



# EERA Policy WG meeting

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Online Call #7 – 26 August 2021



## ► Agenda

1. Welcome and approval of the minutes of last POL WG meeting (24.06.21)
2. EERA Strategy Working Group – Report from the ASM & Next Steps
3. Clean Energy Transition Partnership – Any news from POL WG members?
4. Latest policy developments on the EU side:
  1. Fit for 55 package – General overview and zoom on:
    1. RED revision
    2. Energy Efficiency Directive revision
    3. Energy Taxation Directive revision
    4. EU Emission Trading System
    5. Carbon Border Adjustment Mechanism
  2. Pact for Research and Innovation
  3. Horizon Europe: [proposed cut to 2022 budget](#)
  4. [LIFE CET calls](#)
5. SUPEERA Project – Discussion on topic for Fall Webinar & Feedback on the Policy Brief on the Updated New 2020 Industrial Strategy
6. IPCC's Sixth Assessment Report WG1– Main points
7. Consultations EERA's reply to the EU consultation: [Digitalising the Energy Sector – EU Action Plan](#) and Others
8. EUSEW event: “Beyond Technology: The Clean Energy Transition for climate-neutral, smart, and beautiful cities and communities”
9. POL WG: planned activities for the autumn
10. Tour de table - What are members currently working on in their respective organizations, especially with relevance to the POL WG / EU agenda? Quick overview
11. AOB

# 1) Welcome and approval of the minutes



# ▶ 1. Draft minutes – POL WG 24.06.21



## POL WG meeting MINUTES

**Date** 24 June 2021  
**Time** 10:00 – 11:15 ~~hrs~~  
**Location** Zoom

### Participants

Adel El Gammal (EERA)	Jay Sterling Gregg (DTU)
Alma Lamberti (EERA)	Jana Kalivodova (CVREZ)
Andrea Monti (UNIBO)	Karina Veum (TNO)
Annemie Wyckmans (NTNU)	Mónica de Juan (EERA)
Barbara Spanò (DTU)	Petter Støa (SINTEF)
Edoardo Genova (EERA)	Pinar Derin-Güre (METU)
Eliška Krychová (CVREZ)	Raffaele Guerini (EERA)
Ganna Gladkykh (EERA)	Rosita Zilli (EERA)
Holger Ihssen (Helmholtz)	Tiina Koljonen (VTT)
Ivan Matejak (EERA)	Vanessa Polillo (ENEA)

### Agenda

Topics discussed
Welcome and approval of minutes
Update on the EERA Strategy Working Group
Update on the Clean Energy Transition Partnership
SUPEERA Project
Latest policy developments on the EU side
Tour de table: brief overview of the topics on which the POLWG members are currently working on in their organisations
Consultations
AOB

### Links to useful documents

- [POL WG meeting PPT](#)



### Key Outcomes

#### Welcome and approval of minutes

Welcome and approval of May POL WG minutes.

#### Update on the EERA Strategy Working Group

Task Force #1: 7 meetings have been held until now. During the latter, the key areas of expertise relevant for EERA to become the Trusted Advisor on the Clean Energy Transition were identified.

- For each identified area there is the proposition to have a team leader overseeing the work to be carried out with a high level of collaboration between different experts and researchers. Some areas are more transversal and cross-cutting and would involve different types of expertise.

The main directions of further action of TF#1 were also discussed, these are:

1. Creating experts' platform in connection to the defined areas of expertise.
2. Realizing two pilot projects as EERA CET Think Tank.

Task Force #2: 6 meetings have been held until now. Within TF#2, we have held many discussions with several Joint Programme Coordinators (JPCs) and identified the features characterizing the European Centres of Excellence (ECOE). We are now reflecting on how to make this happen internally. Once there will be a solid idea, we will present it to the EC and MS.

- If you are interested in joining the Task Forces, you are welcome to do so. Keep in mind it is a long-term activity and you will be asked to provide input and contribute during the meetings.
- Discussions on the state-of-play of the Task Forces were also held during EERA Annual Strategy Meeting (ASM 2021), which took place on 29 and 30 June. The main highlights from the discussion will be shared on the EERA website.

#### Key dates ahead:

- 28/09: 28<sup>th</sup> JPC Meeting
- 08/10: 29<sup>th</sup> ExCoPP
- 19/10: 42<sup>nd</sup> ExCo

#### Update on the Clean Energy Transition Partnership

An update on the CETP process was presented. Further information can be found in the presentation.

- The total committed funding for the CETP is very small: €100 million every year (including MS' contribution).
- Since after the submission of the Input Papers EERA was asked to leave the discussion, we need intelligence at national level to monitor the development of the



### 3) Clean Energy Transition Partnership



### ▶ 3. Clean Energy Transition Partnership

▶ Any news from POL WG members?



