

Minutes 15th EMA Network meeting on 9 June

On 9 May, the 15th European Network of Energy Authorities and Managing Authorities of Cohesion Policy 2021-2027, took place and was opened by the keynote speeches of **DG REGIO DG Marc Lemaître** and **DG ENER DG Ditte Juul Jorgensen**.

The meeting saw the participation of more than one hundred representatives from 27 Member States energy and managing authorities. **DG ENER PA Tudor Constantinescu** and **DG REGIO Head of Unit G1 Catherine Wendt** moderated and closed the event. **Director General of DG REGIO Marc Lemaître** reminded the timely moment of the meeting with the launching of the next cohesion policy-programming period and of the REPowerEU plan. He underlined the importance to follow the fast changing energy ambitions without forgetting to continue to pursue the climate action. EUR 20 Billion of additional funding will be available under the Recovery and Resilience Facility from ETS allowances and the possibility of transfers from Cohesion Policy and from European Agricultural Fund for Rural Development will allow Member States to achieve faster the common goal to reduce fossil fuel dependence and accelerate the investments in energy efficiency and renewables.

Director General of DG ENER Ditte Juul Jorgensen outlined the importance of the RepowerEU plan to address the most critical short-term issues and to phase out of Russian energy imports in the long-term, complementing the measures of the European Green Deal and the Fit for 55 package for the energy transition. This ambition of moving away from Russian imports is built on three main pillars:

- **Frontloading energy efficiency measures** and promote more in short-term **saving energys**, including changes in personal behaviour and actions done by businesses, (cutting the demand for oil and gas by 5% still this year).
- **Diversifying our sources of energy**, in particular gas in short term and working with Member States on security of supply.
- **accelerating the roll-out of renewable energy** by investments in electrification, infrastructure, new solar strategy, hydrogen and changes in permitting procedures

The Commission has proposed to raise the Energy Efficiency target from 9% (as proposed last July under the 'Fit for 55' package) to a binding 13% target and to increase the 2030 renewable energy target to at least 45%, to reflect the current challenges.

Member States have the flexibility to redirect funds (up to 12.5%) from their national envelopes under Cohesion and the CAP to the RRF to finance new measures of the REPowerEU chapters and to accelerate investments in energy efficiency, renewables and grids.

Myriam Boveda from **DG REGIO** presented the state of play of the programming period 21-27 which sees already a **229 Operational Programmes (OPs)** submitted (59% of the total expected) in the previous months and **135 OPs** (34% of the total expected) to be submitted in June. Therefore, before the end of the year, it is expected that all the OPs and Just Transition Plans will be approved.

Sander Happaerts from **DG REGIO** briefly outlined the progresses on the **Just Transition Plans**, with 9 Member States formally submitting the plans and other 17 informally discussing their JTTPs with DG REGIO. The outstanding issues are the territorial dimension of the plans and the aspects related to skills and jobs.

DG ENER presented the latest policy updates on the increasing targets for buildings, solar strategy and biomethane, EU Saving plan and the energy efficiency saving obligations.

Stefan Moser from **DG ENER** outlined three issues that together represents a contribution of buildings to the decarbonisation process and for the acceleration of fossil fuel independence:

- A proposal to introduce in the new **Energy Performance of Buildings Directive**, a **solar rooftop requirement** for commercial and public buildings from 2027 and for new residential buildings from 2029;
- The new approach to move from the current nearly zero-energy buildings to **zero-emission buildings** by 2030, which means buildings that have a very high energy performance, including energy from renewable sources produced on-site or nearby.
- The possibility to have energy system integration inside the buildings, as it happens with the integration of electric vehicles in the energy cycle of building.

The Commission invites EU Member States to produce high quality of information, like the Energy Performance Certificates (EPCs), to have harmonised data and to acknowledge local planning authorities on the weaknesses of their territories. Identification of the worst performing buildings is also a key to move forward to higher classification, meaningful renovations and protection of vulnerable consumers.

