid electric furnaces in the short-term. The food sector and chemicals, meanwhile, could use electric boilers and heat pumps. The researchers note that industries with higher temperatures might present a barrier, as high temperature heat pumps are still an emerging technology, with a high upfront cost. While prices for both electricity and gas are rising, the higher energy efficiency of heat pumps makes them more resilient to fluctuations, according to the study. It found that, under higher energy price assumptions, fuel expenses will be €480 and €1580 per kWh for heat pumps and gas boilers respectively. According to the projections, the food sector stands to make the largest cuts to gas use, with a drop from 146TWh to 42TWh of annual natural gas use by 2027. PepsiCo’s senior director of EU Affairs, Paul Skehan, said the company is ready to accelerate actions “but needs support to tackle infrastructure, financial and legislative hurdles. “The cost of moving to electricity for our heat requirements is often double, making investments prohibitive without long term renewable power purchase agreements,” he said.  “These agreements are low in availability with unpredictable legislation requirements and often a multi-year process to complete.”  Climact encouraged industry to look for subsidy schemes outlined in the European Commission’s RePower EU plan, among other funding streams. Domien Vangenechten, a policy adviser at E3G, said RePowerEU “must clearly set out how to realise these demand reductions, prioritising energy efficiency and direct electrification”. The EU executive unveiled its REPowerEU plan in May, with the aim to diminish dependence on Russian energy supplies. ..............................................................................................................................**ETS trilogue ends with little progress**Simon Pickstone 10 Oct 2022 MEPs and member states have reached an agreement on two technical aspects of the proposal to revise the emissions trading system (ETS), but are yet to make progress on the major issues. Member state representatives and Parliament’s negotiators met on Monday morning to discuss [the ETS revision](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=690d4bcf7a&e=802e4750f5), a core file within the Fit for 55 package intended to bring the EU’s 2030 climate goals in line with the Paris Agreement. They had met briefly before the summer to formally start the trilogue, but Monday’s meeting was the first round of substantive talks. Speaking to reporters following the meeting, rapporteur Peter Liese pointed to “some very concrete results” on benchmark values for steelmakers to receive free allowances and on covering the costs of indirect emissions for electricity-intensive activities such as aluminium production. In both cases, Parliament and Council have agreed to reject the European Commission’s proposals, which would have meant higher costs for the sectors concerned. Benchmark values for the steel sector should remain unchanged, negotiators agreed, instead of setting a lower emissions intensity threshold that steelmakers would have to meet to entitle them to the full amount of free ETS allowances. Liese said the provision agreed closely resembles the Council’s version of the text. Indirect cost compensation for electricity use “will remain as it was”, he added, explaining that a proposal from his Green and S&D colleagues to remove the compensation mechanism is now “completely off the table”. Negotiators have also found a general agreement on carbon leakage protection in the maritime sector, although the technical elements are still to be finalised, he explained. However, “more than 90%” of the text, including the most controversial elements, remain undecided, Liese said. “There will be a lot of work bilaterally, at a technical level, informally, to get it ready before Christmas.” Securing more funding for the Innovation Fund and including the energy-from-waste sector in the ETS were among the Parliament’s priorities, he added. On the Innovation Fund, “the Council has a quite different approach and, to be honest, we hate it in the Parliament… how can industry, with the same amount of money [as previously] achieve faster decarbonisation and higher targets?” In a separate briefing, Green shadow rapporteur Michael Bloss blamed the Czech presidency for the slow pace of talks. “I have to say it was very disappointing: we really did not make any progress,” he told reporters. “The Council did not have any mandate to finalise something today… we only have one trilogue scheduled before the [UN] climate conference and today was a wasted day.” A spokesperson for the Czech presidency confirmed progress had been made on benchmarking and compensation for indirect emissions, along with a “number of more technical issues”, while “all main political points [are] still left open”. But the spokesperson added: “It is not the role of the presidency to comment on the political proclamations” of MEPs taking part in trilogues. While there is now almost no prospect of ETS talks concluding before the UN climate talks in November, Liese said he remained hopeful that agreements could be reached on the LULUCF and Effort Sharing Regulations by that date. ..............................................................................................................................**Agence Europe** **Revision of ‘EPBD’, Czech Presidency of EU Council seeks political agreement among Member States** Prague, 11/10/2022 (Agence Europe) The Czech Presidency of the Council of the European Union sent, on Monday 10 October, a document to the Member States with the aim of finding compromise solutions for the revision of the EU directive (2018/844) on the energy performance of buildings (‘EPBD’). While the Presidency hopes to reach a political agreement (general approach) on this dossier on 25 October at the next formal meeting of EU Energy Ministers, it is forced to acknowledge that the article on minimum energy performance standards “requires further political debate”. This article sets minimum energy performance standards for buildings to ensure that they do not exceed a specified maximum energy performance threshold by a certain date. The challenge is to find the right balance between the approach for residential and non-residential buildings, keeping in mind the goal of achieving a zero-emissions building stock by 2050, the presidency document says. With a view to providing Member States with more flexibility, Prague had proposed, among other things, to allow the transformation of the housing stock through trajectories with at least two fixed control points leading to 2050 (see EUROPE [B13025A3](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=88e14ed7ea&e=802e4750f5)). Member States should thus ensure that the average primary energy use of the whole residential building stock is at least equivalent to the energy performance class level D by 2033 and class level B by 2040. They would also be free to introduce more control points than those proposed, and to treat single-family homes on the basis of a separate trigger point basis. However, in view of the continuing divisions between delegations (see EUROPE [B13039A1](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=e4e228efab&e=802e4750f5)), the Presidency considers it necessary to ask the Member States’ ambassadors to the EU (Coreper) for “political guidance on a viable way forward”. It therefore asks the national delegations how much flexibility they would be prepared to accept regarding the maximum energy performance thresholds for non-residential buildings, combined with a targeted strengthening of the trajectories for residential buildings. On the basis of Member States’ contributions, Prague will prepare a new draft compromise (the fifth) which will be presented to the ambassadors on 19 October as a proposal for a general approach. ..............................................................................................................................**Energy performance of buildings, Germany, France, Luxembourg and the Netherlands call for ambitious compromise** Prague, 10/10/2022 (Agence Europe) Germany, France, Luxembourg and the Netherlands presented the other EU Member States with a non-paper dated 4 October outlining their expectations for the revision of the EU Directive (2018/844) on the energy performance of buildings directive (EPBD). This document comes as the Czech Presidency of the EU Council submitted a new draft compromise to national delegations on 30 September with a view to reaching a political agreement (‘general approach’). The four Member States behind the text stress that the revision of the EPBD should support the acceleration of the “renovation rate of existing buildings” in order to make the EU more energy independent. In their view, lowering the ambitions of minimum energy performance standards “cannot be the right answer to the current geopolitical crisis and the aims of the European Green Deal”. In order to find the right balance between ambition and flexibility, the four countries call for maintaining the Commission’s proposed categorisation approach for non-residential buildings (each category corresponds to a certain level of energy performance). However, they propose to apply the Prague proposal - setting two different thresholds so that 15% and 25% of the national building stock respectively are above these thresholds (see EUROPE [B12994A20](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=f1994f2137&e=802e4750f5)) - for each category, “so that 15/25% of each building category have to be renovated and not for instance all hospitals with a high energy need in the first place”. For residential buildings, they are ready to accept an approach whereby minimum energy performance standards set at Member State level would be based on a national trajectory that would oblige them to meet a certain average energy performance or greenhouse gas (GHG) reduction of their residential building stock, provided that Member States are able to demonstrate the achievement of intermediate target points in 2030 and 2040. “This should be proven by equal and verifiable parameters (...) and not the energy performance certificate (EPC) classes anymore, because these classes have different meanings in each country today and will lead to an uneven renovation effort in each Member State”, the text says. The four countries also support the Presidency’s proposal to introduce two “fixed checkpoints” in 2033 and 2040 on the national building renovation trajectories set by Member States (see EUROPE [B13025A3](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=6f050b9509&e=802e4750f5)). However, they would like this approach not to be based on EPC classes. They also call for the possibility for Member States to add criteria based on operational GHG emissions and other energy performance indicators when setting minimum energy performance standards, provided that they can demonstrate to the Commission that these indicators lead to the same level of ambition. ..............................................................................................................................**MEPs approve Peter Liese’s draft opinion on financing ‘REPowerEU’ from ETS revenues**Brussels, 04/10/2022 (Agence Europe) Members of the European Parliament’s Committee on the Environment, Public Health and Food Safety (ENVI) approved by a large majority (48 votes in favour, 15 against and 4 abstentions) the draft opinion of Peter Liese (EPP, German) on the use of revenues from the auctioning of carbon allowances from the EU Emissions Trading System (ETS) to partially finance the ‘REPowerEU’ plan, during the evening of Monday 3 October. The text, negotiated between the EPP, S&D, Renew Europe and Greens/EFA groups (see EUROPE [B13031A9](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=64907a5e8b&e=802e4750f5)), includes bringing forward the auctioning of a number of carbon allowances from the 2027-2030 period to the period up to 31 December 2025 (‘frontloading’), for a total value of €20 billion. This avoids releasing allowances from the ‘Market Stability Reserve (MSR)’ - an instrument to reduce the surplus of allowances in circulation in order to push up the price of CO2 and thus provide an incentive for sectors covered by the ETS to reduce their emissions - as initially proposed by the Commission (see EUROPE [B12955A4](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=e91cb65240&e=802e4750f5)). “The Commission proposes to raise €20 billion by releasing about 250 million additional allowances onto the market (at today’s prices). This will increase the EU’s emissions by 250 million tonnes of CO2”, said Emma Wiesner (Swedish), Renew Europe’s shadow rapporteur on this dossier, after the vote. Welcoming the outcome of the vote, the shadow rapporteur for the Greens/EFA, Michael Bloss (German), said: “If we want to become energy independent, we must not finance it by fuelling the climate”. Mr Liese, for his part, stressed that auctioning allowances earlier than planned will “curb” carbon prices, “and therefore energy prices”, but will require the EU to make “additional efforts” in the second half of this decade. While the Parliament’s Committee on Budgets (BUDG) and Committee on Economic and Monetary Affairs (ECON) are in charge of the financing aspects of the ‘REPowerEU’ plan, the ENVI Committee has exclusive competence for the ETS part of the text. This part of the text will therefore be inserted in the draft report prepared by the BUDG and ECON Committees. For its part, the EU Council wants 75% of the €20 billion from the ETS to come from the Innovation Fund and 25% by anticipating, by 2026, the auctioning of allowances (see other news). |

