

**Opinion of the European Committee of the Regions — Implementing the Clean Energy Package: the NECPs as a tool for local and territorial governance approach to climate, active and passive energy**

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**POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS

1. welcomes the initiatives of President-elect Ursula von der Leyen under a future European Green Deal and her will to take on board local and regional authorities in making Europe the first climate-neutral continent;
2. welcomes Regulation (EU) 2018/1999 of the European Parliament and of the Council<sup>(1)</sup> of 11 December 2018 on the Governance of the Energy Union and Climate Action, which requires the EU Member States to prepare a national energy and climate plan (NECP), setting the basis for a more comprehensive and transversal approach to climate and energy policies;
3. points out that the ten-year NECPs cover the period 2021 to 2030, and must contribute to meeting the EU's new energy and climate targets for 2030 at national level, as well as setting the basis for the successful implementation of the 2050 long term strategy for climate neutrality aimed at slowing the pace of global warming caused by humanity's actions, as well as be in line with the Paris Agreement objectives. To this end, the CoR calls on the Member States to meet the EU's ambitious 2030 targets in their final NECPs by the end of 2019, particularly in the areas of renewable energy and energy efficiency. The preliminary assessments of the NECPs by the Commission show that good progress has been made, but that many draft plans fall short of the requirements, and that, in terms of the overall EU targets and their achievement, all Member States should adopt more ambitious measures, and therefore, add to, clarify and improve their proposals. All Member States, following the Commission recommendations, should prepare their final NECPs ensuring that their plans meet the above-mentioned targets and objectives;
4. is pleased that the Governance Regulation recognises the role of local and regional authorities (LRAs) in the NECPs from the preparation stage by stressing the need for effective public consultation and by proposing the establishment of a Multilevel Climate and Energy Dialogue, in line with the bottom-up approach. The involvement of the LRAs should cover all phases starting from the preparation stage, via the response to the preliminary assessments by the Commission, to the implementation and review. However, notices that to date many Member States have not succeeded in fully involving LRAs in this process; draws attention to the fact that engaging local and regional administrations in the drafting process, in addition to the Member States, results in achieving the targets in a more efficient and inclusive manner;
5. points out that many Member States consider the structures they have in place to be sufficient to achieve the goals of the public consultation and the multilevel climate and energy dialogue: the fact that the Member States consider themselves capable of going it alone has in the past been one of the biggest problems. The CoR recommends that the Member States critically assess these structures, especially in the light of content they can generate, coverage and representativeness of local authorities, civil society organisations, the business community, investors, other relevant stakeholders and the general public, and to make available the input these structures generate to ensure that the goals set out in the Governance Regulation for the public consultation and the multilevel climate and energy dialogue are fully met with a view to the ultimate goal of contributing to the health and well-being of all and of future generations;
6. LRAs' expertise, responsibilities for implementation and financial resources should be harnessed in order to complete the Energy Union; therefore recommends that LRAs be fully involved in implementing the clean energy package and that their potential issues in this process are duly taken into account for possible future revisions. It points out that the Covenant of Mayors for Climate and Energy and other similar initiatives can play a crucial role in guiding LRAs in the implementation of the new EU energy framework;

<sup>(1)</sup> OJ L 328, 21.12.2018, p. 1.

7. invites Member States to work together closely with the CoR and its members on their respective NECPs. This could make up an important element of their respective public consultations and multilevel climate and energy dialogues and could provide valuable feedback from the local and regional level;
8. recognises the limited time and associated difficulties Member States have had to produce their draft NECPs and encourages a higher level of ambition and more vertical integration for the final NECPs due by the end of 2019 to ensure a robust, Paris-compliant climate neutral pathway for Europe, in line with the most ambitious scenario proposed in the 2050 long-term strategy. The CoR also encourages, in this context, the development of a system of locally-determined contributions (LDCs) to complement the nationally determined contributions under the Paris agreement, which would give additional weight to the role of local and regional authorities in the drafting of comprehensive NECPs. Local authorities can use information and awareness-raising campaigns to help achieve the targets more effectively, and must have access to well-trained professionals for this purpose. EU funds should thus be harnessed for disseminating information and creating jobs in the field of energy and climate policy, with a view to the ultimate goal of safeguarding the health and well-being of all and of future generations;

