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| **Dear EPEE Members,**  We are pleased to circulate to you the latest newsletter where you can read the most updated developments on our files  This week, EPEE is organising a Cocktails reception with PermReps and National F-gas experts in parallel of the Council Working Party Environment meeting on 17-18 November where the F-gas regulation revision will be debated. Best regards, EPEE Secretariat  |

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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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| **Energy Performance of Buildings Directive (EPBD)**During the Energy Council on 25 October, EU Member States reached a [general approach](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=b50c100918&e=802e4750f5): * The EU Council has in particular [retained](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=ee89ee3bab&e=802e4750f5) the provision that **new buildings must be zero-emission from 2030**. However, it **postponed the date for new buildings owned by public bodies by one year** (from 2027 to 2028), while introducing exceptions for certain buildings (places of worship, historic buildings, buildings used for defence purposes…).
* Forexisting buildings, a distinction is made between non-residential and residential buildings: – For **non-residential buildings**, Member States have agreed to set **maximum energy performance thresholds**, based on primary energy consumption. – In the case of existing **residential buildings**, Member States agreed to set **minimum energy performance standards** (MEPS) based on a national trajectory corresponding to the progressive renovation of their building stock to a zero-emission stock by 2050.
* States should ensure that the **average primary energy consumption** of their entire housing stock is a**t least equivalent to the level of energy performance class D by 2033**.
* Member States also want to introduce a new **‘A0’ category for zero-emission buildings in the energy performance certificates**. The text allows them to add an ‘A+’ category for zero-emission buildings that supply on-site renewable energy to the energy grid.
* On the basis of the ‘REPowerEU’ plan, the Council also agreed to **ensure the installation of appropriate solar energy technologies**.
* Finally, the text also provides for the possibility for Member States to establish **criteria for exempting individual buildings from the thresholds**, taking into account the intended future use of the building or in the case of an unfavourable cost-benefit assessment.
* However, several countries (France, the Netherlands, Belgium, Luxembourg, Germany and Ireland) have qualified the text approved as being **too unambitious**.
* The agreement was also heavily criticized by various stakeholders. **Criticism** has particularly been directed at the **EU Council’s approach to the renovation of existing residential buildings**. “EU energy ministers have lost sight of the energy security crisis and high energy prices when adopting their position”, said the Coalition for Energy Savings, an organisation representing more than 500 associations, 200 companies and 1,500 cooperatives. Like the NGOs CAN Europe, ECOS and Friends of the Earth Europe, the organisation believes that **the EU Council has weakened the text** tabled by the European Commission in December.

**Next step:** Originally scheduled for 29 November, the vote in the Committee on Industry, Research and Energy (ITRE) of the European Parliament was postponed until December due to continuing disagreements between the political groups. **REPowerEU*** On **25 October**, **MEPs in the Parliament’s budget and economic affairs committees** voted on a [draft report](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=be21fdc668&e=802e4750f5) detailing how some €225 billion in leftover Recovery and Resilience Facility (RRF) loans should be repurposed to fund REPowerEU objectives to help replace Russian oil and natural gas.
* On **9 November**, the **European Commission** presented a new **temporary emergency regulation** which will complement the ongoing revision of the Renewable Energy Directive and the objectives of the REPowerEU Plan.
* The proposed regulation is aimed at accelerating the renewable energy projects by setting a timeframe for the granting of permits for renewables projects, which are presumed to override public interest.
* The proposal covers rules for **accelerated permit procedures** for:– Solar Panels on buildings and other artificial structure– Repowering of renewable power plants– Heat Pumps

**Renewable Energy Directive (RED)*** While the REPowerEU plan calls for an increase in the EU’s target for the share of renewable energy in energy consumption to 45% by 2030, the **Czech Presidency has proposed that Member States retain the 40% target** agreed last June.
* But several Member States, such as Luxembourg, Germany and Denmark, had argued in **favour of aligning the Council’s position with that of the Commission**. In the end, the 45% target has been maintained in the recitals of the Czech draft compromise.