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| **Dear EPEE Members,**It is [Chillventa](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=3dce9efc9a&e=802e4750f5) time – and (almost) no EU politician is watching. For the first time since 2018 one of the biggest trade fairs in the world on refrigeration, air conditioning, ventilation and heat pump technologies will take place again physically in Nuremberg, Germany, from 11 to 13 October. It should make our sector think that no high-level EU politicians – neither Commissioners nor Members of European Parliament – seem scheduled to be at this fair, and this at a time when REPowerEU and the 2030 climate and energy targets demand the utmost from our sector to enable the EU’s rapid decarbonization of heating and cooling. At our traditional Asercom/EPEE Symposium in the Chillventa Congress Centre on 10 October - the day before the official start of Chillventa - will however feature Tom van Ierland, Head of Unit in the European Commission’s DG Clima which is responsible for having published a very ambitious F-Gas Regulation revision proposal in April. Talking about ambition: Member of European Parliament (MEP) and lead rapporteur for the F-Gas Regulation Revision, [Bas Eickhout](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=187ae6b400&e=802e4750f5), gave us a glimpse of the hyperambitious expectations his green party has on our sector when it comes to scale and speed of the HFC phase-down and the uptake of natural refrigerants in the EU. He spoke and discussed with us during the EPEE Steering Committee Meeting on 28 September (see below).  Best regards, Folker Franz, Director General  |

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| **WHAT'S NEW IN THE EU****Energy crisis still at the top of the agenda of EU institution**s  |

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| **Emergency Energy Council 30 September on high energy prices*** **EU energy ministers** met for an extraordinary Energy Council on 30 September and [reached a political agreement](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=9aeb59f3c2&e=802e4750f5) on a proposal for a Council regulation **to address high energy prices**. The regulation introduces common measures aiming to lower energy prices and redistribute the energy sector's surplus revenues to final customers. These are:  **- reducing electricity use** through the introduction of a voluntary overall reduction target of 10% of gross electricity consumption and a mandatory reduction target of 5% of the electricity consumption in peak hours;**- capping the electricity market revenues at 180 euros/MWh** for electricity generators, including intermediaries, that use so-called inframarginal technologies to produce electricity, such as renewables, nuclear and lignite;**- securing a mandatory temporary solidarity contribution on the profits of businesses** active in the crude petroleum, natural gas, coal, and refinery sectors. The solidarity contribution would be calculated on taxable profits, as determined under national tax rules in the fiscal year starting in 2022 and/or in 2023, which are above a 20% increase of the average yearly taxable profits since 2018.
* Ministers adopted a [regulation](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=d2f940e91b&e=802e4750f5) which introduces common measures to reduce electricity demand and to collect and redistribute the energy sector's surplus revenues to final customers.

**Gas leakage in Nord stream pipelines** * During the extraordinary Energy Council, Member States also recalled the declaration from 28 September made by the High Representative Joseph Borrell on behalf of the European Union on **leaks from the Nord Stream gas pipelines** and underlined that **there is no immediate impact on the EU’s security of supply**, neither for gas nor for electricity.
* In his relatively short [declaration](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=a4b6466dad&e=802e4750f5) on 28 September, Joseph Borell’s stated that “All available information indicates those leaks are the result of a **deliberate act**”. He added that the EU will “**take further steps to increase [its] resilience in energy security**” and that “Any deliberate disruption of European energy infrastructure is utterly unacceptable and will be met with a **robust and united response**.”

**The REPowerEU Plan*** Member States’ ambassadors to the European Union discussed on 28 September the legislative proposal to insert ‘REPowerEU’ chapters into the national recovery plans supported by the Next Generation EU Recovery Plan.
* One of the central elements of the proposal concerns the financing of the ‘REPowerEU’ chapters, through the ‘loans’ component of the European Recovery Plan, an envelope of €200 billion still being available, and also through the allocation of an additional €20 billion from the ETS market.
* In a compromise proposal, the Czech Presidency of the EU Council also suggests allowing the Member States concerned to mobilise all or part of their allocation under the €5 billion Brexit adjustment reserve.
* The Czech authorities also suggest that measures, originally included in a national recovery plan and which contribute to the objectives of the ‘REPowerEU’ strategy, may be reinstated into the ‘REPowerEU’ chapters if they are no longer feasible due to the reduction of the budget of a national plan
* But several Member States are still asking questions about the criteria for allocating available funds. The aim is to reach a political agreement in principle (‘general approach’) at the Ecofin Council on 4 October in Luxembourg.

   **Energy Performance of Buildings Directive (EPBD)*** The Comité des Représentants Permanents (1re partie) (COREPER I) have met on September 28.  Delegations were notably asked to share their views on the latest text concerning minimum energy performance standards for residential and non-residential buildings.
* LU, NL, DE, BE and FR advocated for a more ambitious approach on residential buildings. They noted that residential buildings should be strengthened with quantitative MEPS and triggering points. They also called for warranting possibility to Member States to have indicators based on greenhouse gas emissions, a point also supported by FR.
* HU, HR, BG, FI, CY, EL, PL, MT, RO, LV, LT, and IT called for a more lenient approach for non-residential buildings by aligning them with residential buildings on a trajectory approach. HU, LT, LV, RO called for further flexibility at national level with HR, HU and AT stressing the constraints due to lack of experts and resources, in addition to the financial and administrative burden this would represent.
* On the contrary, ES called for a stricter timeline, and DK, DE, FR, NL, LU, PT, and BE advocated for differentiating the approaches applicable to non-residential and to residential buildings.