Ignacio Asenjo from **DG ENER**, introduced the new **EU Solar Energy Strategy** which provides for doubling of targeted PV capacity to 320GW by 2025 and a further boost to 600GW by 2030 as part of the REPowerEU plan. The strategy focuses on few key measures:

- Large scale deployment by Public Purchased Agreements;
- Solar rooftop obligation for all new public and commercial buildings with useful floor area larger than 250 m² by 2026; all existing public and commercial buildings with useful floor area larger than 250 m² by 2027; all new residential buildings by 2029;
- Innovative forms of deployment like multiple use of space (use of agricultural land, floating PVs and building integrated PVs);
- Permitting procedures shorter and simpler as well as incentivising prosumers.

The strategy presents four initiatives to overcome the remaining challenges in the short-term:

- The **European Solar Rooftops Initiative** to promote a quick and massive PV deployment;
- The **partnership on skills for the solar energy sector** that will bring together all relevant stakeholders to take action on upskilling and reskilling to fill the gaps in the sector;
- The **European Solar PV Industry Alliance** to facilitate innovation-led expansion of a resilient industrial solar value chain in the EU, in particular in the PV manufacturing sector and
- The adoption of a legislative proposal, a recommendation and a guidance on **permitting**.

Galin Gentchev, from **DG ENER** outlined the role of biogas and biomethane in the the REPowerEU plan. Sustainable and low carbon gases will be a clear portion in the decarbonised mix of the future, to provide supply in sectors difficult to be decarbonised or in remote areas.

The plan lays down:

- A set of actions to achieve the increased **target of 35 bcm** annual bio-methane production by 2030
- A **comprehensive approach** covering the key areas **to unlock the full biogas and bio-methane potential** that exists across all EU Member States;
- Measures to **increase in production of biogas** as well as the boost its subsequent conversion into bio-methane, respecting strict environmental criteria agreed in the REDII.
- An investment needs of **€37 billion** for reaching this production target.

The European Commission will monitor the implementation of the plan, will support the creation of a biogas and bio-methane industrial partnership and forum, will discuss with MSs the possibility to develop national strategies and develop incentives for biogas upgrading into bio methane. A special focus is given to provide access to grants and loans not only through Structural and Cohesion policy funds, but also Rural Development funds (CAP), National Resilience and Recovery Plans, Horizon Europe, Innovation and Modernisation Funds, LIFE funds, Innovation Fund and other financial instruments (e.g. EIB with InvestEU support).

The panel discussion gave an update of the Recovery and Resilience Plans and focused on the possibilities of funds face the current energy crisis.

Paula Abreu Marques from **DG ENER** explained that Russian gas represented around 40% of the EU's total gas consumption in 2021 and that around 27% of oil imports of the EU come from Russia. The current geopolitical situation is affecting directly regional and local authorities as rising energy prices have impacts on the most vulnerable areas like regions with energy-intensive industries, administrations' budgets as well as on public procurement, contracts and suppliers. The **REPowerEU** plan is the EU's response to the need for independence from Russian fossil fuels before the end of the decade, which will allow replacing them with affordable, reliable and clean energy aiming also to accelerate the green transformation. Building on the Fit for 55 proposals, the REPowerEU Plans covers four main areas:

- **Energy supply diversification;**
- **Accelerating renewable energy deployment by focusing on green technologies**, from solar to wind and renewable gases, and removing existing bottlenecks speeding up permitting;
- **Boosting energy efficiency and energy savings** further investments on **buildings renovations** and **improving industrial processes** as well as in the **power grid** to make it fit for an increase use and production of electricity.
- **Smartly combining investments and reforms** with the instrument of the Recovery and Resilient Plans.

Cohesion policy contributes to the REPowerEU objectives by supporting renewables production and technology, energy efficiency, smart grids and sustainable transport. For more urgent investments and for projects not eligible under cohesion policy, **REPowerEU** envisages that **up to 12.5%** of the cohesion and agriculture funds may be transferred to the RRF on a voluntary basis to finance new measures of the REPowerEU chapters taking into account the already existing flexibilities and with the consultation of the regional authorities.

The Country Specific Recommendation will guide Member States to respond adequately to persisting and new challenges and to deliver on their shared key policy objectives. In addition to the mentioned 12,5% flexibility the Commission is proposing 20 billion EUR of additional grant funding from the auctioning of the EU Emissions Trading System (ETS) allowances. The European Commission has produced a guidance document for Member States in preparation to this new chapter of the RRP, which will be updated once the Regulation enters into force.