* It should be noted that Member States should have the **possibility to exclude hydroelectric power plants from ‘renewables go-to areas’** (areas benefiting from accelerated permit-granting procedures). The compromise also provides for a review of the deadlines for these procedures to give Member States more flexibility.
* On top of that, Environmental groups are furious at some of the amendments to the Renewable Energy Directive (RED IV) that were adopted by the European Parliament’s environment committee on 25 October:
* The amendments would allow **faster permitting for renewables projects**. NGOs argue that the opinion report will weaken environmental protection across the bloc.
* In their report, **ENVI MEPs proposed that renewable energy projects in “go-to areas” be exempted from dedicated environmental impact assessments,** “except for biomass combustion plants” and some hydropower plants.
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| **WORKING GROUPS****EEE WG:**  * **EPBD revision – delay in the EP:** the Rapporteur Ciaran Cuffe has announced delay in the negociation in the European Parliament. The deadline for the Compromised Amenemendts in ITRE is set for January 2023, prior to the **vote in ITRE scheduled on 24 January 2023**. The trilogues phase is excpected to start later in February. Besides, the TRAN opinion has been rejected due to internal splits. Regarding the negociations, the EPP still wants derogations on dates and EPC classes while S&D wants flexibility for residential. There are still some debates on financing in article 15 and on article 16 on EPC rescaling.
* **EBDP revision – Council:** following the Council general approach adopted on 25 October 2022, the conservative bloc (CY, SI, GR, SK, LV, LI, FI, HU, SE, EE, BG, MT, IT, PL, RO) supported the draft General Approach and indicated they would refuse any last-minute changes. Other Members States (AT, DK, IE, NL, PT) supported the text but less strongly. Belgium was very critical and suggested to continue the discussion within the Council in the weeks ahead. However, it was not followed as strongly by other progressives such as Germany or Luxembourg. Both countries expressed their disappointment but did not voice such a strong opposition to the text – Germany seemed to hint at the necessity to start trilogues soon.
* **France then announced they would issue a Declaration** as they also think the text is not at the right level of ambition, and that improvements will need to be made at trilogues stage. The Declaration was subsequently joined by Germany, Luxembourg, the Netherlands, Belgium, and Ireland. Spain was not helpful and will, although supporting the text, also issue a Declaration on its own.
* **EED – state of play of the trilogue:** the second trilogue meeting will take place on 22 November 2022, following the first trilogue meeting on 6 October. Concerning **public buildings**, the Council and the Parliament disagree on the **scope of the obligation**, with the Parliament wanting to also include buildings **occupied** by public bodies (in some cases) on top of those that they **own**. Meanwhile, the Council re-introduced an alternative approach that weakens the reliability and ambition of the obligation.

**F-Gas WG:*** **EPEE Perm Reps cocktail workshop:** on 17 and 18 November, an Environment Working Party will take place in Brussels. The EPEE Secretariat is organising a cocktail reception on Thursday 17 November, 18:30-20:15 at the Residence Palace. With Perm Reps and national F-gas experts. **Members are asked to send the invitation to their own contacts in Member States** (please find the registration link to forward, [here](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=57c19024df&e=802e4750f5)).
* **ITRE Committee debate on F-gas:** On 27 October, the ITRE Committee organized a debate on the draft report of the ITRE Rapporteur, MEP Skyttedal on the F-gas Regulation Revision Proposal. EPPE Secretariat prepared an internal note which was sent to the F-gas WG the same day. You can access it in your members area [here](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=ab95dd4fd4&e=802e4750f5).
* The following MEPs take the floor after Rapporteur Skyttedal made a brief summary of her Opinion Report:

- For the EPP: Hildegard Bentele (DE) and Pascal Arimont (BE), members of the ITRE Committee. - For the S&D Group: the Shadow Rapporteur Mrs. Patrizia Toia (IT) of her party - For the Greens: the Shadow Rapporteur, Mrs. Jutta Paulus (DE) - For the ECR Group: Shadow Rapporteur, Mr. Ladislav Ilcic (HR) Tom Van Ierland as EC representative made a statement reacting to the draft ITRE report. * **F-gas Regulation revision – unofficial amendments:** F-gas Regulation revision continues its way in Parliament and in Council: A first version of the compromised amendments in ITRE was received as well as a strictly confidential draft of amendments of the Czech Presidency. Those documents were shared with the F-gas WG. The EPEE Secretariat is to prepare a document for comparing the different draft amendments proposed for the moment.