*Active and passive forms of energy contributing to the NECPs*

9. points out that the term 'active energy' as used in the construction sector, also known under the wider term 'renewable' energy, refers here to energy which is generated, stored and consumed locally by various local stakeholders (public, municipal and private bodies, households). Examples of this are renewable, clean energy sources like geothermal, solar, wind, thermal, hydroelectric or marine energy or biomass. Such energy sources play a key role in achieving the NECP targets for 2030;
10. points out that the term 'passive energy', as used in the construction sector, also known under the wider term 'energy efficiency', on the other hand, refers to energy savings based on the efficient use of all energy generated which mean that energy consumption and consequently the end consumers' energy expenses is reduced, together with the level of pollution. In light of these considerations, LRAs must organise local and regional public services along energy-efficient lines, for example via sustainable procurement policy;
11. would further point out that the concept of passive energy is closely linked to climate issues and is also relevant when determining the wider CO<sub>2</sub> footprint of buildings and is an integral part of the circular economy. When issuing building permits, LRAs should while taking into account specific local conditions and specificities of the building, encourage the use of building materials made from local, environmentally-friendly raw materials (reeds, pellets, straw, bark, hemp, wood, or glued wood, preferably with a zero carbon footprint balance), rather than concrete and other traditional building materials that involve large amounts of CO<sub>2</sub> emissions during production, installation, demolition and recycling. They should also promote other measures aimed at increasing the energy performance of buildings. These concepts should be integrated into the National Long Term Renovation Strategies due by Member States by March 2020;
12. points out that LRAs are important actors in the field of energy, both active and passive. They should be involved in the NECPs at national level as major investors, parties responsible for the upkeep of buildings, managers of public transport networks, authorities tasked with raising public awareness, agents in the fight against energy poverty, regulatory authorities responsible for town planning, land management and land use, managers of decentralised energy generation and authorities empowered to award green public procurement contracts. The generation and use of local resources must be planned efficiently to enable them to fulfil their mission properly. In this respect, attention must be paid to the various types of renewable energy, buildings' energy performance, energy efficiency and the use of local, natural and environmentally-friendly building materials;
13. flags up the many positive effects of LRA support for stepping up generation, storage and use of active, primarily renewable, energy. As an example, the CoR would point out that in the transport sector, especially both in and between urban areas, it is especially important to step up the use of sustainable biofuels as an interim solution and – in the medium term – battery electric and hydrogen e-mobility, as well as taking steps to address CO<sub>2</sub> emissions from transport in an integrated way, including measures to promote public transport, car sharing and other innovative solutions, as traffic volume is expected to grow and combustion engines will continue to play a significant role. An example of a sustainable bio-fuel used as an interim solution could be bioethanol, as an active energy which is generated, used and easily stored locally, which produces usable by-products (such as animal feed), reduces dependence on imports and could create a significant number of jobs. It is very important to ensure that the review of state aid rules and the Energy Taxation Directive does not make it impossible to promote sustainable bioenergy;

*The role of LRAS in drawing up NECPs*

14. emphasises that LRAs must be able to submit proposals and amendments for their national NECPs and that their role has to be distinguished from other stakeholders not belonging to the public administration. LRAs should have a right to be directly involved in measures touching on energy efficiency, energy transition, climate change and the shift away from fossil fuels, and also have an important role to play in implementing actions to tackle energy poverty, working through all the organisations representing the EU's local authorities (CoR, Covenant of Mayors);
15. stresses the need to ensure that the Member States are informed about the pivotal role played by LRAs with regard to a number of key priorities set out in the regulation on the Energy Union. They have a right to be directly involved in measures touching on energy efficiency, climate change and the shift away from fossil fuels, with the development of renewable energy and the necessary energy infrastructure, including storage technologies and sector coupling. They also have an important role to play in managing energy poverty;
16. points out that the general public is not aware of the drawing up of the NECPs and that due to time constraints, the consultations processes accompanying the NECPs' development have so far not been as broad and deep as would be desirable. This is an unfortunate development, as these plans are implemented at local level, in towns and cities; Calls therefore on the Member States, the Commission and local and regional authorities to increase their efforts to inform a wider public about the NECP process, and, once the final NECPs have been submitted, to devise formats to involve all stakeholders in their implementation;
17. points out that local and regional development priorities linked to the NECPs (such as proposals for projects in the fields of energy efficiency, the shift away from fossil fuels and the fight against climate change and energy poverty) have been set on the basis of a rough estimate. This is partly due to the fact that the local and regional level was insufficiently involved in the NECPs; also recalls that the Covenant of Mayors database can provide useful data and information to Member States where the number of signatories is high;

*Good governance: implementing the NECPs in close cooperation with LRAs*

18. emphasises that the EU Member States need to draw up NECPs that include implementation initiatives which are in the interests of both energy end consumers and prosumers on the one hand, and the other suppliers on the energy retail market on the other. These initiatives have a number of advantages for the energy system (less need for transport infrastructure and upkeep, more resilience and flexibility), including a fair price and the roll-out of an innovative price setting mechanism for any energy surplus from systems feeding into the grid;
19. emphasises that the experience and knowledge of LRAs as implementing actors is needed to identify inconsistencies and potential synergies between the NECPs and the Multiannual Financial Framework, the European Semester and the EU's long-term strategy for climate neutrality by 2050;
20. points out that ongoing initiatives and best practices also need to be coordinated. In this respect, the CoR would draw attention to interactive initiatives organised by the Covenant of Mayors for Climate and Energy;
21. notes that thanks to awareness-raising initiatives and campaigns, LRAs can turn energy consumers into prosumers by supporting the use of energy sources which are generated, stored and consumed locally, not least in the form of local energy communities, whose potential still needs to be developed. Prosumers can then become active members of smart, decentralised energy grids established by LRAs;
22. supports the Multilevel Climate and Energy Policy Dialogue insofar as it will boost LRA participation in policy discussions carried out in conjunction with the NECPs. This dialogue is also crucial for upholding the subsidiarity and proportionality principles. The close link between energy and climate measures and the need to integrate them effectively should be acknowledged during this process; in this respect, LRAs must appoint energy managers. The Committee therefore points out once again that EU funds should be used to create jobs in the field of energy and climate policy, with the ultimate goal being to safeguard the health and well-being of all and of future generations;
23. by way of an example, would draw attention to Ireland's National Dialogue on Climate Action, which has used awareness-raising and mobilisation measures and various incentives to promote initiatives to combat climate change at local, regional and national level. Thanks to this good practice, a consensus on the solutions to be implemented to meet the various challenges can be reached and the necessary steps taken. Stakeholders can establish permanent mechanisms and platforms for frequent consultation on matters of economic, social, environmental and public interest linked to energy policy and the fight against climate change. The national dialogue also plays an important role in setting priorities in the field of energy policy and climate change; this type of practice should be encouraged and spread more energetically throughout the Member States by promoting appropriate information and awareness-raising campaigns;