  Following the debate, the Commission:  * noted that it was important to maintain a differentiation between residential and non-residential.
* reiterated that looking at worst performing buildings was necessary because this category is often associated with vulnerable consumers whereas non-residential buildings are owned by players with larger financial capacities.
* said it would agree with the use of additional indicators (greenhouse gas emission indicator notably)

  **Next step:** The Presidency concluded by maintaining the ambition to reach a general approach at the Energy Council on 25 October. It would revert to Coreper, mostly likely in mid-October, with a revised text following a further discussion in the Working Party.  |

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| **WORKING GROUPS****EEE WG:**  * **EUSEW – hybrid event:** The conference on **Zero Emission Buildings** held on 28 September in the framework of the EU Energy sustainability week gathered a full room and hundreds of online registered participants.  Stefan Moser (DG ENER) gave his trustful insights on the current EPBD negotiations, alongside with EPEE President Andrea Vallejo-Galarza and the associations [REHVA](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=c424f058a4&e=802e4750f5) and [AREA.](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=3c4803a98e&e=802e4750f5)  In case you missed it, you can watch the [replay](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=56bab7e4db&e=802e4750f5) (from 5:11:17).
* **EPBD revision**: The ITRE rapporteur’s office shared to EPEE the batch 3 and 4 of compromise amendments which was opened for feedback.  The Secretariat, in collaboration with the members, analyzed the compromise amendments and issued commentary and recommendations to the rapporteur. In particular, the compromise provisions on Technical Building Systems are too technology-prescriptive.  Comments were also shared to the ENVI Committee. Interested members can find the calendar of negotiations [here](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=c5bd214674&e=802e4750f5).
* **Green Deal TF**: members of the Task force gathered on 27 September to analyse and discuss amendments proposals regarding the Energy Performance of Buildings and the Energy Efficiency Directive. On the latter in particular, EPEE is working with the Coalition for Energy Savings (CfES) to fight for more ambition in the final text which is to be negotiated between the three EU Institutions in the coming weeks and months.

 **F-Gas WG:*** **Meeting with Bas Eickhout:** On Wednesday 28 September, a meeting with MEP Bas Eickhout (Green, NL) who is the lead rapporteur in the European Parliament on the revision of the EU F-Gas Regulation and who was already the rapporteur of the current F-gas Regulation revision of 2014, was organised during the EPEE Steering Committee meeting. Members of the F-gas WG were invited to join online. After an introduction made by Folker Franz, Director General of EPEE and EPEE Chair Andrea Vallejo, Bas Eickhout shared his views on the current F-gas Regulation revision before an exchange with members of the Steering Committee opened. A follow-up email will be sent to his office.
* **Outreach:** EPEE Secretariat met the French F-Gas experts at the AFCE- event on 29 September in Paris. No French position exists yet on the F-Gas Regulation revision proposal, but the experts reiterated that France is in favour of an ambitious revision.
* **Amendment proposals sent for drafting ITRE Opinion**: After a first set of EPEE amendment proposals was agreed on 23 September by the F-gas WG, the agreed document of EPEE amendment proposals for the F-gas Regulation Revision was sent to MEP Sara Skyttedal’s office (SE, PPE) who is in charge of drafting the ITRE report Opinion. It is scheduled to be sent for translation on 3 or 4 October. An updated version of the amendment proposals was circulated on Friday 30 September and contains the already agreed amendment proposals plus a new agreed refrigeration product ban (15c), some proposals not yet agreed and three fall-back amendment proposals (Annex VII HFC Phase down; Annex IV ban 17; and Annex IV ban 18).

Agreed amendments will be circulated to ENVI and ITRE rapporteurs and shadows. * **RRR Task Force**: Next Roundtable on Circularity of Refrigerants, planned for 29 September, will be postponed to late October. EPEE’s RRR Task Force met beforehand and discussed on 30 September next steps for leading to progress in the draft study on recovery, reclamation and recycling of refrigerants.
* **PFAS REACH restriction:** On 23 September, EPEE co-chaired with APPLiA the first PFAS gathering since the summer break. It was the opportunity for participants to be updated on latest gathered intelligence, but also to update the gathering on their own state of play regarding the ongoing internal exercises that have started on PFAS impact on downstream users.
* A **new draft position paper** was sent to the PFAS Task Force members. Last comments are getting compiled. The position paper will then be shared with the FGAS WG for comments and approval. The next PFAS TF meeting will be held on 6 October to discuss next steps. It will be held under hybrid format.
* **ICHARMA gathering in Brussels:** Members of ICHARMA will meet in person for the first time in years on 6-7 October, organised in Brussels by EPEE, Delegates from worldwide heat pumps organisations (AHRI, HRAI, KRAI, JRAIA, ABRAVA, Eurovent) will have the opportunity to exchange with Tom van Ierland, Head of Unit for the Montreal Protocol, Clean Cooling & Heating and Digital Transition, European Commission and Members of the European Parliament Esther De Lange (EPP, NL) after a visit of the Institution.
* **Chillventa – ASERCOM/EPEE Symposium:** EPEE and ASERCOM organise on 10 October their traditional Symposium during [Chillventa](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=e266766d6e&e=802e4750f5) fair, in Nuremberg, Germany. This edition is dedicated to the “Multiple Transition Challenges in Heating, Cooling & Refrigeration” with the presence of Tom van Ierland. Interested participants can join us by registering through this [link!](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=fe41ea6175&e=802e4750f5)
* **Next F-gas Industry Gathering:** The representatives of the industry are invited to the next F-gas Industry Gathering which is now planned to be held on 6 October under hybrid format in EPEE’s offices. This event has for main goal to share views and to discuss the on-going amendment proposals on the Draft F-gas Regulation.

**Ecodesign WG:**   * **Ecodesign for Sustainable Products Regulation (ESPR):** EPEE is now cooperating with likeminded industry associations to advocate for an implementable ESPR. In the meantime, the EPEE TF ESPR will convene (date to-be-decided) to discuss further advocacy strategies, so that EPEE’s amendments are considered by Parliament and Council .
* **Compliance Support Facility (CSF):** the Commission proposed an industry-driven consortium mechanism operating as a reactive help centre for the whole industry. A Call for Tender was published in May 2022 with a deadline to reply in November 2022, and the Austrian Energy Agency is setting up a consortium to answer the Call for Tender. The Steering Committee is assessing whether EPEE should participate as an associate partner, as recommended by the WG Ecodesign.
* **ENER Lot 1 (space heaters):** after having finalised and sent its [feedback on data monitoring](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=92cc2c8fb4&e=802e4750f5) under ENER Lot 1 on 29 August 2022, EPEE is not assessing a joint industry letter prepared by one of our partner organisations to ask the Commission to share its proposal for the Interservice Consultation. This would provide us with an additional consultation opportunity of the legislative proposals for technical comments.
* **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 Call for Evidence and [public consultation](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=547c0357bf&e=802e4750f5) is open till 15 September. [EPEE already finalised its position](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=687d9eb431&e=802e4750f5) and replied to the Call for Evidence and public consultation on 22 August 2022. We are now gathering support from likeminded organisations and reaching out to Member State authorities in order to solidify the support for a merged energy label. So far, we have cooperated with EHPA on our outreach to ECOS (16 September 2022) and the Swedish Energy Agency (20 September 2022).
* **ENER Lots and 20 – market surveillance tolerances:** EPEE finalised an amendment proposal to the market surveillance tolerances as proposed by the Commission for the energy labels under ENER Lots 10 and 20. We shared our position with the Commission on 27 September, and we also sent to the Commission a joint industry proposal, based on EPEE’s position, with the EHPA on 30 September.
* **ENER Lot 33 (smart appliances):** the Commission’s JRC is working on measures outside the Ecodesign Framework, most likely a Voluntary Agreement based on SAREF4ENER with recommendations and requirements for smart appliances connected to the grid in order to enable demand-side flexibility. In order to continue with the study, the JRC launched a survey on interoperability. EPEE shared its answers with the JRC on 23 September 2022, which is before the deadline of 30 September.
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| **Calendar** * [Calendar of internal meetings 2022](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=b1f8a21967&e=802e4750f5)
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| **WHAT'S IN THE NEWS**  **ENDs Europe** * European Parliament negotiators reach agreement on financing ‘REPowerEU’ through ETS revenues.
* Fifteen Member States call on European Commission to put price cap on fossil gas
* European Commission amends Temporary Crisis Framework in context of war in Ukraine