* **Joint Statement to the ENVI draft report:** EPEE approached partner associations for a joint statement reaction to the draft ENVI report of the Rapporteur, MEP Bas Eickhout (Greens, NL). A final document was agreed with the following parties: AREA, AFEC, ASERCOM, EHPA, Eurovent, JBCE and JRAIA. This joint paper was sent on 7 November to the ENVI Committee members before their upcoming committee meeting on 8 November. The main goal was to highlight the heat pumps case issue.
* **ENVI Committee debate on F-gas:** the ENVI Committee will discuss the F-gas revision and its draft Report that will be presented by Rapporteur of the text, MEP Bas Eickhout (Greens, NL), tomorrow, Tuesday 8 November, between 9h and 11h (see [updated ENVI Committee agenda](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=f022d61f28&e=802e4750f5)). The debate will be publicly available through [this link](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=d3b3cf8294&e=802e4750f5). The Secretariat will provide members with an internal note summing up the main intelligence gathered from that meeting.
* **Meeting with MEPs:** EPEE reached out to the ENVI and ITRE members and received a positive reply for a meeting with MEP Peter Liese (EPP, DE), coordinator of the EPP group. This meeting was planned on 9 November. A second meeting was also organized on 10 November with MEP Nikolaj Villumsen (GUE/NGL, DK) who is shadow Rapporteur of the F-gas Regulation revision. Members are asked to send to the EPEE Secretariat their latest updates in terms of outreach. Thus, the Advocacy Toolkit will be updated with their intelligence and be uploaded regularly on the intranet of EPEE website.
* **34th Meeting of the Parties to the Montreal Protocol (MOP 34):** Senior Policy Director was representing EPEE in Montreal for the MOP 34.
* **Chillventa – ASERCOM/EPEE Symposium**: EPEE and ASERCOM organised their traditional Symposium ahead of the Chillventa 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. The presentations used during the event are available [here](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=17150ea0d4&e=802e4750f5).
* **Hybrid Impulse Team and PFAS TF meetings:** On Monday 14 November, the PFAS Task Force and Impulse Team meetings were planned respectively in the morning and in the afternoon in hybrid format.
* **GIZ study**: A draft reaction to the GIZ study on split AC has been prepared by members of the Impulse Team. Its purpose is to show to law makers that the GIZ study has shaky assumptions. Members are still commenting it for upgrading the document.

**Ecodesign WG:**   * **Ecodesign for Sustainable Products Regulation (ESPR):** EPEE continuous cooperating with likeminded industry associations to advocate for an implementable ESPR, and we are working with the European Ventilation Industry Association (EVIA) on a joint outreach to the European Parliament. EPEE and EVIA are virtually fully aligned on the key issues in the ESPR, and together we are working on ensuring that the specificities of the HVACR sector is fully taken into account by MEPs in the ESPR.
* **ENTR Lot 1 (professional refrigeration):** a Consultation Forum is organised on 28 November 2022 to discuss the VHK consultant’s study on revised ecodesign measures for professional refrigeration. The TF ENTR Lot 1 convened on 10 November 2022 to discuss its preliminary position, decide on speaking points for the Consultation Forum, and decide on EPEE’s delegation. We are currently preparing speaking points, which will form the basis for our position following the inputs from the Consultation Forum of 28 November.
