

Opinion of the European Committee of the Regions — Energy Union Governance and Clean Energy

(2017/C 342/13)

Rapporteur:	Bruno Hranić (HR/EPP) Mayor of Vidovec
Reference documents:	Proposal for a Regulation of the European Parliament and of the Council on the Governance of the Energy Union
	COM(2016) 759 final
	Communication — Clean Energy For All Europeans
	COM(2016) 860 final
	Communication — Accelerating Clean Energy Innovation
	COM(2016) 763 final

I. RECOMMENDATIONS FOR AMENDMENTS

Amendment 1

Proposal for a regulation

Recital 1

Commission proposal	CoR amendment
	(1) This Regulation aims to establish the necessary partnerships between the Union, Member States individually and grouped into macro-regional partnerships, and the subnational levels of governance to jointly move forward in the energy transition. These different levels must work together in a spirit of solidarity and trust for their mutual benefit.

Reason

The Regulation should set out at the very beginning the need for multi-level governance cooperation of all different levels. The proposal is based on a similar idea proposed in the draft European Parliament report PE 604.777 (Am 2).

Amendment 2

Proposal for a regulation

Article 9(2)

Commission proposal	CoR amendment
<p>2. The Commission <i>may</i> issue recommendations on the draft plans to Member States in accordance with Article 28. Those recommendations shall in particular set out:</p> <p>(a) the level of ambition of objectives, targets and contributions in view of collectively achieving the Energy Union objectives and notably the Union's 2030 targets for renewable energy and energy efficiency;</p>	<p>Draft integrated national energy and climate plans</p> <p>2. The Commission shall assess draft integrated national energy and climate plans and issue country-specific recommendations on the draft plans to Member States in accordance with Article 28 in order to:</p> <p>(a) contribute to achieving the objectives, targets and contributions of the Energy Union;</p>

Commission proposal	CoR amendment
<p>(b) policies and measures relating to Member States' and Union level objectives and other policies and measures of potential cross-border relevance;</p> <p>(c) interactions between and consistency of existing (implemented and adopted) and planned policies and measures included in the integrated national energy and climate plan within one dimension and among different dimensions of the Energy Union.</p>	<p>(b) ensure that policies and measures relating to Member States' action plans and other policies and measures are fit for purpose, in particular also those measures of potential cross-border relevance;</p> <p>(c) promote interactions between and consistency of existing (implemented and adopted) and planned policies and measures included in the integrated national energy and climate plan within one dimension and among different dimensions of the Energy Union;</p> <p>(d) insist that Member States take into account explicitly the commitments entered into at local and regional level and the outcomes achieved under initiatives such as the Covenant of Mayors; and develop procedures for taking on board the contributions of all relevant government and administrative tiers with the relevant integrated national energy and climate plans;</p>

Reason

It is very important to ensure consistency and complementarity between the different Member States' action plans and policies at EU level, and to promote the involvement of local and regional authorities and their contributions. The proposal is based on similar suggestions in the draft European Parliament Report PE 604.777 (Amendments 97-100).

Amendment 3

Proposal for a regulation

Article 10

Commission proposal	CoR amendment
<p>Without prejudice to any other Union law requirements, Member States shall ensure that the public is given early and effective opportunities to participate in the preparation of draft plans referred to in Article 9 of this Regulation and attach to the submission of their draft integrated national energy and climate plan to the Commission a summary of the public's views. In so far as the provisions of Directive 2001/42/EC are applicable, consultations undertaken in accordance with that Directive shall be deemed to satisfy also the obligations to consult the public under this Regulation.</p>	<p>Public consultation</p> <p>Without prejudice to any other Union law requirements, Member States shall ensure that the public is given early and effective opportunities to participate in the preparation of draft plans referred to in Article 9 of this Regulation and attach to the submission of their draft integrated national energy and climate plan to the Commission a summary of the public's views. In so far as the provisions of Directive 2001/42/EC are applicable, consultations undertaken in accordance with that Directive shall be deemed to satisfy also the obligations to consult the public under this Regulation.</p> <p>In view of the politically recognised role of regional and local authorities in the implementation of sustainable energy policies, and taking into account the Commission's aim of securing better regulation, national authorities are required to involve local and regional authorities in planning and monitoring in accordance with the constitutional and political provisions of each Member State.</p>

Reason

Effective coordination between the national level and local and regional authorities in planning, implementing and reporting on energy and climate policies can help avoid unnecessary administrative burdens and meet the requirements of better regulation.