**Agence Europe*** Commission clarifies status of repaired products in liability rules
* REPowerEU: Czechia proposes limiting use of market stability reserve
* Commission moves forward with ecodesign rules for solar PV
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| **ENDs Europe** **European Parliament negotiators reach agreement on financing ‘REPowerEU’ through ETS revenues**Simon Pickstone 28 Sep 2022 Companies that repair but do not substantially alter consumer products should not be held liable for harmful defects, the European Commission has proposed. As part of its overhaul of the Product Liability Directive published on Wednesday, the Commission has said clarity is needed on the status of remanufactured, refurbished or repaired products in order to support the EU’s shift towards a circular economy. Under the revised directive, product repairers should not be held liable for products that “do not involve substantial modifications”. Even in cases where a product has been modified substantially, firms would still be exempted from liability if they can prove that “the defectiveness that caused the damage is related to a part of the product not affected by the modification”, the legal text says. “For the circular economy, business models in which products are modified or upgraded are increasingly common and central to the EU’s efforts to achieve sustainability and waste- reduction goals,” the preamble to the proposal reads. The new provisions will provide “the legal clarity that industry needs in order to embrace circular business models”, it adds. The existing directive, adopted in 1985, does not contain any explicit references to products that have been repaired or remanufactured. Promoting the repair of products over replacement has become a political priority for the Commission, which unveiled a [proposal in May](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=8b06564ee8&e=802e4750f5) to extend ecodesign rules to cover durability and repairability as well as energy performance. A legislative proposal on the ‘right to repair is expected next year. Additional changes in the revised directive would hold foreign producers as well as online platforms liable for defective products, but only under a limited set of conditions – to the disappointment of consumer rights group BEUC, which said the new provisions “do not go far enough”. “We previously called on the Commission to include online marketplaces under the new EU product liability rules, following numerous pieces of research which show that consumers are subjected to unacceptably high numbers of unsafe goods on online marketplaces,” the group said in a statement. ..............................................................................................................................**Fifteen Member States call on European Commission to put price cap on fossil gas** Robert Hodgson 26 Sep 2022 The €20bn the European Commission hoped to tap from the market stability reserve (MSR) to help end reliance on Russian fossil fuels would be reduced to €4bn under a proposal from the Czech EU presidency, after criticism of tinkering with the market-based emissions trading system (ETS) for political ends. The Commission was [immediately put on the defensive](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=6deeb21334&e=802e4750f5) in May when it proposed selling emissions allowances (EUAs) from the reserve to create the only additional source of direct funding in the REPowerEU plan, with NGOs warning increasing supply would cause the carbon price to plummet, undermining the EU’s flagship climate action tool. Since then, several governments have criticised the plan, with Denmark [accusing the EU executive](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=9949182a07&e=802e4750f5) in July of treating the ETS as a “printing press” to cover EU spending while the [European Court of Auditors warned](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=32be7f6fd6&e=802e4750f5) returning large volumes of EUAs to the market could “undermine the reserve’s original purpose of supporting carbon prices”. EU Council presidency holder Czechia now hopes to forge a compromise position on the emergency REPowerEU proposal – to enact energy investments via an additional chapter in post-pandemic Recovery and Resilience Plans – with a draft ‘general approach’ published on Friday that would reduce the volume of EUAs that can be auctioned from the reserve up to 2026 from €20bn to €4bn. It also deletes a clause calling for a doubling of the intake rate into the reserve to 48% of surplus allowances on the market, and extends the source of additional funds for REPowerEU measures to the Innovation Fund, which is financed directly with revenue from scheduled ETS auctions. In their draft joint report, published on 15 September, rapporteurs from the European Parliament’s budget and economy committees [let the Commission’s proposal to tap the MSR stand](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=e7a019b642&e=802e4750f5). The MEPs wrote, however, that the “allocation key proposed by the Commission for the new revenues to be drawn from the market stability reserve… is outdated”, and called for new rules on how the money raised should be disbursed, and for what purpose. The MSR, designed to absorb surplus greenhouse gas emissions allowances, began operating in 2019. Since then, the cost to power generators and industrial plants of releasing a tonne of CO2 rose from around €20 to almost €100 in mid-August, but has since tumbled to around €65. Government delegates are due to discuss the Czech compromise proposal on Wednesday, with a view to adoption of a general approach at an Economic and Financial Affairs Council summit on 4 October. The budget and economy committees are provisionally scheduled to adopt their position – subject to input from the environment and other associated committees – on 24 October. .............................................................................................................................**Agence Europe** **Commission clarifies status of repaired products in liability rules**Brussels, 28/09/2022 (Agence Europe) The EPP, S&D, Renew Europe and Greens/EFA groups in the European Parliament reached a compromise on the European Commission’s proposal to use revenues from the EU Emissions Trading System (ETS) to part-finance the plan aimed at moving the EU away from dependence on Russian fossil fuels by 2027 (‘REPowerEU’), announced Peter Liese (EPP, German), the European Parliament's rapporteur on the dossier, on Tuesday 27 September. The European Commission had in fact proposed a targeted amendment to the EU regulation establishing the ‘Recovery and Resilience Facility’ (RRF) in order to allocate €20 billion from the auctioning of an estimated 250 million carbon allowances from the Market Stability Reserve (MSR) of the ETS. This decision was strongly criticised by many MEPs from the S&D and Greens/EFA groups, since the MSR is intended to reduce the surplus of allowances in circulation in order to increase the price of CO2 and thereby provide an incentive for those sectors covered by the ETS to reduce their emissions.  “European Commission President Ursula von der Leyen wants to emit an additional 250 million tonnes of CO2 to finance new energy infrastructure, such as a pipeline to Hungary”, said Michael Bloss (German), the Greens/EFA shadow rapporteur on the dossier, during an interview with some media. Mr Liese, on the other hand, welcomes the fact that the European Commission’s proposal would lower the price of carbon allowances, as “we need to do everything we can to curb the price of electricity (which is influenced by the ETS) and to provide relief to companies that are on the verge of bankruptcy”. The four groups therefore agreed to bring forward the auctioning of carbon allowances from the 2026-2030 period to the 2021-2025 period (‘frontloading’), without affecting the MSR. In addition, MEPs agreed to prioritise cross-border projects, to reject the idea of using the ETS to fund fossil fuel projects, and to cap fossil fuel funding from other sources of revenue mobilised for REPowerEU at €10 billion. The compromise amendments agreed between the above groups will be put to the vote in the European Parliament’s Committee on the Environment, Public Health and Food Safety (ENVI) – the committee exclusively responsible for this part of REPowerEU – on Monday 3 October, with a view to a plenary vote being held at the end of the month or during the November session. ..............................................................................................................................**REPowerEU: Czechia proposes limiting use of market stability reserve** Brussels, 28/09/2022 (Agence Europe) The energy ministers of fifteen Member States (Belgium, Bulgaria, Croatia, France, Greece, Italy, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia, Slovenia and Spain) sent a joint letter to the European Commissioner for Energy, Kadri Simson, on the evening of Tuesday 27 September, calling for a cap on the price of fossil gas. “We (...) call on you to present us with a proposal in this direction to be discussed at the extraordinary Energy Council of 30 September, (see EUROPE [B13020A16](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=266d371d10&e=802e4750f5)) followed by a legislative proposal as soon as possible”, the letter said. The ministers state that this cap “should be applied to all wholesale natural gas transactions”. In a non-paper presented to the Member States on 9 September, the European Commission had advocated for the introduction of a limited cap on Russian gas imports by pipeline (see EUROPE [B13016A1](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=f767437520&e=802e4750f5)). It considers that the introduction of a generalised cap could lead some gas importers, in particular liquefied natural gas (LNG) importers, to divert their supplies to Asian markets, thereby jeopardising the EU’s security of supply.  According to Georg Zachmann, energy and climate policy researcher at the Bruegel think tank, Germany’s absence from the list of signatories is partly explained by the fear that German companies will not be able to bid higher than other buyers because of the cap, while the country “has not nearly enough gas”.  For their part, the signatory countries believe that a cap on gas prices can however “be designed in such a way as to ensure security of supply and the free flow of gas within Europe”. The letter further stresses that this is the only instrument that can help each Member State “to mitigate the inflationary pressure, manage expectations and provide a framework in case of potential supply disruptions, and limit the extra profits in the sector”.   Bram Claeys, senior advisor to The Regulatory Assistance Project - an NGO specialising in the energy sector transition - does not share this view and has just published an assessment with colleagues of the various options available to support consumers in the face of the energy crisis. His main criticism is that a cap “masks the signals sent by high prices and therefore makes it more difficult to take action to address the causes of high prices, mainly the fear of running out of gas this winter”. He also agrees with the Commission’s concerns that this is a difficult measure to implement, given the international and competitive nature of the gas market.   “The idea seems to be to price European gas just a little higher than what Asian markets are paying in order to avoid a diversion of supplies, but Asian buyers would only have to bid a little higher”, he told EUROPE. Mr Claeys therefore advocates for focusing instead on reducing gas consumption, “which won’t happen if you make gas cheaper, unless you combine the cap with measures forcing people to use less gas”. While measures to reduce gas consumption are often seen as long-term (e.g. building insulation), it can also be done through short-term measures, he told EUROPE, mentioning information campaigns to encourage citizens to change certain behaviours and the organisation of auction or tender systems to encourage companies to reduce their energy consumption. “The EU could also negotiate a lower price for gas currently transported by pipeline - mainly from Norway and Algeria - by ensuring that this lower price benefits end consumers”, Mr Claeys stressed. In his view, this option is not “a miracle solution”, but “is in any case more feasible”. A preferable alternative, he says, is to keep the price of gas high, but to capture the excess profits of gas companies and electricity producers and redistribute them to low-income or vulnerable consumers and struggling businesses. .............................................................................................................................**Commission moves forward with ecodesign rules for solar PV**Brussels, 20/07/2022 (Agence Europe) On Wednesday 20 July the European Commission adopted an amendment to the State aid Temporary Crisis Framework, initially adopted on 23 March 2022 to support the economy in the context of the Russian invasion of Ukraine. Margrethe Vestager, Executive Vice-President in charge of Competition Policy, said the changes help “accelerate the rollout of renewable energy as well as the decarbonisation of industries, in line with the REPowerEU objectives”. The changes to this framework complement the measures announced on the same day to reduce gas consumption in Europe by 15% until next spring (see other news). Measures to accelerate the deployment of renewable energy. Member States may establish support schemes for investments in renewable energy, including renewable hydrogen, biogas and biomethane, storage and renewable heat, including through heat pumps, with simplified tendering procedures that can be implemented quickly, while including sufficient safeguards to protect the level playing field. In particular, Member States are able to design schemes for a specific technology, requiring support in view of the particular national energy mix. Measures to facilitate the decarbonisation of industrial processes. To further accelerate the diversification of energy supplies, Member States may support investments to phase out fossil fuels, including through electrification, energy efficiency and a shift to the use of renewable hydrogen and electricity-based hydrogen (under certain conditions). This amendment allows Member States to: - set up new aid systems based on calls for tender; - or support projects directly, without tenders, with certain limits on the share of public support per investment. Specific top-up bonuses would be provided for small and medium-sized enterprises and for particularly energy-efficient solutions. Under these two new sections, Member States must ensure that projects are implemented within a specific timeframe to ensure an effective acceleration effect in reaching the REPowerEU objectives. Aid under these sections may be granted until 30 June 2023. The temporary framework now allows Member States to grant limited amounts of aid to companies affected by the current crisis or by sanctions, up to the increased amounts of €62,000 and €75,000 in the agriculture, and fisheries and aquaculture sectors respectively, and up to €500,000 in all other sectors. The aid to cover the increase in energy costs can only cover a maximum of 70% of the beneficiary’s gas and electricity consumption during the same period in the previous year. |