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| **Calendar** * [Calendar of internal meetings 2022](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=54dd4b6c20&e=802e4750f5)
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| **WHAT'S IN THE NEWS**  **ENDs Europe** * Growing EU exodus could scupper Energy Charter Treaty reform
* WHO accused of ‘disregarding’ science on PFAS in drinking water, say experts
* Lawmakers set out position on REPowerEU funding, harbouring hopes of a quick deal

**Agence Europe*** Energy crisis, Czech Presidency of EU Council intends to reach agreements at ministerial meeting on 24 November
* European Commission promises to detail its proposal to temporarily cap gas prices this week
* MEPs want to limit permitting process for new renewable energy installations to nine months
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| **ENDs Europe** **Growing EU exodus could scupper Energy Charter Treaty reform**Christian Ernhede 14 Nov 2022 The tentative agreement to modernise the Energy Charter Treaty (ECT), due to be formally endorsed by signatories next week, appears to be foundering, with Belgium and Germany intending to abstain in a crucial EU vote ahead of the gathering in Mongolia. Germany revealed late on Friday that it would withdraw from the Energy Charter ECT, in another blow to the European Commission’s drive to reform the controversial post-Cold War treaty. In June, the Commission welcomed the conclusion of two years of negotiations to reform the treaty, but scientists and climate groups have [warned](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=9d6f997757&e=802e4750f5) that the reformed treaty would still undermine EU climate ambitions. “We applaud the German decision to leave this toxic treaty behind,” said Cornelia Maarfield, trade and investment policy expert at green group Climate Action Network Europe, in a statement. A pledge by the German coalition government on its trade policy – published by Andreas Audretsch, deputy group leader for the Alliance 90/The Greens in the Bundestag – reveals Berlin plans to abstain in an upcoming EU Council vote, aimed at setting out the bloc’s position at the Energy Charter Conference on 22 November in Mongolia. Signatories to the treaty, including the EU, are required to unanimously sign off on the proposed reform at the annual conference. But this will require the backing of a qualified majority in the EU Council, representing at least 15 member states and 65% of the bloc’s population. Member states’ deputy permanent representatives are meeting on Wednesday to “confirm agreement” on the issue ahead of a possible endorsement of the provision reform agreement by ministers at the General Affairs Council on Friday. Diplomatic sources told ENDS Europe that Belgium will also abstain in the upcoming Council vote “in the spirit of compromise [due] to the differing positions of the different parties involved”. Belgium’s environment minister has [previously](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=bc04709ed2&e=802e4750f5) called for a withdrawal from the ECT. Germany’s decision to withdraw from the ECT follows hard on the heels of the Slovenian government’s [announcement](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=1c4bd05e5c&e=802e4750f5) on Thursday. France, Poland, Spain and the Netherlands have also [previously](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=e4a585ad19&e=802e4750f5) signalled that they plan to leave the treaty, while Italy [withdrew](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=262b1c3525&e=802e4750f5) back in 2016. “An EU withdrawal from the Energy Charter Treaty has become inevitable [as] the Union cannot remain in an agreement that all of its largest members reject as an obstacle to climate policies,” Maarfield said. “EU member states must now refuse to give green light to Energy Charter Treaty reform at the upcoming Council vote,” she added. The seven countries that have signalled potential plans to withdraw from the ECT represent, along with Italy, an overwhelming 73% of the EU’s population, and could easily block the reform process. However, several member states – including France and the Netherlands – have appeared [reluctant](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=9b181b079c&e=802e4750f5) to do so. A number of small member states have so far voiced no objections or signalled no intention to pull out of the treaty. A spokesperson for the Swedish government told ENDS Europe that the country supports the ECT reform agreement. Swedish state-owned energy company Vattenfall has [previously](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=3972abce55&e=802e4750f5) claimed compensation from Germany under the ECT, over the country’s phase-out of nuclear power. ..............................................................................................................................