ZEP Advisory Council 54

14th March 2018

Agenda Item 4: Overview of European Parliament, Council & other relevant activities

EU ETS

On 6 February, the Plenary endorsed the preliminary agreement on the ETS reform reached in the trilogue negotiations.

The Plenary also endorsed the accompanying Commission statement (available here). The statement reads amongst others that:

- The Commission takes note of the Parliament's proposal to exempt emissions verified as captured and used ensuring a permanent bound from surrender obligations under the EU ETS.
- In view of the technological potential of CCU technologies, the Commission undertakes to consider CCU's regulatory treatment during the next trading period.
- The Commission will give due consideration to the potential of CCU technologies to contribute to substantial emissions reductions while not compromising the environmental integrity of the ETS.
- Further efforts and more ambition are needed to achieve the EU's 2050 GHG objective to reduce GHG emissions in line with the Paris Agreement.
- This would require a further increase of the linear reduction factor until 2050 and the Commission will consider this as part of a future review of the Directive.

Next steps:

- 10 April 2018: Deadline for input for the public consultation on the establishment of the Innovation Fund.

Energy Union Governance

The first trilogue negotiations were held in February. A summary note has been published by the Council in preparation for the second trilogue. Appended to this update is a table of the positions on areas of interest to ZEP.

Next steps:

- Awaiting Parliament 1st reading / single reading / budget 1st stage
- Trilogue 21 March 2018 (provisional)

Council of the European Union – Provisional Dates:

- 08 March 2018: Working Party on Energy
- 07 March 2018: Working Party on Energy

Renewable Energy Directive (recast)

The first trilogue meeting took place on 27 February. Appended to this document is a summary table of the positions adopted ahead of the trilogue that are of relevance to ZEP.

Next stage

- Awaiting Parliament 1st reading / single reading / budget 1st stage
- Trilogue 27 March 2018 (provisional)

Electricity Market design

The ITRE Committee, which holds responsibility for this file, has produced its report on the Directive.

The report retains the Commission text on an emission performance standard for capacity mechanisms of 550g CO_2/kWh, strengthening the proposal by reducing the timeframe for implementation from 5 years to 2 years after the adoption of the Directive unless a plant is part of strategic reserves.

The report includes additional text proposing that strategic reserves should instead be limited to maximum emissions of 200kg/CO_2/kW for the electricity production per year. This potentially means a more highly polluting plant (over 550G/CO_2/kW) could be run for short time periods.

Next steps:

- Awaiting Parliament 1st reading / single reading / budget 1st stage

Governance on the Energy union- position ahead of second Trilogue

Topic	Commission proposal	Parliament position	Council General Approach	Presidency compromise
EU target	Reduce emissions by 80 to 95 % by 2050 compared to 1990 levels in a cost effective manner.	achieve a net-zero greenhouse gas emissions within the Union by 2050 and go into negative emissions soon thereafter	reduce emissions by 80 to 95 % by 2050 compared to 1990 levels in a cost effective manner	reduce emissions by 80 to 95 % by 2050 compared to 1990 levels in a cost effective manner “achieve a balance between anthropogenic emissions by sources and removals of GHG by sinks in the second half of the 21st century in line with the Paris Agreement”
Language	”shift towards a low-carbon economy.”	“shift towards a sustainable low-carbon economy based on a highly energy-efficient, renewables-based energy system.”	“shift towards a low-carbon economy”	“A socially acceptable transition to a sustainable, low-carbon economy”
Integrated national energy plans	“implement strategies and measures designed to meet the objectives and targets of the Energy Union, and for the first ten-year period from 2021 to 2030 in particular the EU's 2030 targets for energy and climate”	“ implement long-term climate and energy strategies and measures designed to fulfil Union greenhouse gas emissions commitments consistent with the Paris Agreement”	“implement strategies and measures designed to meet the objectives and targets of the Energy Union and the longer term objectives of the Paris agreement, and for the first ten-year period from 2021 to 2030 in particular the Union's 2030 targets for energy and climate”	Maintain Council GA
INEPs **Article 4**	Every 10 years beginning January 2019, covering a 10 year period	Every 5 years beginning June 2019, covering a 10 year period	By 31 December 2019, and subsequently by 1 January 2029 and every ten years thereafter. The first plan shall cover the period from 2021 to 2030, bearing in mind the longer term perspective.	Maintain Council GA