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**23 September 2022** ***Dear EPEE Members,*** Due to the Marathon Week this edition of the Bi-Weekly Newsletter arrives a bit later than usual.  It was great to see many of you physically joining our Working Group meetings in Brussels this week, for the first time since 2020. Let us hope that we will be able to do the next Marathon week in the same hybrid format again and see even more of you make their way to the heart of EU Brussels. As preliminary dates we have fixed the 24 and 25 January for the next Marathon Week. In particular the F-Gas WG meeting on 20 September was very timely, as EPEE is currently finalizing its first amendment proposals on the revision of the F-Gas Regulation: the relevant Committees in the European Parliament are starting to consider their amendments. In that context, it is also very timely that the lead rapporteur in the Environment Committee of the Parliament, Bas Eickhout, has accepted to have an exchange of view with the EPEE Steering Committee at its meeting next week. Besides the hot topic of F-gas Regulation, many relevant developments and events will be happening in the coming weeks in Brussels and beyond, see below for details.   Best regards, Folker Franz, Director General  |

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| **WHAT'S NEW IN THE EU****Energy crisis still at the top of the agenda of EU institution**s  |

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| **2022 State of Union Address**In her [State of the Union Address](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=dea2a407fa&e=f75ec5c5df) in front of the European Parliament on Wednesday 14 September, European Commission President Ursula von der Leyen officially presented three key proposals conceived as “temporary and emergency measures” to curb electricity bills:  * **An EU-wide plan to introduce mandatory electricity savings** with an obligation to reduce electricity consumption by at least 5% during selected peak price hours. The Commission also proposes that Member States aim to reduce overall electricity demand by at least 10% until 31 March 2023.
* **A uniform price cap on the excess revenues** **made by inframarginal power plants** with a temporary revenue cap of €180 EUR/MWh on 'inframarginal' electricity producers, namely technologies with lower costs, such as renewables, nuclear and lignite, which are providing electricity to the grid at a cost below the price level set by the more expensive 'marginal' producers. Revenues above the cap will be collected by Member State governments and used to help energy consumers reduce their bills.
* **A windfall tax to partially capture the huge profits reaped by fossil fuel companies** with a temporary solidarity contribution on excess profits generated from activities in the oil, gas, coal, and refinery sectors which are not covered by the inframarginal revenue cap. It would be collected by Member States on 2022 profits which are above a 20% increase on the average profits of the previous three years. The revenues would be collected by Member States and redirected to energy consumers, in particular vulnerable households, hard-hit companies, and energy-intensive industries.

  **Next step:** Countries have several weeks to consider the proposals and begin technical negotiations before energy ministers head to another extraordinary Energy Council on September 30.   **The Renewable Energy Directive (RED) revised by Parliament**On Wednesday 14 September, members of the European Parliament adopted in plenary their position on the revision of [the Renewable Energy Directive](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=a86c4e8a16&e=f75ec5c5df) (RED). MEPs voted to r**aise the share of renewables in the EU's final energy consumption to 45% by 2030,** a target also backed by the European Commission under its "RepowerEU" package. The legislation also defines sub-targets for sectors such as transport, buildings, and district heating and cooling.  * Industry should **boost its use of renewables by 1.9 percentage points per year, and district heating networks by 2.3 points.**
* MEPs backed the [proposal](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=38884e48dd&e=f75ec5c5df) by the European People’s Party, Renew Europe and the S&D to **stop subsidizing the production of energy using primary woody biomass, and to progressively stop counting the use of this type of biomass toward the EU’s renewable energy target.**
* **The MEPs did not accept the Greens/EFA proposal to make the sub-target for the heating and cooling sector binding** (as proposed by the Commission).