Alexane Barrouillet from SG RECOVER outlined the functioning of the Recovery and Resilience Plans and how they can be used to respond to the new challenges. In line with the general aims of the package (saving energy, diversifying energy sources, accelerating the roll-out of clean energy), the proposal for REPowerEU chapters in RRP would allow Member States to finance, with the new financing sources, reforms and investments corresponding to the following objectives:

- Improving energy infrastructure and facilities to meet immediate security of supply needs for oil and gas (...) – for which a targeted exemption from the Do No Significant Harm principle has been introduced
- Increasing energy efficiency in buildings, decarbonising industry, increasing sustainable biomethane, fossil-free hydrogen and renewable energy
- Addressing transmission bottlenecks and supporting zero-emission transport
- Investing in the requalification of the workforce towards green skills and supporting value chains in key materials and technologies for the green transition

On the financing side, beyond the new revenue from the Market Stability Reserve, the possibility for additional transfers from cohesion policy programming period 2021-2027 opens up further financing possibilities. For those Member States whose Partnership Agreement has not yet been adopted, it is possible to transfer as of now up to 5%, under the currently existing article 26 of the CPR Regulation. Transfers may also take place by amending operational programmes.

Mathieu Fichter from DG REGIO explained the interest of the Commission to see increased ambitions in the 21-27 programmes currently in discussion with the Member States. Critical issues that emerged in the current negotiations are the challenge of deep renovation in the investments in energy efficiency in buildings, the greening of energy supplies, further use of energy contracting and of financial instruments and the improvement of capacities and expertise at local level. DG REGIO will work on launching a specific technical assistance proposal on regional and local energy agencies/organisations. In addition as announced in the REPower EU plan REGIO will adopt a delegated act to facilitation reimbursements of the energy efficiency projects (so called ‘simplified cost options’).

Robert Nuij from DG ENER presented the EU SaveEnergy communication, which is part of REPowerEU package with a twofold approach: to have an immediate response in the short term by behavioural choices and to strengthen structural, mid- to long-term energy efficiency measures that people or governments can take to reduce energy consumption structurally. The Commission’s EED

recast proposal of July 2021 includes a higher energy efficiency target of 9% by 2030 (compared to the 2020 reference scenario). The main measures that Member States can take are in the building sector (introducing additional Minimum Energy Performance Standards for buildings to boost renovation) and in industry (strengthening the implementation of energy audit results to ensure that cost-effective measures are implemented). Regional and local actors which are closer to citizens have a key role to play to bring those messages to citizens and businesses.

Stanislas D'Herbemont of **RESCOOP Europe** moved the discussion on local actors, on how to spend the funds available and described five points to encourage the deployment of the vision of REPowerEU package:

1. To acknowledge the support to local energy production as a matter of securing energy supply;
2. Promote and support energy sobriety and lasting behavioural change to save energy (which is something happening in energy communities);
3. Access to renewable energy for energy poor, vulnerable and lower income households should be a priority – not just a side measure;
4. Ensure full implementation of the Clean Energy Package's provisions on Renewable Energy Communities (together with the support mechanisms foreseen);
5. Putting gas – even renewable gas – in its place, prioritising renewable energy in the plans.

In the discussion, some valuable explanations on the advantages to use the resources of RRF (possibility to finance projects at national level, not performance based tools, no cofinancing required and not risk of decommitting) were added , together with more information on all available funds and strategies were mentioned.

The **Clean Hydrogen Joint Undertaking** presented the Hydrogen Valley initiative, which currently involves 100 regions of 23 Hydrogen valleys selected. The project is intended also to give opportunity and to bring on-board 'less FCH ready' but highly interested regions like the central and eastern European ones. By 2025 the EU has the ambition to create 50 H2 valleys in EU including ports, airports, industrial and logistical hubs, cities and cross border initiatives.