Amendment 4**Proposal for a regulation**

A new article after Article 10

Commission proposal	CoR amendment
	<p>A multi-level Energy Dialogue platform</p> <p>1. In a spirit of partnership, Member States shall establish a permanent Energy Dialogue to support active engagement of local and regional authorities, civil society organisations, business community, investors, any other relevant stakeholders and the general public in managing the energy transition, including energy poverty.</p> <p>2. Member States shall submit to this Energy Dialogue different options and scenarios envisaged for their short-, medium- and long-term energy and climate policies, together with a cost-benefit analysis for each option.</p> <p>3. Member States shall ensure that the Energy Dialogue benefits from adequate human and financial resources and support, together with the European Commission, exchanges between different Energy Dialogues.</p>

Reason

On a subject as important as the energy transition it is necessary to create structures which ensure permanent dialogue with all those concerned to explore different options and scenarios and prepare common solutions. It is based on a similar idea proposed in the draft EP report PE 604.777

Amendment 5**Proposal for a regulation**

Article 18(b)

Commission proposal	CoR amendment
<p>Member States shall include in the integrated national energy and climate progress reports the information:</p> <p>(b) on the implementation of the following policies and measures:</p> <p>(1) implemented, adopted and planned policies and measures to achieve the national contribution to the binding Union-level 2030 target for renewable energy as indicated in Article 4(a)(2)(i), including sector- and technology-specific measures, with a specific review of the implementation of measures laid down in Articles 23, 24 and 25 of [recast of Directive 2009/28/EC as proposed by COM(2016) 767];</p>	<p>Member States shall include in the integrated national energy and climate progress reports the information:</p> <p>(b) on the implementation of the following policies and measures:</p> <p>(1) implemented, adopted and planned policies and measures to achieve the national contribution to the binding Union-level 2030 target for renewable energy as indicated in Article 4(a)(2)(i), including sector- and technology-specific measures, with a specific review of the implementation of measures laid down in Articles 23, 24 and 25 of [recast of Directive 2009/28/EC as proposed by COM(2016) 767];</p>

Commission proposal	CoR amendment
<p>(2) specific measures for regional cooperation;</p> <p>(3) without prejudice to Articles 107 and 108 TFEU, specific measures on financial support, including Union support and the use of Union funds, for the promotion of the use of energy from renewable sources in electricity, heating and cooling, and transport;</p> <p>(4) specific measures to fulfil the requirements of Articles 15, 16, 17, 18, 21 and 22 of [recast of Directive 2009/28/EC as proposed by COM(2016) 767];</p> <p>(5) measures promoting the use of energy from biomass, especially for new biomass mobilisation taking into account biomass availability (both the domestic potential and the imports from third countries) and other biomass uses (agriculture and forest-based sectors), as well as measures for the sustainability of biomass produced and used;</p> <p>(c) as set out in Part 1 of Annex VII.</p>	<p>(2) specific measures for regional cooperation;</p> <p>(3) without prejudice to Articles 107 and 108 TFEU, specific measures on financial support, including Union support and the use of Union funds, for the promotion of the use of energy from renewable sources in electricity, heating and cooling, and transport;</p> <p>(4) specific measures to fulfil the requirements of Articles 15, 16, 17, 18, 21 and 22 of [recast of Directive 2009/28/EC as proposed by COM(2016) 767];</p> <p>(5) measures promoting the use of energy from biomass, especially for new biomass mobilisation taking into account biomass availability (both the domestic potential and the imports from third countries) and other biomass uses (agriculture and forest-based sectors), as well as measures for the sustainability of biomass produced and used;</p> <p>(6) progress in increasing the share of renewable energy in the delivery of heating and cooling services without, however, placing undue administrative burden on local or regional authorities or end-users;</p> <p>(c) as set out in Part 1 of Annex VII.</p>

Reason

Heating and cooling offers a significant untapped potential for reducing greenhouse gas emissions and boosting the use and production of renewable energy (see Committee of the Regions opinion on An EU Strategy for Heating and Cooling). When it comes to the Renewable Energy Directive, the national and regional/local levels should work closely together to pursue a binding target of increasing renewables use in the heating and cooling sector by 1 % a year, since this makes a tangible and effective contribution to attaining the overall EU target of 27 % renewable energy by 2030.