**WHO accused of ‘disregarding’ science on PFAS in drinking water, say experts**Sosha Adie 11 Nov 2022 The World Health Organization’s approach to PFAS “forever chemicals” in its drinking water quality guidelines has been criticised by an international group of scientists, who are calling for a revision or withdrawal. In an open letter, a group of 116 experts on per- and polyfluoroalkyl substances (PFAS) – described as “forever chemicals” as they do not break down in the environment, has called on World Health Organization (WHO) to review or withdraw its draft assessment looking at two PFAS compounds, PFOS and PFOA, in drinking water. The WHO document suggests “a pragmatic solution” for the derivation of provisional guideline values (pGVs) for PFAS, citing the lack of consensus over what concentration of PFOS and PFOA is harmful to human health in drinking water. They propose 0.1  micrograms per litre (µg/L) for both, and a 0.5 µg/L limit for the total sum of PFAS. Using the EPA conversion guide, this is 100 parts per trillion (ppt). By contrast, the European Commission has proposed a 0.0044µg/L limit on 24 PFAS in ground or surface water, expressed as a PFOA equivalent, as part of [last month’s ‘zero pollution’ package](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=f6ffcc8ef0&e=802e4750f5). This is equivalent to 4.4 ppt. The level of these compounds that US regulator the [Environmental Protection Agency considers](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=fce04f6079&e=802e4750f5) safe in drinking water is 0.004 ppt and 0.02 ppt, for PFOA and PFOS respectively. The WHO report states that the values “were not derived based on adverse health effects studies”, but that “the values fall within the range of most health-based values derived through national risk assessments”. However, the scientists said: “We strongly recommend that this document be significantly revised and the numerous peer-reviewed scientific studies demonstrating strong links between PFOS and PFOA exposure and the many adverse health outcomes be carefully considered. Otherwise, the proposed guidance should be withdrawn. “The WHO assessment disregards the robust evidence of human health harm at environmentally relevant exposure levels which is also supported by experimental literature.” The group also pointed to studies that link PFOS and PFOA exposure to liver damage, which is disregarded in the WHO report, and increased cholesterol levels. They further criticised the report for “misstatements” regarding the immunotoxicity of PFAS. “As the authoritative international body on public health and water quality, WHO should provide health-protective, science-based guidance,” said the scientists. They argued that PFOA and PFOS can be removed from drinking water to non-detectable levels – an argument [also made](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=03c374393a&e=802e4750f5) by Europe’s water companies – and said that although they recognise the high cost of this removal process, this is “not a valid justification for setting less protective drinking water guidelines”. ..............................................................................................................................**Lawmakers set out position on REPowerEU funding, harbouring hopes of a quick deal**Christian Ernhede 10 Nov 2022 MEPs have given the green light to new funding for gas projects under the REPowerEU plan, with hopes to reach an agreement with member states before Christmas, but campaigners warn the move will only exacerbate the energy crisis. The European Parliament set out its negotiating position in a plenary vote on Thursday on funding sources for the EU’s REPowerEU energy plan, aimed at weaning the trading bloc off energy supplies from Russia after its invasion of Ukraine. The report was adopted with 471 votes in favour, 90 against and 53 abstentions. “The REPowerEU legislative proposal… was adopted by a very large majority; this shows the importance of this legislation and the united position of this house [with a] clear message from the parliament… that we need this legislation now, there cannot be any delays,” Parliament’s president Roberta Metsola said at a briefing with reporters in Brussels after Thursday’s vote. “Everything is prepared for the first trilogue negotiations to happen immediately within a week, a second one a week later, so we are expecting an agreement to be reached before Christmas,” she added. Parliament wants to raise €20bn in new funds by front-loading auctions of EU emissions trading system allowances, alongside the proposal to divert funding from the recovery and resilience facility (RRF). The Council [adopted](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=d631f66aa1&e=802e4750f5) a ‘general approach’ on REPowerEU funding sources last month, proposing to transfer revenue from the European agricultural fund for rural development. Siegfried Muresan, the EPP lawmaker overseeing the file, stressed that funnelling farming funds to REPowerEU projects would be a red line for Parliament. “We want to help facilitate investments into energy but… the European Parliament will not allow any cuts to farming funds, to the Common Agriculture Policy, to cohesion funds,” he said at a briefing with reporters. Muresan stressed that there is no major divergence in the negotiating positions of Parliament and Council, while reiterating Metsola’s ambition to conclude interinstitutional talks by the end of the year. Parliament’s negotiating position also maintains the European Commission’s[proposal](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=6c2b3a104f&e=802e4750f5) to suspend the ‘do no significant harm’ principle, set out in the EU’s post-covid recovery and resilience facility, but lawmakers want to impose a cut-off date of December 2024. However, climate campaigners warned against using EU funds for new