Brussels, 25 October 2017

Dear Ambassador,

During the meeting of COREPER on 27 October you will have the opportunity to provide political guidance on several elements of the Governance regulation, mainly on defining a framework to ensure the delivery of the renewable energy target (Articles 4, 5, 25, 27). The Governance regulation is a key building block of a successful Energy Union, and the nest for many requirements set out in the Paris Agreement on climate change.

We appreciate the work that has been put into the discussions so far, which have moved some key elements of the regulation forward. We are however deeply concerned by some of the recent developments, which - if confirmed - put the delivery of the EU's climate and energy action agenda at risk. We therefore hope that you will consider the following key points while preparing for the meeting of COREPER later this week.

## Ensuring the governance regulation provides investor certainty requires reliable trajectories for deployment of renewable energy and energy efficiency

The concern: In light of recent crumple to climate action on the international arena, it is evermore important that the EU can prove to its international partners it will deliver on its targets and commitments. To ensure there is no ambition or delivery gap, national binding targets for renewable energy and energy efficiency would be the most reliable option. In this context, the replacement of linear trajectories for renewable energy with indicative ones and two EU wide benchmarks in the recent compromise text provided by the presidency is highly worrying, as it puts the delivery of the EU's target at risk. While it is true that deployment of renewable energy and energy efficiency is unlikely to follow a perfectly linear rising trajectory, this does not contradict the requirement of Member States to have such trajectories as Member States would still be entitled to full flexibility in the rate of deployment above the trajectory.

The opportunity: In light of this we see the approach taken by Germany, France, Luxemburg, the Netherlands, Denmark, Italy, Finland, Sweden and the Czech Republic in their recent non-paper as the bare minimum to ensure robust target governance, and urge you to take the opportunity during COREPER to strengthen some of its key elements. As outlined in numerous interventions by industry and investors, binding, linear trajectories for deployment of renewable energy and energy efficiency are needed for investor certainty<sup>1</sup>. COREPER is your opportunity to hear to this call, and we urge you to support reliable trajectories. It is also of utmost importance that the 2020 targets stay as a non-negotiable baseline for the 2030 framework under which Member States are not allowed to go. Delays in meeting the 2020 targets targets must continue to be dealt with within the 2020 framework.

## Turning the governance regulation into the transition framework it has the potential to be requires binding templates for planning and monitoring

**The concern:** Basing the national energy and climate plans on a binding template is an absolute minimum requirement to allow for comparability, transparency and consistency. It is a logical follow-up of setting up targets at EU-level. It is therefore extremely worrying that the concern of some Member States to 'cutting red tape' has spilled over into a debate on whether the template itself should be binding. A similar concern applies to adding "if applicable" or "where available" at multiple places in

<sup>&</sup>lt;sup>1</sup> <u>Wind Industry</u> letter to Ministers, <u>Renewable energy associations</u>' joint messages, <u>Coalition for Energy Savings</u> position paper, the <u>German Renewable Energy Federation (BEE)</u> and <u>business</u> such as Philips and EU-ASE

the template. As an example, requiring a description of measures under point 3.2.v only "where available" stand in direct conflict with the requirements of the Energy Efficiency Directive. If such measures are not available, it means that Member States do not comply with Art. 15.2 of the Energy Efficiency Directive. The annex is the result of a thorough streamlining exercise to avoid duplication and inconsistencies. Its content should therefore be considered as the minimum required to provide enough transparency.

The opportunity: The presidency has asked you as Ambassador to provide political guidance on the way forward on key issues of the regulation. Stakeholders that are to implement the transition on the ground; industry, local authorities, consumer organisations and energy cooperatives have declared that a binding template for the NECPs is key for an accountable and robust governance system<sup>2</sup>. During COREPER we call on you to ask for an unequivocally binding template, based on the Commission proposal.

## Designing a Governance system which helps to deliver on the objectives of the Paris Agreement requires robust long term planning

The concern: Putting in place long-term climate and energy strategies are a necessary tool and a requirement to achieve the commitments taken by the EU under the Paris Agreement. While some improvements have been made to the Governance Regulation's Article 14 which spells out the requirements for Members States development of long term strategies, these progress do not prevent the risk of producing long-term strategies that will not be fit for purpose. The proposal lacks guidance on the content of the long-term strategies and does not foresee a process for assessing them or for monitoring their implementation. As it stands, the procedure will inevitably produce strategies of strongly varied quality, while the European Union's credibility in international negotiations depends heavily on its capacity to make a coherent contribution. It is in no ones interest to see the member states having to redraft their long-term strategies because the Commission did not put enough details in the regulation.

The opportunity: In a recent joint statement<sup>3</sup>, businesses, civil society, investors, public authorities and trade unions have all called on the EU and its Member States to ensure that their 2050 strategies are as robust as possible. This follows comprehensive recent research<sup>4</sup> which conclude that most EU Member States have so far failed to put in place robust long term strategies able to drive the transition in an orderly fashion. The report concludes that clear guidance from the EU, good enforcement mechanisms and regular reviews would help Member States reduce emissions while ensuring the well being and prosperity of all European citizens. Anchoring such features in the Governance regulation is the main opportunity EU governments currently have at their hand. The European Parliament has recognized this and several political groups have rightfully called for a template for the long term strategies to be added as an Annex to the Regulation. During COREPER this week we urge you to join recent calls by Sweden, Luxembourg and Belgium whose Environment Ministers all spoke out for the need for robust long term strategies during the recent the Environment Council.

## To conclude

The European Court of Auditors in its recent Landscape Review of EU action on energy and climate change concluded that the lack of an integrated and robust governance system is one of the main challenges facing Europe in delivering on its commitments in these areas<sup>5</sup>. All of the above points are key in tackling this issue, and we therefore urge you to take them into consideration this week.

<sup>&</sup>lt;sup>2</sup> Coalition for Energy Savings <u>letter to attachés</u> EU RES associations <u>Position Paper</u> on the revision of the Renewable Energy Directive

<sup>&</sup>lt;sup>3</sup> http://www.maximiser.eu/joint-statement

<sup>&</sup>lt;sup>4</sup> http://www.wwf.eu/media\_centre/publications/?uNewsID=297631

<sup>&</sup>lt;sup>5</sup> http://www.eca.europa.eu/en/Pages/DocItem.aspx?did=41824

Yours sincerely,

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Climate Action Network (CAN) Europe is Europe's largest coalition working on climate and energy issues. With over 140 member organisations in more than 30 European countries - representing over 44 million citizens - CAN Europe works to prevent dangerous climate change and promote sustainable climate and energy policy in Europe.