Amendment 6

Proposal for a regulation

Article 37

Commission proposal	CoR amendment
<p>1. The Commission shall be assisted by an Energy Union Committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011 and work in the respective sectorial formations relevant for this Regulation.</p>	<p>Energy Union Committee</p> <p>1. The Commission shall be assisted by an Energy Union Committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011 and work in the respective sectorial formations relevant for this Regulation.</p>

Commission proposal	CoR amendment
<p>2. This Committee replaces the committee established by Article 8 of Decision 93/389/EEC, Article 9 of Decision 280/2004/EC and Article 26 of Regulation (EU) No 525/2013. References to the committee set up pursuant to those legal acts shall be construed as references to the committee established by this Regulation.</p> <p>3. Where reference is made to this article, Article 5 of Regulation (EU) No 182/2011 shall apply.</p>	<p>2. This Committee replaces the committee established by Article 8 of Decision 93/389/EEC, Article 9 of Decision 280/2004/EC and Article 26 of Regulation (EU) No 525/2013. References to the committee set up pursuant to those legal acts shall be construed as references to the committee established by this Regulation.</p> <p>3. Where reference is made to this article, Article 5 of Regulation (EU) No 182/2011 shall apply.</p> <p>4. The Committee shall include one representative designated by the Committee of the Regions, who shall represent the local and regional authorities of the whole EU at institutional level.</p>

Reason

The key role of local and regional authorities in measures relating to the Energy Union has been repeatedly acknowledged by leading European Union and European Parliament politicians.

II. POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS (CoR)

Main goals and target groups

1. reiterates its call for implementing more ambitious targets for energy efficiency and the share of renewable energy at EU level, which should be raised to 40 % by 2030;
2. endorses the three core goals of the 'Clean Energy For All Europeans' package: (1) putting energy efficiency first; (2) achieving global leadership in renewable energies; and (3) providing a fair deal for consumers; regrets, however, that these goals are not fully achievable with the supporting regulations and non-legislative initiatives and that not enough emphasis has been placed on reducing the import dependency factor reflecting the share of all clean indigenous energy sources (renewable and conventional) in the energy mix;
3. calls on the European Commission, in this connection, to make energy efficiency the top priority, to declare it an infrastructure priority and to make sure that public grants and financial instruments favouring energy efficiency are classed as capital costs, which would improve the security and reliability of the energy efficiency system. This would establish a clear policy safeguarding the budget and fostering competitiveness in Europe;
4. welcomes the proposals to create a legal framework for Energy Union governance that would simplify and integrate the existing planning, reporting and monitoring obligations on energy and climate and calls on the Member States and the Commission to involve local and regional authorities in this political governance process;

Energy efficiency and renewable energy heavily depend on measures at devolved level

5. stresses and highlights the important role of local and regional authorities in strategic governance at the level nearest to consumers, in management of decentralised energy production, promotion of the right investment climate and in coupling energy and climate policies with measures taken in relation to housing, energy poverty, transport, economic development, and town and country planning or land use;
6. draws attention to the key role of local and regional authorities in the implementation of energy policy, the identification of financing instruments for energy projects — especially those involving renewable energies — and in promoting sustainable energy models and best practices among consumers;

7. warns that the achievement of energy and climate targets set at European and national level will be jeopardised if the leading role of local and regional authorities in the implementation of energy policy in the Energy Union is not officially recognised;

8. points out that the process of drafting national energy and climate plans must be transparent and accountable so that local players, businesses and other stakeholders know what to expect from national governments and, in particular, how compliance with obligations is ensured and what steps could be taken if national plans proved insufficient to achieve the targets at EU level;