24. recommends that the Member States recognise LRAs as real partners when preparing the new energy and climate scenario. It is important to understand and overcome the challenges and obstacles encountered at local level, and to define appropriate measures and implementing strategies in order to give credibility to national and European commitments and to achieve the acceptance of the necessary changes by citizens. LRAs are still the tier of government closest to consumers, and they are responsible for managing decentralised energy generation (such as the roll-out of smart meters and grids), together with many aspects of the changes to be made to the existing energy infrastructure. They also carry out information and awareness-raising campaigns on energy and the climate which help households and companies to reduce their expenses and carbon footprint, and create an investment-friendly environment;
25. points out that the problems connected to the shift to clean energy and climate issues both require concerted action between all tiers of government (European, national, regional and local) and with the public and private sectors, research and innovation centres and academia. The use of active and passive energy also supports this process, as the ability to minimise energy use throughout the life cycle, and hence carbon footprint concerns, makes sense both for the clean energy transition and for the climate;
26. points out that energy poverty is a complex issue, and so the NECPs must tackle it from the perspective of energy and climate by making use of the databases and publications produced by the European Energy Poverty Observatory. The evaluation of the number of households in energy poverty, referred to in Article 3 of the Regulation on the Governance of the Energy Union and Climate Action, must also be based on accurate, verifiable data;
27. proposes that LRAs help national authorities to implement future-oriented projects under the European Structural and Investment Funds (ESI Funds) and the JASPERS and ELENA initiatives which contribute to meeting European climate and energy policy objectives. Accordingly, the European Investment Advisory Hub must make provision for a fast-track procedure for granting aid to towns and cities which have undertaken to develop low-carbon projects;
28. stresses that better synergies between the ESI Funds and the European Fund for Strategic Investments are paramount for implementing cross-border sustainable energy projects;
29. emphasises that the NECPs must promote energy innovation with a view to the shift to a low-carbon economy and climate neutrality by 2050 and therefore a resilient, forward-looking Energy Union with a climate policy capable of spurring on employment, growth and investment. LRAs should be involved in particular in smart city initiatives, along with green public procurement for clean energy in fields such as energy savings in urban transport, interregional transport strategies, cooperation on new storage technologies and smart public buildings;
30. recommends that the CoR, as the body representing local and regional authorities, and as part of its pilot project of regional hubs, play a facilitating role in the implementation of the NECPs and the Multilevel Climate and Energy Dialogue, providing an additional avenue to reach the local and regional level outside of the Member States' internal frameworks;
31. to this end invites the European Commission to consider co-organising a recurring forum to discuss climate and energy matters including the NECPs. This would facilitate cooperation between local and regional authorities, the DG for Climate Action, the DG for Energy, the CoR's ENVE Commission and Member States. This forum could be implemented similarly to the currently operating 'Technical Platform for Cooperation on the Environment, DG Environment and the European Committee of the Regions' which aims at fostering dialogue on local and regional problems and solutions in the application of EU environment law, as referred to in the General Union Environment Action Programme to 2020 'Living well, within the limits of our planet' (7th EAP). This new forum could contribute greatly to the Multilevel Climate and Energy Dialogues throughout the Member States allowing for amongst other things, information exchange, taking stock of progress, sharing of best practices and lessons learnt, contributing to improvements in climate and energy outcomes and strengthening the cooperation and communication between all the actors involved;
32. notes that successful implementation of the NECPs will increase the EU's competitive edge and contribute to its economic stability providing a clear framework for the investors;
33. points out that the NECPs create a link between urban and rural areas thanks to local and locally-generated resources. This will guarantee a secure future for people living in rural areas and meet the energy needs of urban areas, while avoiding actions which harm the climate;

34. stresses that the NECPs are not a one-shot initiative. Finalising the NECPs at the end of 2019 is a big first step, however the NECPs will need continuous refinement and progress. Therefore it is important to have structures and forums in place to aid in the further improvement of NECPs in the future, and to ensure that the Multilevel Climate and Energy Dialogues can contribute to this fully.

Brussels, 8 October 2019.

*The President*  
*of the European Committee of the Regions*  
Karl-Heinz LAMBERTZ

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