  **Next step:** Now that [the report](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=e4a165d79d&e=f75ec5c5df) has been adopted, inter-institutional negotiations between the Parliament and the Council of the EU are expected to start in the coming weeks. A new revision of the directive (RED IV) will be presented at the end of September, with the idea to merge the two revision procedures during final talks with EU member States later in the year.    **The Energy Efficiency Directive (EED) revised by Parliament**MEPs adopted on Wednesday 14 of September the revision of the [Energy Efficiency Directive (EED)](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=9fde4f55d4&e=f75ec5c5df), the law that sets energy-saving targets in both primary and final energy consumption in the EU. The voting session did not lead to any major changes to the text approved by the Parliament’s Committee on Industry, Research and Energy (ITRE) last July. * MEPs supported an **increase of 14.5%** of the target for reducing energy consumption in the EU by 2030 (compared to the 2020 baseline projections). This increase means that member states must collectively **ensure final energy consumption is reduced by at least 40% by 2030 and 42.5% in primary energy consumption compared to 2007 projections,** compared to 36% and 39% in the Commission’s original proposal.
* Among other things, MEPs decided to **make Member States’ national contributions binding** and to set interim national targets in 2025 and 2027.
* Parliament changed the energy saving obligation between 2024 and the end of 2030. During this period, Member States would be required to make **annual energy savings of at least 2% of annual final energy consumption,** compared to 1.5% in the Commission’s original proposal. They also obliged **Member States to renovate at least 3% of the total floor area of public buildings each year.** The targets will be met through measures at local, regional, national and European levels, in different sectors - e.g. public administration, buildings, businesses, data centres.

 **Next step:** Now that both the Council and the Parliament [position](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=c2e0c3338d&e=f75ec5c5df) are adopted, inter-institutional negotiations between the Parliament and the Council of the EU are expected to start in the coming weeks in order to finalize the law before the end of the year.  |

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| **WORKING GROUPS****EEE WG:**    * **Marathon Week:** EEE Working Group meeting was held on 21 September, in a hybrid format. Members gathered intelligence on the various files of interest, such as the EPBD revision, PEF, EED or Green Public Procurement criteria. Priority actions for the upcoming weeks were discussed and agreed, thanks to the active involvement of participants in the room and online.
* **EUSEW – online event:** EPEE participated on 20 September to a [policy session](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=62e3892fce&e=f75ec5c5df) during the extended programme on the [EU Sustainable Energy Week](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=9b5923e2d0&e=f75ec5c5df). This conference focused on “Making building performance assessment transparent & holistic: ensuring a reliable and level playing field” and was organised by EPB Center, ECI, BPIE and ECTP. Panellists debated about the importance of choices made in the national building performance assessment methods and their prerequisite role and high impact in completely decarbonizing in practice the EU’s building stock by 2050, while contributing to strengthen EU’s energy security.
* **EUSEW – hybrid event**: EPEE will organise on 28 September a conference in the European Commission building to discuss the Zero-emission buildings concept with a focus on “how to a achieve climate-neutral heating and cooling from Nuorgam (Finland) to Rizokarpaso (Cyprus)”. Stefan Moser (DG ENER) will participate, alongside with EPEE President Andrea Vallejo-Galarza and the associations [REHVA](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=4748d32c10&e=f75ec5c5df) and [AREA.](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=56246b049e&e=f75ec5c5df)  This will be a great opportunity to demonstrate the various elements needed to successfully implement the ZEB concept from a heating and cooling angle. **Interested participants can still** [register](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=de29f3f63d&e=f75ec5c5df) **to the session to participate physically in the Charlemagne Building in Brussels or online.**
* **EPBD revision:** The rapporteur’s office shared to the Secretariat the batch 3 of compromise amendments which was opened for feedback.  The Secretariat, in collaboration with the members, analyzed the compromise amendments and issued commentary and recommendations to the rapporteur. In particular, the compromise provisions on Technical Building Systems are too technology-prescriptive. Interested members can find the calendar of negotiations [here](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=3331629d65&e=f75ec5c5df).

**F-Gas WG:** * On Tuesday 6 September, **MEP Jutta Paulus (Green, DE),** rapporteur at the ENVI Committee of the F-gas file, organized a hearing of several stakeholders which EPEE was part of. EPEE is in contact with her office to follow up on the question she had for EPEE pertaining to the limits of propane use in heat pumps.
* On Thursday 28 September, a meeting with **MEP Bas Eickhout (Green, NL)** who is the rapporteur of the current F-gas Regulation revision of 2014, will be organised during the Steering Committee meeting. Members of the F-Gas WG can join online.
* **Marathon week**: F-gas Working Group meeting was held on 20 September. This meeting enabled members to have an overview of the latest intelligence especially on the F-gas Regulation Revision and on PFAS. Amendment proposals for the F-Gas Regulation Revision on product bans and on the Phase Down quota were discussed with preliminary agreements achieved during the meeting. Members are now asked to send their comments or to approve silently the list of agreed amendments by 25 September in order to send them to ITRE Committee MEPs.
* **RRR Task Force**: Next Roundtable on Circularity of Refrigerants, planned for 29 September, will be postponed to October. EPEE’s RRR Task Force will met beforehand and discuss next steps on 30 September.
* **PFAS REACH restriction:** Last PFAS TF meeting was held on 6 September. **PFAS checklist / Survey to assess the existing PFASs in the supply chain** and to identify priorities in relation to PFAS physical parts was discussed. The objective is to get prepared for the PFAS REACH derogation's requests, by defining the internal priorities and strategies. A meeting will then follow on 6 October to exchange on the latest gathered intelligence and on the next steps of the PFAS checklist.
* A **new draft position paper** was sent to the PFAS Task Force members. Last comments are getting compiled. The position paper will then be shared with the FGAS WG for comments and approval.
* EPEE as an ECHA accredited stakeholder attended with EFCTC as expert member the RAC-62 and SEAC-56 meetings dedicated to the assessment of the introduced restriction Dossier on Firefighting Foams (FFF). This enabled to learn more on the process and on the way the discussions evolve. The two dossiers may be merged in 2024, and the arguments used in the Firefighting Foams Dossier are expected to be used in the PFAS F-Gas Dossier.
* **The next PFAS TF** meeting will be held on 6 October to discuss next steps.
* **ICHARMA gathering in Brussels:** Members of ICHARMA will meet in person for the first time in years on 6-7 October, organised in Brussels by EPEE, Delegates from worldwide heat pumps organisations (AHRI, HRAI, KRAI, JRAIA, ABRAVA, Eurovent) will have the opportunity to exchange with Tom van Ierland, Head of Unit for the Montreal Protocol, Clean Cooling & Heating and Digital Transition, European Commission and Members of the European Parliament Esther De Lange (EPP, NL) after a visit of the Institution.
* **Chillventa – ASERCOM/EPEE Symposium:** EPEE and ASERCOM organise on 10 October their traditional Symposium during [Chillventa](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=bb4f99d71c&e=f75ec5c5df) fair, in Nuremberg, Germany. This edition is dedicated to the “Multiple Transition Challenges in Heating, Cooling & Refrigeration” with the presence

 **Ecodesign WG:**  * **Ecodesign for Sustainable Products Regulation (ESPR)**: EPEE finalised its [position with amendments](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=4640c59c4e&e=f75ec5c5df) on 22 June 2022, and it is now cooperating with likeminded industry associations to advocate for an implementable ESPR. In the meantime, the EPEE TF ESPR will convene (date to-be-decided) to discuss further advocacy strategies.
* **Compliance Support Facility (CSF):** the Commission proposed an industry-driven consortium mechanism operating as a reactive help centre for the whole industry. A Call for Tender was published in May 2022 with a deadline to reply in November 2022, and the Austrian Energy Agency is setting up a consortium to answer the Call for Tender. In order to remain informed about the policy developments in the CSF and assist in answering urgent industry questions on applying legislation, the WG Ecodesign recommends the Steering Committee to pursue an associate partnership (with limited direct involvement). The Secretariat will assess the Call for Tender for the associate partnership framework conditioners with a list of pros and cons of participating, and share these with the Steering Committee and WG Ecodesign.
* **ENER Lot 1 (space heaters):** after having finalised and sent its [feedback on data monitoring](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=ac2b1e6043&e=f75ec5c5df) under ENER Lot 1 on 29 August 2022, EPEE is not assessing a joint industry letter prepared by one of our partner organisations to ask the Commission to share its proposal for the Interservice Consultation. This would provide us with an additional consultation opportunity of the legislative proposals for technical comments. More information on this should become available by next week.
* **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 Call for Evidence and [public consultation](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=0b24cc010b&e=f75ec5c5df) is open till 15 September. [EPEE already finalised its position](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=406ad1e21d&e=f75ec5c5df) and replied to the Call for Evidence and public consultation on 22 August 2022. We are now gathering support from likeminded organisations and reaching out to Member State authorities in order to solidify the support for a merged energy label. So far, we have cooperated with EHPA on our outreach to ECOS (16 September 2022) and the Swedish Energy Agency (20 September 2022).
* **ENER Lots and 20 – market surveillance tolerances**: the WG Ecodesign is working on a draft amendment to the market surveillance tolerances as proposed by the Commission for the energy labels under ENER Lots 10 and 20. A final position should be ready and shared with the Commission by the end of September 2022.
* **ENER Lot 33 (smart appliances):** the Commission’s JRC is working on measures outside the Ecodesign Framework, most likely a Voluntary Agreement based on SAREF4ENER with recommendations and requirements for smart appliances connected to the grid in order to enable demand-side flexibility. In order to continue with the study, the JRC launched a survey on interoperability. The WG Ecodesign is finalising its replies and EPEE will share its answers with the JRC before the deadline of 23 September 2022.
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| **Calendar** * [Calendar of internal meetings 2022](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=293301369f&e=f75ec5c5df)
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| **WHAT'S IN THE NEWS**  **ENDs Europe** * This week in plenary: 7 green votes you need to know about
* Energy crisis: Commission unveils ‘emergency intervention’
* Chemicals: Commission prepares to publish delayed CLP revision