9. welcomes the European Commission's recognition that the transition to clean energy will be impossible without the involvement of many stakeholders from civil society and regional and local levels and therefore calls on Member States to properly involve regions and cities in the debate on the energy transition (and particularly on the integrated national energy and climate plans) so that the right response can be given to the needs of different sectors;

10. notes, however, that — whatever the different constitutional provisions of individual EU Member States — the proposals on governance make no specific reference to the institutional role of local and regional authorities (to say nothing of other stakeholders), apart from the general provisions on public consultation in Article 10, which states that 'the public [must be] given early and effective opportunities to participate in the preparation of draft plans';

11. suggests consideration be given to further reform of the EU rules on State aid in the energy sector to underpin the measures taken by towns and cities, in particular by devising specific guidelines for local action that seek to simplify the existing framework and by means of both specific exemption provisions for energy projects in the regeneration of local authority and social housing in order to tackle the problem of energy poverty. It should therefore be ensured that the resilience of cities and the energy transition are enshrined as priorities in the next framework — from 2020 onwards;

12. calls on the European Commission and Member State governments to step up cooperation with local and regional stakeholders, especially their local and regional energy agencies, in shaping the future energy and climate plans at national level and in this way to shift from a policy in which only a few players are involved to one in which all are involved;

13. notes, in this connection, the many successful projects involving the use of renewable energies that have been started and taken forward at local level in cooperation with SMEs, NGOs and civil society organisations and by means of investments by individuals in electricity and heat production from renewables;

14. points out that a large number of other key players are active locally in the ambit of energy efficiency and renewable energy sources, including small and medium-sized enterprises, NGOs and civil society organisations;

15. stresses the need to also involve local players in supporting the national government in pursuing a number of forward-looking EFSI projects that help in meeting Europe's climate and energy policy targets. The newly established European Investment Advisory Hub should provide a fast-track procedure to support cities that have committed themselves to developing projects with low CO₂ emissions;

16. calls, with reference to the European Investment Bank's JASPERS and ELENA programmes, for the implementation of further targeted technical assistance programmes that are needed to help cities and regions secure investment for carrying out ambitious projects, including by encouraging the development of a large portfolio of investment projects and the bundling of small and highly dispersed low-carbon emission projects;

Planning and reporting must be simplified and integrated on the basis of existing local and regional plans

17. points out that the governance of the EU Energy Union must aim for the 'streamlining and integrating' of planning in practice and that effective links to existing initiatives must be forged with regard to monitoring and reporting;

18. stresses that effective coordination is needed between the national and the local and regional tiers through planning, an implementation procedure and reporting in the area of energy and climate policy. This would help to avoid needless red tape and cater to the needs of better regulation;

19. points out that, with regard to climate change mitigation and adaptation measures, local and regional authorities are already heavily involved and many of them have already put together strategies, action plans and monitoring procedures, not least under the Covenant of Mayors initiative, which covers more than 5 679 action plans for sustainable urban development in the energy sector;

20. stresses that national plans and goals must be effectively tied in with goals at local and regional level and based on realistic and coordinated inputs from individual regions and sectors;

21. points out that participation is not just about consultation, but also an active role in initiating and designing specific measures;

Multi-level governance is a precondition for effective Energy Union governance

22. regrets that the current recommendations for Energy Union governance do not include a sufficiently clear multi-level approach and therefore calls for Member State governments to set up Energy Dialogue platforms in order to enlist all levels of government and administration and all relevant stakeholders in designing national climate plans, in their monitoring and reporting, as well as organising exchange between different national Energy Dialogues with the help of the European Commission to ensure consistency and address cross-border problems;

23. points out that there are a lot of advantages to an effective multi-level governance: the public and business, too, are involved in carrying out climate change measures and so take more ownership of the process and increase the chances of success, because the more visible governance is, the greater the public's sense of responsibility;

24. points out that Article 11 of the proposal (on regional cooperation) relates only to cooperation between Member States rather than to cooperation between sub-national levels of governance within or between individual Member States; calls on the Member States and the European Commission to also ensure appropriate support for cooperation between sub-national authorities, in particular cross-border cooperation, with a view to coordinating activities to fulfil the integrated national climate and energy plans;