The afternoon session was opened by Managing Authorities from **Italy and Czech Republic** who presented their strategies and programmes. The representative from **Italy** explained the complementarities with the Recovery and Resilience Plan and the Cohesion Plans. The Italian RRP has a budget of EURO 59,5 billion for the green revolution and ecological transition which are planned to be invested in renewable energy, (photovoltaic plants in agricultural spaces, Hydrogen Valleys, eenergy communities, self-consumption and biomethane) and in energy efficiency and refurbishment of buildings (public buildings, district heating, reduction of consumptions in schools and renovation of court buildings).

For ERDF, the Italian Partnership Agreement plans, for the policy objective 2 «Greener Europe», a total of ~ EURO 8,8 Billion to be invested in energy efficiency of buildings and other public facilities in line with the National Long Term Renovation Strategy. In addition to that investments will focus on renewable sources (thermic and electric self-consumption, combined w/energy efficiency, innovative an experiemental projects such as green hydrogen), promotion of district heating and

energy communities (to fight energy poverty) and smart transformation of distribution and transmission networks.

Czech Republic has allocated EURO 6.5 billion for the Policy Objective 2 of the European Green Deal and will support energy priorities in five Operational Programmes. Specific Objective 1 of energy efficiency and greenhouse gas emissions mitigation will receive EURO 468 million (407 from ERDF / 60 from CF) while Specific Objective 2 to support of energy from renewable sources EURO 268 million (from CF).

Anne Katherine Weidenbach from **DG ENER** presented the policy background of enabling condition on energy efficiency (criteria 2.1.2 and 2.2.1 of CPR regulation) which is the Energy Efficiency Directive (EED) (2012/27/EU), more specifically the part related to **Energy savings obligations** (Article 7 and Annex V of the current EED). She explained that “energy efficiency obligations” means that Member States have to achieve **cumulative amounts of energy savings** in an obligation period (2014-20 and 2021- 2030) and that EU countries must achieve new savings each year of 0.8% of final energy consumption. They can achieve those savings by two possibilities: either by putting in place **Energy Efficiency Obligation Schemes** or by **alternative measures**, such as building renovations, financial incentives, fiscal measures, energy labelling schemes, etc.

In Annex V, we have rules for the calculations and methodologies of policy measures on how energy savings are calculated. If a Member State fulfils these requirements, we can assume that policy measures are reliable and that the Member State can justify its actions towards stakeholders and citizens. This is a key requirement for a Members States to show how a policy measure works and how it was designed .It also helps to justify costs linked to policy measures and how they materialise energy savings, which means at the end, to save energy and reduce bills for households, SMEs and big enterprises.

The Directive has introduced a reporting requirement to ensure consistency between other dimensions (renewable and emission trade system) which should carried out in accordance with the Governance Regulation (Annex III). This is a key measure to ensure that a Member State can achieve the national contribution and that the 2020 target is achieved. The strength of Art 7 is that it is sector neutral and that it is an effective measure to alleviate energy poverty. It has synergies with other EU legislation like Renewable Energy Directive, encouraging the Member States to use new technologies. Some member States have a long time experience on it, for instance Denmark’s scheme of 2012 is one of the first approved by the European Commission, which has a catalogue of good practices for various sectors available.

The recent **recast of the EED of last year** has underlined the role of energy savings obligation as key tool to reach the climate targets. The Commission proposed to increase the target of energy savings obligation (/white certificates) from 0,8% to 1,5% annually for all MSs as of 2024 and excluded savings from direct fossil fuels combustion.

Giorgios Koukoufikis from the **JRC- Petten** presented a report on **energy poverty** with data about 35.000 households affected in Europe. The report identifies differences and similarities across various socio-economic and spatial categories (e.g. gender, employment status, tenure category, degree of urbanisation) for the two indicators: difficulties to keep the household adequately warm

and arrears on utility bills. An interesting insight from the report is that the only tenure category is significantly under-represented in energy poverty indicators across Europe are house owners paying a mortgage, while elderly population, unemployed and women-led households appear to be affected more by energy poverty in both main indicators.

The meeting ended with a presentation of **Rita Mergner** from **WIP Renewable Energies**, the organisation leading the **Tracer Projects on Coal Regions in Transition**, providing the perspective on stakeholder side of the nine Member States involved, which developed **shared visions of transition and identifying priorities** in the target regions.