## 4) Latest EU policy developments



## ▶ 4.A 'Fit for 55' Package

- ▶ 14 July: European Commission officially publishes Fit for 55 Package
- ▶ Main goal: cut greenhouse gas emissions by 55% by 2030, compared to 1990 levels
- ▶ Composition of the package: 14 legislative proposals

1. Revision of the EU Emissions Trading System	8. Revision of the Directive on deployment of the alternative fuels infrastructure
2. Revision of the Effort Sharing Regulation	9. Proposal for a Regulation on sustainable air transport
3. Revision of the Energy Taxation Directive	10. Proposal for a Regulation on the use of renewable and low-carbon fuels in maritime transport
4. Revision of the Renewable Energy Directive	11. Proposal for a Carbon Border Adjustment Mechanism
5. Revision of the Energy Efficiency Directive	12. Reducing methane emissions in the energy sector
6. Revision of the Regulation on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry (LULUCF)	13. Revision of the energy performance of Buildings Directive (EPBD) ( <u>Q4 2021</u> )
7. Revision of the Regulation setting CO <sub>2</sub> emission performance standards for new passenger cars and for new light commercial vehicles	14. Revision of the Third Energy Package for gas (Directive 2009/73/EU and Regulation 715/2009/EU) to regulate competitive decarbonised gas markets ( <u>Q4 2021</u> )

## ▶ 4.A.1 Renewable Energy Directive Revision (RED)

- ▶ EU-level target of renewable energy sources in the overall energy mix: 'at least' 40% (previously 32%) by 2030
  - ▶ Meaning 2x the current share, 19.7%
- ▶ Heating and cooling (RES share 22.1%), transport (RES share 8.9%) sectors will be a main focus
  - ▶ buildings, a new benchmark of 49% renewables use by 2030
  - ▶ industry, a new benchmark of a 1.1 percentage point annual increase in renewables use
  - ▶ heating and cooling, the existing indicative 1.1 percentage point annual increase becomes binding on Member States

## ▶ 4.A.2 Energy Efficiency Directive

- ▶ Higher target for reducing primary (39%) and final (36%) energy consumption by 2030 (binding at EU level)
- ▶ Benchmarking system for Member States to set their national indicative contributions to the binding EU target
- ▶ Proposes to nearly double Member State annual energy savings obligations in end use
- ▶ New requirement on Member States to take measures to implement energy efficiency improvements for people affected by or in risk of energy poverty

## ▶ 4.A.3 Energy Taxation Directive

- ▶ New structure of tax rates based on **energy content** of fuels and electricity
- ▶ Broadening of the taxable base, including more products and removing exemptions and incentives on fossil fuels
  - ▶ National exemptions and rate reductions will be removed
  - ▶ Inclusion of aviation and maritime transport (previously excluded)
- ▶ Foresee a compensation for low-income households, most hit by future changes

## ▶ 4.A.4 EU Emission Trading System

- ▶ Increase the pace of emission cuts through reduced emission of allowances (annual rate of 2.2%)
- ▶ Free allocation limited to sectors with a high risk of relocation outside of the EU and new installations
- ▶ Innovation and Modernisation Fund strengthened to support new technologies and investments in the power sector
- ▶ Maritime and aviation, previously uncovered, will now be part of ETS mechanism

## ▶ 4.A.5 Carbon Border Adjustment Mechanism

### ▶ Main goals:

- ▶ Avoid 'carbon leakage', companies based in the EU moving production abroad to take advantage of less stringent standards
- ▶ Equalise the price of carbon between domestic products and imports

▶ Rules: importers will buy carbon certificates corresponding to the carbon price that would have been paid under EU rules (the Emission Trading System). However, proof of previous carbon pricing payment will exempt EU importers (and importers from countries with ETS-like systems e.g., in the near future Canada and Japan)

### ▶ Initially, CBAM applied only to specific sectors:

- ▶ Iron and steel
- ▶ Cement
- ▶ Aluminium
- ▶ Fertilisers
- ▶ Electricity

Reporting period without  
paying: starting 2023

Starting payment phase:  
2026

## ▶ 4.B.1 Pact for Research and Innovation

- ▶ 16 July: [Commission adopts proposal](#)
- ▶ Defines a list of **shared priority areas** for joint action in support of the European Research Area
- ▶ Sets out the ambition for investments and reforms
- ▶ Constitutes the **basis for a policy coordination** and monitoring process at EU and Member States' level through an ERA platform (national action plans will not be required anymore)
- ▶ The pact shall be a **non-binding initiative** in form of a Council Recommendation
- ▶ The Member States will agree on a **common ERA policy agenda** to be implemented in a coordinated manner

## ▶ 4.C Horizon Europe: proposed cut to 2022 budget

- ▶ 14 July: EU Council put forward an **amended version of the 2022 budget** that sees cuts to Horizon Europe and other innovation-intensive EU programmes such as Digital Europe and InvestEU.
- ▶ The total cuts proposed amount to €1.4 billion less than what proposed in June by the EU Commission. More specifically:
  - ▶ **Horizon Europe** budget cut by €316 million.
  - ▶ **Digital Europe** budget cut by €50 million.
  - ▶ **InvestEU** budget cut by €45.5 million.
- ▶ According to Member States, there is insufficient demand to spend the entire Horizon Europe's budget in 2022 and it was therefore decided to postpone its spending to the second part of the 2021-2027 MFF period.