INEPs **Article 4**	national 2050 objectives for the deployment of low-carbon technologies	national 2050 objectives related to the promotion of sustainable technologies	Removed	Maintain Council GA
Integrated national energy plans-Annex 1	If appropriate, national objectives including long-term targets (2050) for the deployment of low-carbon technologies, including for decarbonising energy- and carbon-intensive industrial sectors and, if applicable, for related carbon transport and storage infrastructure	National 2050 objectives related to the promotion of sustainable technologies	If appropriate, national objectives including long-term targets for the deployment of low-carbon technologies, including for decarbonising energy- and carbon-intensive industrial sectors and, if applicable, for related carbon transport and storage infrastructure	Maintain Council GA
Long term energy plans	Member States shall prepare and report to the Commission by 1 January 2020 and every 10 years thereafter their long-term low emission strategies with a 50 years perspective	Member States and the Commission on behalf of the Union shall adopt, by 1 January 2019 and every five years thereafter, their long-term climate and energy strategies with a 30 years perspective	Member States shall prepare and report to the Commission by 1 January 2020 and every 10 years thereafter their long-term low emission strategies with a perspective of at least 30 years	Maintain Council GA

Renewable Energy Directive- preparation of first Trilogue

Topic	Commission proposal	Parliament position	Council position
Target	40% emission cuts by 2030	Necessity to reach net-zero emission domestically by 2050 at the latest.	40% emission cuts by 2030
Target	27% share of renewable energy	35% share of renewable energy to be accompanied by national targets.	27% share of renewable energy
Biomass	Only highly energy efficient CHP to be counted as biomass	Only highly energy efficient CHP to be counted as biomass	Only highly energy efficient CHP or plant fitted with carbon capture to be counted
Renewable transport fuels- definition	'waste-based fossil fuels' means liquid and gaseous fuels produced from waste streams of non-renewable origin, including waste processing gases and exhaust gases 'renewable liquid and gaseous transport fuels of non-biological origin' means liquid or gaseous fuels other than biofuels whose energy content comes from renewable energy sources other than biomass, and which are used in transport	'recycled carbon fuels' means fuels produced from unavoidable gaseous waste streams of non-renewable origin, including waste processing gases and exhaust gases, with substantial greenhouse gas savings over their entire lifecycle' 'renewable liquid and gaseous transport fuels of non-biological origin' means liquid or gaseous fuels which are used in transport other than biofuels whose energy content comes from renewable energy sources other than biomass, where any carbon feedstock is captured from the ambient air'	'recycled carbon fuels' means liquid and gaseous fuels that are produced from waste processing gases and exhaust gases of non-renewable origin from industrial installations Recycled carbon fuels shall be taken into account if a Member State decides to do so.
Advanced biofuels target	The minimum share 1.5% in 2021, increasing up to at least 6.8% in 2030	The minimum share shall be at least equal to 1.5% in 2021 , increasing up to at least 10% in 2030	The contribution of biofuels and biogas produced from feedstock listed in part A of Annex IX shall be 1% in 2025 and increasing up to at least 3% by 2030
Renewable transport fuels- GHG savings	Commission is empowered under a delegated act to determine methodology for calculating GHG emissions &minimum requirement	Commission is empowered under a delegated act to determine methodology for calculating GHG emissions & minimum requirement	Commission is empowered under a delegated act to determine methodology for calculating GHG emissions which should be 70% over lifecycle of fuel