fossil fuel infrastructure. “Some member states are trying to solve the energy crisis with business-as-usual solutions… instead of using public funds to speed up energy transition,” said Gligor Radecic, gas campaigner at CEE Bankwatch Network, in a statement. “Without the necessary safeguards in place REPowerEU national plans will exacerbate reliance on imported fossil fuels and deepen the existing energy crisis.” Parliament’s president also took aim at the [string](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=609d68da50&e=802e4750f5) of emergency regulations from the Commission in response to the energy crisis. “There is no need for emergency measures,” Metsola said, stressing that it “ultimately could undermine the legitimacy of decisions taken”. ..............................................................................................................................**Agence Europe** **Energy crisis, Czech Presidency of EU Council intends to reach agreements at ministerial meeting on 24 November**Brussels, 10/11/2022 (Agence Europe)According to the provisional agenda for the upcoming extraordinary meeting of EU energy ministers in Brussels on Thursday 24 November, the Czech Presidency of the Council of the European Union intends to reach an agreement among Member States on the European Commission’s latest proposals to mitigate rising energy prices. These emergency measures consist of two proposals for Council regulations. The first, presented on 18 October, includes several initiatives: - the development of an alternative European index to the Dutch TTF for liquefied natural gas (LNG) prices; - the creation of a market correction mechanism whereby the Commission could propose to establish a maximum dynamic price for natural gas transactions on the spot market; - the introduction of new rules to stimulate joint gas purchasing; - the capping of intraday price peaks; - the establishment of energy solidarity mechanisms between Member States in the absence of bilateral agreements (see EUROPE [B13045A1](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=b6f8b43147&e=802e4750f5)). In order to reach an agreement, the Czech Presidency transmitted a second draft compromise to the national delegations on Tuesday 8 November. Compared to its previous version (see EUROPE [B13056A2](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=da505648bf&e=802e4750f5)), the document includes clarifications concerning the provisions on solidarity between Member States in relation to gas supply. It sets out, for example, that the compensation for the Member State providing solidarity should include not only the gas price in that Member State and the storage and transport costs, but also possible costs resulting from the deviation of LNG cargoes, potential litigation costs for related judicial or arbitration proceedings involving the Member State providing solidarity and other indirect costs that are not covered by the price for gas. Prague also invites the delegations to provide guidance on the next steps regarding the articles on the market correction mechanism, as well as the article on the gas capacity allocation mechanism in the event of gas supply emergencies. The second proposal for a Council regulation, presented on 9 November, aims to boost the deployment of renewable energy in the EU by speeding up and facilitating the permit-granting procedures necessary for its installation (see EUROPE [B13060A7](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=83942a7690&e=802e4750f5)). Charles Michel calls for new proposals These proposals are nevertheless considered insufficient by some Member States such as Belgium, France, Italy and Spain, as well as by the President of the European Council, Charles Michel. “We need legislative proposals. You can criticise the energy ministers for not acting fast enough, but in order for them to act and take decisions, we need legislative proposals”, he said during a debate in the European Parliament in the presence of Commission President Ursula von der Leyen on Wednesday 9 November. He pointed out that the European Council had given the Commission a mandate to do so (see EUROPE [B13047A1](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=2ecc120d80&e=802e4750f5)), and that he was now awaiting “a proposal for a temporary cap on the price of gas for electricity generation, supported by a cost-benefit analysis”. He also emphasised: “‘Too little too late’ cannot be an option”. According to several sources, the Commission intends to send Member States a new non-paper on the gas price cap before the meeting of Member States’ ambassadors to the EU (Coreper) on Friday 11 November. ..............................................................................................................................