## ▶ 4.D LIFE CET calls

- ▶ **LIFE CET** is the newly adopted sub-programme of the LIFE programme 2021-2027. With a total budget of €1 billion, it will continue EU funding activities in the field of clean energy transition that were previously funded under Horizon Europe 2020 Energy Challenge (Societal Challenge 3).
- ▶ Objectives:
  - ▶ Contribute to reaching EU's policy objectives for a clean energy transition in terms of **increased use of energy from renewable sources and energy savings**.
  - ▶ Address market barriers hampering the socio-economic transition to sustainable energy by **mobilising investments, improving skills, raising awareness, educating, and empowering energy consumers**.
- ▶ Its first call for proposals has been published on the Commission's [funding and tender portal](#) and the deadline for applications is set to **January 2022**.

## 6) IPCC's Sixth Assessment Report WG1



## ▶ 6. IPCC's Sixth Assessment Report WG1

- ▶ 9 August: The UN's Intergovernmental Panel on Climate Change (IPCC) released the Working Group 1 (WG1) contribution to its Sixth Assessment Report (AR6), titled «**Climate Change 2021: The Physical Science Basis**».
- ▶ Key points:
  - ▶ Providing the most up-to-date knowledge addressing issues related to climate change, the report shows how human influence has warmed the climate at a rate that is unprecedented in at least the last 2 million years.
  - ▶ According to the report's new estimate of the remaining carbon budget, under the 2020 level of CO<sub>2</sub> emissions, only 11.5 years are left to achieve the goal of 1.5°C degrees.
  - ▶ The report proposes five so-called shared **socio-economic pathways (SSPs)** outlining potential social realities with their corresponding emission levels and temperature increases scenarios.
- ▶ Two more parts of the IPCC AR6 will be published in 2022:
  - ▶ Working Group 2 (WG2) report on **Impacts, adaptation, and vulnerability**.
  - ▶ Working Group 3 (WG3) report on **Mitigation of climate change**.

**7) Consultations – EERA’s reply  
to the EU consultation:  
Digitalising the Energy Sector –  
EU Action Plan & Others**



## ► 7.2 Ongoing EC public consultations

Policy	Deadlines	How
<b>Digitalising the Energy Sector – EU Action Plan</b>	10 September 2021	Feedback to survey ( <a href="#">Link</a> )
<b>EU Renewable Energy Use – Review</b>	20 October 2021	Feedback to survey ( <a href="#">Link</a> )
<b>EU Green Deal – Carbon Border Adjustment Mechanism</b>	20 October 2021	Feedback to survey ( <a href="#">Link</a> )
<b>EU Green Deal – Revision of the Energy Taxation Directive</b>	20 October 2021	Feedback to survey ( <a href="#">Link</a> )
<b>Climate Change – Updating the EU Emission Trading System (ETS)</b>	20 October 2021	Feedback to survey ( <a href="#">Link</a> )
<b>National Emission Reduction Targets (Effort Sharing Regulation) – Review based on 2030 climate target plan</b>	20 October 2021	Feedback to survey ( <a href="#">Link</a> )
<b>Social Climate Fund – Supporting the EU’s transition to a fully green economy</b>	20 October 2021	Feedback to survey ( <a href="#">Link</a> )

## 9) POL WG: planned activities for the autumn



## ▶ 9. POL WG: planned activities for the autumn

- ▶ Three additional POL WGs → 30 September; 28 October and 25 November 2021
- ▶ SUPEERA
  - ▶ Fall Webinar on “Fit-for-55” Package
  - ▶ Quality assurance to Policy Briefs → New Industrial Strategy; Climate Law; Adaptation to Climate Change
- ▶ Reply to EU consultations, develop positions and policy papers depending on policy developments → Coming next: input required on the action plan on the digitalisation of the energy sector (official deadline: 10 September 2021)
- ▶ Participating in the EERA-led EUSEW event: “Beyond Technology: The Clean Energy Transition for climate-neutral, smart, and beautiful cities and communities” on Thursday 14 October from 13:30 to 15:00 (CEST)
- ▶ Interact with EERA STRAT WGs and other EERA strategic exercises (e.g. Whitepaper on the Clean Energy Transition) as appropriate
- ▶ Provide policy input for internal / external meetings as appropriate

## 10) Tour de table



## ▶ 10. Tour de table

What are members currently working on in their respective organizations, especially with relevance to the POL WG / EU agenda? Quick overview



## 11) AOB





Thank you!

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