

## **ZEP Advisory Council 57**

**5<sup>th</sup> December 2018**

### ***Agenda Item 5: Overview of European Parliament, Council & other relevant activities***

#### ***Finalisation of EU Energy package***

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- Five out of eight Clean Energy Package files have now been agreed.
- Both the Renewable Energy Directive (REDII) and the Energy Governance Directive have been formally adopted by the European Parliament after Trilogue negotiations concluded over the summer.

#### ***EU Long Term Strategy for Emissions Reduction***

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The EU's Long Term Strategy for Emissions Reduction will be published on Wednesday 28<sup>th</sup> November. It is expected that this will set a target date for meeting net-zero emissions which will in turn inform Member States' National Energy and Climate Plans.

A leaked draft in September showed that CCS was assumed to be available in all scenarios, but discussion was limited to the need for CCS for industrial emissions reduction. CCU, in contrast, was a dominant theme with a "power-to-x" pathway showing heavy reliance on production of synthetic methane from captured CO<sub>2</sub> and renewable hydrogen.

#### ***Connecting Europe Facility***

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The Commission's proposal for the MFF 2021-2027, includes EUR 42,265 million for the CEF, of which EUR 8.7bn is dedicated to energy infrastructure.

The CEF is seen as the key mechanism for meeting the Commission's target of 25% of EU budget supporting climate objectives. The Commission has proposed that 60% of the CEF programme should contribute to climate objectives; including; i) 100% for the expenditures relating to railway infrastructure, alternative fuels, clean urban transport, electricity transmission, electricity storage, smart grids, CO<sub>2</sub> transportation and renewable energy; ii) 40% for inland waterways and *multimodal transport, and gas infrastructure - if enabling increased use of renewable hydrogen or bio-methane*"

Additionally, the Commission text states "To support the Union's decarbonisation objectives... the Commission will aim at increasing the number of cross-border smart grid, innovative storage as well as carbon dioxide transportation projects to be supported under the Programme" (recital 20)

#### **European Zero Emission Technology and Innovation Platform**

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The ITRE and TRAN committees are responsible for the file and proposed amendments including references to net-zero, strengthening language on climate ambition. However there were also a small number of problematic amendments seeking to remove CO<sub>2</sub> transport infrastructure, tabled by members of the Greens. The ZEP ERG reached out to Rapporteurs and Advisers on this issue ahead of the vote in the Committees on 22 November. Compromise amendments had not been published at the time of writing but should be available shortly.

### ***Establishing the InvestEU programme***

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The InvestEU programme will replace the European Fund for Strategic Investments under the new Multiannual Financial Framework.

Under the Commission's proposals, it will be possible for money from the Innovation Fund to transfer to Invest EU, to facilitate loans as well as grants to projects. Therefore, it is important the Invest EU and the Innovation Fund are well aligned.

The ECON and BUDG committees are currently reviewing the Commission's proposed text. ZEP has issued voting recommendations recommending that two amendments, tabled by Green MEPs, which remove CO<sub>2</sub> transport and CCS from the text.

Next steps: Vote in Committee 3<sup>rd</sup> December.