**Agence Europe** * Germany proposes creation of a European Alliance for transformation technologies
* MEPs sound alarm on situation for SMEs
* Industrial strategy—European Parliament calls for “transition pathways” by ecosystem as soon as possible

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| **ENDs Europe****This week in plenary: 7 green votes you need to know about**Simon Pickstone 16 Sep 2022  MEPs in Strasbourg this week finalised their positions on revising two key files in the Fit for 55 package and anti-deforestation legislation. They also approved reports on forest management, EU industrial strategy and the effects of climate change. Here’s what you need to know.  Renewable Energy Directive In a vote on Wednesday, the European Parliament gave the green light to a draft report that proposes bringing up the EU’s share of renewable energy to 45% by 2030. The text, [drafted by EPP lawmaker Markus Pieper](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=4a9995ee2c&e=f75ec5c5df), also proposes higher sectoral sub-targets for transport, buildings and district heat networks, and an obligation for member states to build at least one cross-border renewable energy project. Parliament’s text also includes a cap on the use of woody biomass to count towards renewable energy production, and some restrictions on its use in power generation. “We strongly support the increased 2030 target of 45%. We confirm the need for more cross-border cooperation to expand renewable energy deployment, and call for a diversified import strategy for hydrogen. We have also raised the requirements for the sustainability of biomass and fuels, and showed ways in which biogenic materials can make a real economic contribution to the energy transition,” said Pieper after the vote. 418 MEPs voted in favour, 109 against and 111 abstained. Follow-up: ENDS [coverage](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=81a4d0ff66&e=f75ec5c5df), [adopted text](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=a8cd589fc6&e=f75ec5c5df)  Energy Efficiency Directive MEPs also voted on Wednesday to approve their position on the Energy Efficiency Directive, another important file in the ‘Fit for 55’ package. Their version of the text calls for a 14.5% cut in final energy consumption by 2030 compared to a ‘reference scenario’ established in 2020. The European Commission proposed a 13% cut. In concrete terms, MEPs have endorsed a 25% reduction in final energy consumption compared to 2019 levels, to be achieved primarily through a mandatory annual reduction in final consumption of at least 0.8% up to 31 December 2023, and then 2% a year through to the end of the decade. S&D rapporteur Niels Fuglsang said in a statement: “We are in a crisis where Putin is shutting off gas. One of our most effective answers to this is energy efficiency.” The final result was 469 votes in favour to 93 against, with 82 abstentions. Follow-up: ENDS [coverage](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=8aa5ea65f0&e=f75ec5c5df), [adopted text](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=09b961f1b5&e=f75ec5c5df)  Deforestation Regulation A regulation tackling so-called ‘imported deforestation’ was the third legislative file MEPs voted on this week. On Tuesday, the parliament voted 453 to 52, with 123 abstentions to approve their negotiating position on the proposed Deforestation Regulation. MEPs opted for a significantly more ambitious version of the text than what was put forward by the Commission, covering a much wider range of products and including new due diligence obligations for the financial sector. Follow-up: ENDS [coverage](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=c19ccbd472&e=f75ec5c5df), [adopted text](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=28da058e7f&e=f75ec5c5df)  Forest strategy MEPs broadly endorsed the European Commission’s Forest Strategy for 2030 in a vote on Tuesday. Their report on the strategy, adopted with 417 votes in favour, 144 against and 67 abstentions, highlighted the importance of forests in carbon sequestration and of “balancing multiple forest functions”. Follow-up: ENDS [coverage](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=cbee3ed810&e=f75ec5c5df), [adopted text](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=5d6bda5480&e=f75ec5c5df)  New European Bauhaus In an own initiative report on the ‘New European Bauhaus’, MEPs called for an extra €500m in funding next year and for the initiative to become a stand-alone EU programme in the next long-term budget from 2027. Parliament’s report, adopted on Wednesday with 466 in favour, 83 against and 55 abstentions, said the projects funded by the programme, which is intended to bring together design and sustainability, “must protect citizens against natural and climate-related disasters”. Follow-up: [Adopted report](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=3d2daaec9c&e=f75ec5c5df)  Industrial strategy On Thursday, parliament approved its opinion on the Commission’s updated industrial strategy for Europe. The report, adopted with 503 votes to 40 with 18 abstentions, highlights “the need for targeted relief measures for vulnerable customers in the industrial context” in light of the current energy crisis, securing “the supply of critical raw materials” and drawing up “clear and science-based transition pathways” for industry to reach net zero. Follow-up: [Adopted report](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=a676369cc3&e=f75ec5c5df)  Fight against climate change In another own-initiative report adopted on Thursday, MEPs called on the Commission to propose a “comprehensive, ambitious and legally binding European climate adaptation framework”, particularly in the wake of a series of droughts, floods and fires this summer. A ‘climate risk assessment’ should, by summer next year, look at the risks of climate change-related extreme weather, including the threat it poses to critical infrastructure. Other recommendations in the report include drawing up an EU water strategy to cut unsustainable water use, the speedy creation of a permanent fleet of firefighting aircraft, and a new goal to end net land degradation by 2030.  Some 469 MEPs voted in favour of the text, with 34 voting against and 44 abstaining. ........................................................................................................ **Energy crisis: Commission unveils ‘emergency intervention’**Christian Ernhede 14 Sep 2022  The European Commission is pushing for a windfall solidarity tax on fossil fuel majors, as part of a slew of emergency measures aimed at tackling the energy crisis.  The EU executive unveiled a new emergency regulation on Wednesday – to ease the economic impact of spiralling energy costs – with mandatory cuts to peak electricity consumption, a price cap on non-gas power producers along with aims to tax windfall profits by fossil fuel companies. “Our green energy transition is the only way to rid ourselves of Putin’s energy yoke… the era of cheap fossil fuels is over,” said climate commissioner Frans Timmermans at a briefing with reporters on the proposal. “Without energy savings we’re never going to get there.” The regulation sets a 10% voluntary reduction to gross electricity consumption, coupled with a mandatory 5% reduction to peak consumption. The Commission’s demand reduction proposal follows on from a voluntary gas saving regulation [unveiled](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=3615363d08&e=f75ec5c5df) in July. With the emergency regulation, the Commission also hopes to tackle the unbridled profits of the fossil fuel industry, through a “solidarity contribution” that sets an additional tax of at least 33% on all profits that supersede a company’s average profits over the previous three years by 20%. “Major oil, gas and coal companies are… making huge profits [and] they have to give a crisis contribution,” said Commission president Ursula von der Leyen in her ‘annual state of the union’ address to the European Parliament plenary in Strasbourg on Wednesday. While taxation policy normally requires unanimity in EU Council votes, the emergency regulation would only require a qualified majority when enacted under article 122 of the EU Treaty, according to the Commission. The emergency intervention also proposes a maximum price cap of €180 per megawatt-hour (MWh) for electricity producers that do not use natural gas. Previous [leaks](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=032350032d&e=f75ec5c5df) of the plans had set the cap at €200/MWh. However, the Commission is seeking to fully exempt power plants fuelled by biomethane from the price cap. “The revenue cap should not apply to… fuels that are substitutes for natural gas, such as bio-methane, so as not to jeopardise the conversion of existing gas-fired power plants in line with the REPowerEU objectives,” a recital of the regulation reads. Likewise, the cap will not apply to hard coal and gas plants that face high primary fuel costs. The Commission estimates that the member states could raise up to €142bn from the price cap and solidarity tax. The additional revenue can be used by national capitals on measures aimed at reducing energy consumption or give direct reprieve to consumers and businesses impacted by the elevated energy prices. But member states could also use the funds to invest in new energy infrastructure, including fossil fuel projects [prioritised](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=380a03be41&e=f75ec5c5df) under the REPowerEU plan. In her speech to the parliament, von der Leyen also promised amendments to the EU state aid legislation in October that would free the hands of national capitals wishing to give state guarantees to energy companies.  