

EU Climate & Energy Policy: Governance

Date: June 19, 2015

Time: 09:30 – 16:00

Venue: CEPS, 1 Place du Congrès, Brussels

Chairs:

Christian Egenhofer, Andrei Marcu, CEPS Energy Climate House

*****Draft Agenda*****
(Speakers are being confirmed)

This brainstorming meeting aims at setting the boundaries of the Governance discussion surrounding the implementation of the 2030 Framework for Climate and Energy Policies and of the Energy Union.

The meeting will be centred on five topics, which together help frame the boundaries of the governance debate:

09:30 **Registration and coffee**

10:00 **Welcome and outline of the day**
Christian Egenhofer & Andrei Marcu

10:05 **Introduction: Stefaan Vergote, DG ENER**

10:15 **1) Money: where is it coming from & where is it spent?**

To reach the objectives of the 2030 Framework and of the Energy Union, myriad sources of funding may be found at different levels of governance.

At the EU level, auctioning of allowances in the ETS results in revenue for the Member States, of which “at least 50% should be used for climate related purposes”. Likewise, the ETS Directive also provides for the monetisation of EUAs to fund innovation projects in renewable energy, CCS and industry as well as for the modernisation for Central and Eastern European member states.

Investment in infrastructure is provided through the Connecting Europe Facility and the European Fund for Strategic Investment.

EU-level financial support for the 'energy transition' is also found in programmes such as Horizon 2020 and the 7th Framework Programme for Research and Technological Development (FP7), while various initiatives are also coordinated through The European Strategic Energy Technology Plan (SET-Plan), currently being revised. The EU Cohesion and Structural Funds will remain a major source to fund the transition to the low carbon economy.

On the Member State level, various MS provide support for renewable energy and energy efficiency. . While all subsidies are naturally subject to EU-wide rules on State Aid, practices diverge widely.

Some questions which could be discussed include:

- What level of harmonisation and alignment is required? How to account for member states' priorities
- How can private sector involvement be optimised?
- What role of the European Fund for Strategic Investment (EFSI)? What role for the EU Cohesion and Structural Funds?
- Are there elements of the Energy Union which require dedicated funds which currently do not exist?

Speakers:

Petr Zahradník, CEZ

Martin Berg, EIB

Tomas Wyns, VUB

11:15 **2) Regulatory framework**

Both the Energy Union and 2030 Framework have as important pillars the integration and improvements of markets, be they for electricity or emissions allowances.

To realise these objectives, many regulatory efforts will be required on issues such as interconnections, free allocation in the EU ETS, transmission systems but also on matters pertaining to competition policy.

In addition to designing the framework as such, implementation and enforcement will be of key importance. Hence, the cooperation with and between national regulators and other competent authorities should be reviewed.

Some questions which could be discussed include:

- What role for regional cooperation?
- What is the impact of the State Aid guidelines; are they sufficient?
- What should the roles and responsibilities of national regulators be?
- How can consumer interests (industrial and private) be safeguarded?

Speakers:

Michel Matheu, EDF,
Francesco Gazzoletti, ERG
Severin Fischer, SWP

12:15 **Coffee break**

12:30 **3) Relationship between the ETS and non-ETS policies**

For EU climate policy, there is currently a clear divide between the ETS and non-ETS sectors, with the MS having more freedom in how to reach targets in the non-ETS sectors. There are, nevertheless, some EU policies addressing non-ETS sectors specifically, while MS may also decide to expand the scope of the ETS themselves if they so wish.

Besides emissions targets, there are also the headline targets on renewable energy (RE) and energy efficiency (EE) & associated policies. For better or worse, these policies interact with the ETS

Some questions which could be discussed include:

- Is it a good idea to have a 'firewall' between ETS & non-ETS sectors?
- How to ensure coherence between different policies?
- Should the policy mix be simplified?

Speakers:

Giuseppe Montesano, ENEL
Oliver Sartor, IDDRI
Jan Peter Jebsen, Hydro

13:30 **Lunch**

14:30 **4) The objectives & who is responsible for achieving them**

The headline targets of the 2030 Framework are clear and straightforward: 40/27/27 for GHG emission reductions, renewable energy and energy efficiency respectively. The Energy Union, however, also entails broader strategic objectives such as ensuring security of supply, achieving decarbonisation in the most cost-effective way, and completing the internal energy market.

In any case, both the 2030 targets and the strategic objectives require implementation into legislation, to move them beyond the status of political objectives they currently hold. In this process, for the objectives to be credible, it will be crucial to determine who will be responsible for achieving the objectives and how principles such as transparency and accountability may be reflected.

Some questions which could be discussed include:

- Are the targets binding on EU or MS level?
- Should there be enforcement mechanisms beyond the regular legal redress offered via the Treaties?
- How to ensure that monitoring and review processes are effective?

Speakers:

Cecilia Hellner, Vattenfall

Thomas Legge, ECF

Christophe Miaux, Total

We are envisaging about three speakers per session of one hour, which will each do a 5-minute presentation on the respective topic. Each session will then continue with a moderated round-table discussion. CEPS will prepare some bullet points for each topic, to frame the discussion and identify the key issues.

15:30 Closing Comments: Alexandre Paquot, DG CLIMA

15:45 Wrap-up: Christian Egenhofer