25. calls on the European Commission to include a section on multi-level governance in the documentation it addresses to Member State governments with guidelines on reporting on national energy policy and its planning;

Getting consumers actively involved requires drivers to implement the directive, as well as effective support

26. again calls on the EU and the Member States to create legal frameworks that benefit both energy end-consumers and 'prosumers' and the other energy suppliers on the retail energy market; underlines also that decentralised and self-generation on the basis of renewable energies delivers numerous benefits to the energy system (reduced need for transmission infrastructure and maintenance, greater resilience and flexibility) and that these benefits should be reflected in a fair price for any surplus energy from such schemes being fed into the grid; encourages therefore Member States to develop or continue innovative pricing systems to address this issue;

27. points out the need for specialist advice, delivered in the right way, in the appropriate form and accessible through the appropriate communication channel on the ground for the target group and covering both technical and financial and practical aspects of the introduction of technologies with low CO₂ emissions;

28. stresses that measures taken in energy management must enable consumers to exercise control over their own consumption so that they can actively participate in the market and benefit from effective and appropriate customer protection; this is particularly important in the fight against energy poverty; the CoR therefore calls for the development of

a common definition of energy poverty at EU level and for a set of concrete policy proposals aimed at the most vulnerable consumers, protect them against unjustified disconnection, prioritise energy efficiency measures to their benefit and devise targeted information for them;

Promoting energy innovation in the move towards a low carbon economy

29. welcomes the focus the Commission puts in its Communication on accelerating clean energy innovation (COM (2016) 763) on two crucial political priorities: the creation of a resilient Energy Union with a forward-looking climate policy and new boosts to jobs, growth and investment;

30. calls for a business, innovation and investment-friendly environment and procedures achieved through targeted signals, strategies, standards and regulations and with the right support from financial instruments in which public funds are deployed to facilitate private investment (and support risk minimisation where necessary);

31. reiterates how important it is to configure energy policy in tight synergy with the European Union's research and innovation policy; stresses that innovation in the sphere of renewable forms of energy, sustainable mobility, updating of existing energy infrastructure, the building of smart power stations, carbon binding and energy storage must be further supported at local level; calls on the Commission, therefore, to ensure better support particularly for innovative projects in the outermost regions so these can be enlisted as genuine laboratories for the energy transition;

32. believes that the development of partnerships between local authorities under the smart-city initiatives has a key role to play in innovation in the field of clean energy in integrating areas such as energy saving in urban transport, interregional transport strategies, collaboration in new storage technologies, and smart public buildings. Better synergies between European Structural and Investment Funds and the European Fund for Strategic Investments are of crucial importance for the implementation of cross-border sustainable energy projects;

33. welcomes the focus being placed on Open Innovation and Open Science to give small and medium-sized enterprises, as well as civil society, the chance to further develop on the basis of new knowledge;

34. highlights the fact that the direct or indirect support for the use of fossil fuels (as well as the support provided by some Member States) must be scrapped as soon as possible because it masks the actual costs of such fuels for society and the environment and keeps prices artificially low, thereby hindering innovation in clean energy;

35. supports the proposed use of the legal instrument to expedite the development of innovative low-carbon technologies and their effective use. The transition to a low-carbon economy will require investment in smart heating and cooling systems and in increasing energy efficiency in industry, the construction sector and transport, as well as the co-financing of projects for investment in renewable energy;

36. stresses that the governance of the Energy Union must create the framework conditions for achieving the goals, such as easier access to public-private partnerships in order to accelerate project implementation, reduce red tape, identify any obstacles to local and regional authorities and provide legal certainty and predictability for investors;

37. calls for procurement to be used, as proposed, as an effective tool for creating a market for low carbon technologies.

Subsidiarity and proportionality

38. Considers that the proposed regulation does not raise concerns regarding its compliance with the principle of subsidiarity. However, it raises concerns regarding its compliance with the principle of proportionality as the suggested governance system is considered too complex, too detailed and to impose too tight reporting intervals. The CoR would have preferred to see the governance system introduced via a directive, instead of regulation, which would allow the proper involvement of regional authorities in federal countries.

Brussels, 13 July 2017.

*The President
of the European Committee of the Regions*

Markku MARKKULA