EU energy ministers are due to meet on 30 September for another emergency summit, with a view to approve the Commission’s latest proposal. ........................................................................................................ **Chemicals: Commission prepares to publish delayed CLP revision**Simon Pickstone 19 Sep 2022  The European Commission is finalising a proposal to introduce three new chemical hazard labels, as work continues on the overhaul of the REACH Regulation. Draft secondary legislation under the Classification, Labelling and Packaging (CLP) Regulation is expected to be published imminently – possibly as early as this week – although a Commission spokesperson could not confirm the exact timing. The delegated act, which the European Commission had [initially envisaged](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=1ebcd8ebba&e=f75ec5c5df) presenting before the summer, will propose labels for chemicals that are endocrine disruptors, persistent, bio-accumulative and toxic, and mobile and toxic. The wider-ranging revision to the REACH Regulation is expected in the first quarter of 2023. ENDS Europe understands officials are currently finalising an impact assessment to be submitted before the end of the year to the regulatory scrutiny board. The Commission had earlier indicated it intended to publish the REACH proposal this year, although never set a date in its regularly updated provisional agenda. The European Parliament’s EPP group has in recent months been calling for the REACH and CLP reforms to be put on ice in response to the economic headwinds caused by the energy crisis and war in Ukraine. Peter Liese, the group’s environment spokesperson, [told ENDS](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=3da2e2977c&e=f75ec5c5df) in June that REACH was “already challenging for industry and if we further complicate it, it will complicate the transition in the energy sector”. Tatiana Santos, chemicals policy manager at the European Environmental Bureau (EEB), said the CLP reform should come before October and REACH by March next year in order to bring them into law before the end of the legislative term. “The chemicals reform journey is not an easy one. We are glad to see that the EU, so far, has managed to withstand the political and, most likely, tremendous industry pressure that it finds itself under. The delays of the REACH and CLP reform proposals, which were due this year, come to testify to that,” Santos told ENDS. She added: “The issue of chemical exposure is a serious one. People have reasons to be concerned, with concrete evidence that we are daily exposed to the extent that we already have plastic and ‘forever chemicals’ in our blood. Science also tells us that chemical pollution has passed the threshold within which humanity can survive, develop and thrive. In light of this, a few months delay in REACH and CLP policy reforms could mean toothless laws and years of delay in practice.” A spokesperson for chemicals industry group Cefic told ENDS: “We support the European Green Deal goals and will continue to follow and provide input to the legislative agenda, including REACH and CLP, being the cornerstones of EU chemicals policy.”  ........................................................................................................**Agence Europe** **Germany proposes creation of a European Alliance for transformation technologies** Brussels, 21/09/2022 (Agence Europe)  Germany has asked to add an item at the next Competitiveness Council to present its proposal to create a European Alliance for transformation technologies on Thursday 29 September, as we reported recently (see EUROPE [B13017A8](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=43b3a83464&e=f75ec5c5df)). These transformation technologies include wind and photovoltaic energy systems, power grid equipment, heat pumps and electrolysers. This Alliance would be modelled on the European Battery Alliance and would seek to develop a “strategic action plan” with “concrete requirements” to accelerate the deployment of transformative technologies. This would involve the creation of a “policy body” under the leadership of the European Commission with the participation of all relevant parties representing a given sector value chain. Sub-groups can be formed for individual technologies.  To read the note: [*https://aeur.eu/f/37b*](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=0deaa7f6f7&e=f75ec5c5df) (PH) ........................................................................................................ **MEPs sound alarm on situation for SMEs** Brussels, 16/09/2022 (Agence Europe) MEPs were unanimous in expressing their concerns about the situation, which has been particularly deteriorated by Russia’s invasion of Ukraine and the ensuing energy crisis, during a debate in Strasbourg on Thursday 15 September. The pandemic, supply disruptions, the war in Ukraine, the energy crisis... in each speech, everyone spoke of the same difficulties and concerns. In detail, following the example of Martina Dlabajová (Renew Europe, Czech), many people mentioned European legislation’s lack of adaptation to the needs and constraints of SMEs. Jordi Solé (Greens/EFA, Spanish) called for the new aid package for SMEs, announced the previous day by the President of the European Commission (see EUROPE [B13021A6](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=34cb529f99&e=f75ec5c5df)), to be developed in consultation with SME representatives in any case. Many, like Kosma Złotowski (ECR, Polish), pointed to red tape - especially in accessing EU funds - and the dysfunctional nature of the internal market. Many MEPs criticised the European Commission’s wait-and-see attitude and the fact that when it does act, “it’s simply just not enough”, as Henna Virkkunen (EPP, Finnish) lamented. The latter also questioned the appointment of the EU ‘SME Envoy’, which seems to be at a standstill since the first appointment was called off because it was too controversial (see EUROPE [B12836A24](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=e26d742196&e=f75ec5c5df)). Sandra Perreira (The Left, Portuguese) regretted that the EU’s action for SMEs was not for the benefit of workers and to increase wages which would ultimately help SMEs be more competitive. In contrast, Dominique Bilde (ID, French) pointed out that the Social Climate Fund does not cover SMEs. It favours “the unemployed over employers”, he said. Věra Jourová, Vice-President for Values and Transparency, speaking on behalf of the Commissioner for the Internal Market Thierry Breton, aimed to reassure. The aim of the package announced by the President of the European Commission for SMEs is to provide an answer to their lack of liquidity, in particular with the revision of the Late Payments Directive. On the simplification front, she highlighted the BEFIT system, which aims to establish a single regulatory framework for taxation. She strongly criticised the tendency of Member States to “gold-plate” European legislation, that is to say inflate the EU legislation at a national level. She concluded: “So what I call for; on behalf of the Commission, we are trying to move quickly, but also I call on the co-legislators to remain vigilant and to always do the test of proportionality and necessity whenever we are adopting new legislation”. (Original version in French by Pascal Hansens) ........................................................................................................**Industrial strategy—European Parliament calls for “transition pathways” by ecosystem as soon as possible** Brussels, 16/09/2022 (Agence Europe)  MEPs were unanimous in expressing their concerns about the situation, which has been particularly deteriorated by Russia’s invasion of Ukraine and the ensuing energy crisis, during a debate in Strasbourg on Thursday 15 September. The pandemic, supply disruptions, the war in Ukraine, the energy crisis... in each speech, everyone spoke of the same difficulties and concerns. 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(Original version in French by Pascal Hansens) ........................................................................................................**EU-wide cap on power generators’ super-profits should replace national measures, says WindEurope**16/09/2022 (Agence Europe)   As the European Commission proposed on Wednesday 14 September to set an EU-wide cap of €180/MWh on revenues for inframarginal electricity producers (the majority of renewables, nuclear and lignite) (see EUROPE [B13021A1](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=f8c8dced96&e=f75ec5c5df)), WindEurope, an organisation representing the European wind energy industry, is calling on the EU to ensure that this instrument replaces existing national measures so as not to undermine investment in renewable energy. The organisation criticises the possibility for Member States to introduce more ambitious measures than the cap. “Allowing countries to (...) have lower caps creates confusion and uncertainty - and will slow down the investments we so badly need”, said Giles Dickson, CEO of WindEurope. The Commission’s proposal does however specify that the implementation of more ambitious measures must not “undermine investment signals”. (DG)  |

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