**European Commission promises to detail its proposal to temporarily cap gas prices this week**Brussels 14/11/2022 (Agence Europe) Later this week, the European Commission will outline its proposal for a temporary cap on gas prices - known as the ‘market correction mechanism’ - and a legislative proposal “swiftly afterwards”, EU Commissioner for Energy Kadri Simson said on Twitter on Friday 11 November. The tweet follows a joint letter from Commission President Ursula von der Leyen and Czech Prime Minister Petr Fiala - whose country currently holds the rotating Presidency of the EU Council - in response to criticism from some Member States and European Council President Charles Michel. In the European Parliament on Wednesday 9 November, he called for new legislative proposals so that Member States can move forward on the idea of temporarily capping gas prices used for electricity generation, warning against “too little, too late” (see EUROPE [B13061A16](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=ccc82ed516&e=802e4750f5)). The letter from Ms von der Leyen and Mr Fiala states that the Commission will put forward a “a detailed outline of proposal for a market correction mechanism” before the next meeting of Member States’ energy ministers on Thursday 24 November. “The EU needs to have a mechanism in place that limits episode of excessive gas prices such as those that we have known in August”, the letter also stresses, while acknowledging that there are still differences in Member States’ assessment of the impacts, benefits and risks of such a mechanism. This mechanism is part of a series of emergency measures suggested by the Commission on Tuesday 18 October (see EUROPE [B13045A1](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=6ed07f90b6&e=802e4750f5)) in a proposal for a Council Regulation. The text, which is currently being discussed by Member States (see EUROPE [B13061A16](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=d52e588657&e=802e4750f5)), provides a mandate for the Commission to present a proposal to introduce a ‘market correction mechanism’. The letter further states that the Commission will provide an update on its work on structural reform of the electricity market to the 27 Member State leaders on 15-16 December at the next European Council, with a view to a legislative proposal early next year. ..............................................................................................................................**MEPs want to limit permitting process for new renewable energy installations to nine months**Brussels, 14/11/2022 (Agence Europe) Members of the European Parliament’s Committee on Industry, Research and Energy (ITRE) voted in favour of reducing from 12 to 9 months the maximum time limit for authorising new renewable energy production facilities if they are located in “renewable energy fast track” areas, on Monday 14 November, in a voting session on a draft report submitted by MEP Markus Pieper (EPP, German). Adopted by a large majority (49 votes in favour, three against and eight abstentions), this draft report concerns the part of the Commission’s ‘REPowerEU’ plan which consists of amending certain parts of the Renewable Energy Directives (RED II - 2018/2001), on the energy performance of buildings (EPBD - 2010/31) and on energy efficiency (2012/27) (see EUROPE [B12955A4](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=f7f565b31e&e=802e4750f5)). In particular, it will retain the Commission’s proposal to define ‘renewable energy deployment areas’, but rename them ‘renewable energy fast-track areas’. These areas should be delimited by each Member State according to their potential. If the competent licensing authority does not respond within nine months of the renewable energy project developer submitting the application, MEPs ask that the application be deemed accepted (‘positive silence’). For projects outside renewable energy fast-track areas, the report foresees limiting the authorisation process to 18 months, compared to the two years foreseen in the Commission’s initial proposal presented on 18 May (see EUROPE [B12949A2](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=40980dee4f&e=802e4750f5)). These fast-track procedures would also apply to storage projects, grid connection and the integration of renewable energy into heating and cooling networks. Renewal of existing facilities For projects involving the renewal of existing renewable energy installations (‘repowering’), MEPs want the permitting process to last no longer than six months in renewable energy fast-track areas and one year outside them. Focus on solar energy For the installation of solar energy equipment on buildings, the report sets the maximum time limit for authorisation at three months while providing for an exemption from the environmental impact assessment requirement. MEPs also believe that a simple notification procedure should be sufficient for small-scale projects (below 50 kW). The vote of the whole Parliament will probably take place during the plenary session of 12-15 December. It should be noted that in addition to its proposal dated 18 May, the Commission recently unveiled emergency measures to accelerate the deployment of renewables in the face of the energy crisis, in a proposal for an EU Council Regulation (see EUROPE [B13060A7](https://epeeglobal.us13.list-manage.com/track/click?u=f8bc826a837ccc9b1b9a47b5c&id=b5cd98b11c&e=802e4750f5)). (Original version in French by Damien Genicot)  |

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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. 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=122323096f&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=d6e4aae5bc&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) ........................................................................................................**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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