European Committee of the Regions

ENVE-VI/041

23rd Commission meeting, 4 April 2019

WORKING DOCUMENT

Commission for the Environment, Climate Change and Energy

Implementing the Clean Energy Package: the INECPs as a tool for local and territorial governance approach to climate, active and passive energy

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This document will be discussed at the meeting of the **Commission for the Environment, Climate Change and Energy** to be held on Thursday 4 April from 11:00 a.m. to 5.30 p.m.

Reference documents

Own-initiative Opinion

Working document of the Commission for the Environment, Climate Change and Energy – Implementing the Clean Energy Package: the INECPs as a tool for local and territorial governance approach to climate, active and passive energy

I. General comments and analysis

1. In order to meet the EU's new energy and climate targets for 2030, Member States are required to establish a 10-year Integrated National Energy and Climate Plans (INECPs) for the period from 2021 to 2030. It is needed to ensure that Local and Regional Authorities (LRAs) are on board and have their role duly recognised in the implementation phase of the Clean Energy Package in governance terms, especially as this governance mechanism is based on INECPs.

2. As INECPs ensure that the objectives of the Energy Union, in particular the EU's 2030 energy and climate targets, and the long-term EU greenhouse gas emissions commitments are consistent with the Paris Agreement, it is necessary to exploit competencies LRAs have in implementing the Energy Union, considering both active and passive energy:
   - in active energy terms local units (public and private entities, households) produce (at least partially), store and consume their energy locally. Renewable and clean energy sources (soil, solar, wind, thermal, hydropower, tidal, biomass-based energy [for example bioethanol], etc) are examples of this,
   - passive energy means on the one hand that the actively produced energy should be more effectively used by solutions which, by cost savings, decrease the energy costs paid by the final customers. Taking this into account LRAs should organise local-territorial public services in an energy-efficient manner such as public transport using locally generated electricity or local biofuels,
   - passive energy, on the other hand addresses climate aspects, while also respecting circular economy concerns. Building materials that are made by using local, environmentally friendly raw materials (use of reed, pellets, straw, bark, hemp, wood, glued wood with preferably zero carbon footprint balance, instead of concrete and further traditional building materials that produce inert waste) should be encouraged by LRAs when issuing building permits, besides promoting ordinary practices such as for example changing of doors, windows and thermal insulation of buildings.

3. It is advised that energy consumers, through LRA initiatives and awareness raising programs, can become energy prosumers (even using their own energy storage capacities), supporting the increased use of locally produced, stored and consumed active and passively retained active energy. This also involves that prosumers could be active members of decentralised, smart energy grids established by LRAs.

4. The EU Member States should create such INECPs that include implementation initiatives that benefit both energy end consumers and "prosumers" and the other energy suppliers on the retail energy market by decentralised generation and self-generation based on renewable energies. Such initiatives can deliver numerous benefits to the energy system (reduced need for transmission infrastructure and maintenance, greater resilience and flexibility), including a fair price or establishing an innovative pricing solution for any surplus energy from such schemes being fed into the grid.

5. The ongoing process of drafting the INCEPs by Member States, with a view to their potential for vertical integration, should involve regions and cities that are key actors in designing and implementing energy policy. LRAs themselves are one of the main investors, institution and public service (public works, transport, for example) operators locally. The correct fulfilment of their role requires well planned generation and use of local resources, including the different types of renewable energy, energy performance of buildings, energy efficiency and use of local, natural, environmentally friendly building materials.

6. LRA supported coordination is necessary to identify inconsistencies and potential synergies between the INECPs and the European Union Long Term Strategy towards 2050, as well as between the ongoing initiatives and best practices, as, for example, the participatory initiatives of the Covenant of Mayors for Climate and Energy.

7. Providing for subsidiarity and proportionality requires Multilevel Climate and Energy Dialogues throughout the different Member States, as this should increase the involvement of LRAs in policy discussions and in the drafting of the INECPs, with the European Committee of the Regions (CoR) being the facilitator of this discussion. When doing so, the acknowledgement of the strong integration between energy and climate actions is advised.

8. The CoR should be included in the Energy Union Committee, to be set up pursuant to the Energy Union Regulation, one representative designated by the CoR, who shall represent the LRAs of the whole EU at institutional level.

9. LRAs must be recognised by Member States as relevant counterparts when defining the new scenario for energy and climate. Challenges and hurdles at a local level must be understood and addressed to make national and European commitments credible. LRAs remain the level of governance nearest to consumers, managing decentralised energy production (such as rolling out smart metering and establishing smart grids), initiating awareness raising energy and climate programs that also decrease the spending and carbon footprint of households and business units, and promoting the right investment climate. LRAs directly support energy and climate policies with measures taken in relation to housing, energy poverty, transport, economic development, and town and country planning or land use.

10. Clean energy transition problems together with climate issues means working together between the different levels of government (EU, national, regional, local) and between public, private sectors and the actors of academia/higher education. Linked to active and passive energy cases, climate issues are considered to minimise lifecycle-long energy usage, whilst linked carbon footprint concerns are taken into consideration.

11. Given that energy poverty is a complex problem, INECPs are to address it from energy and climate points of view, making use of the databases/publications of the EU Energy Poverty Observatory.

12. It is necessary to involve LRAs in supporting the national government in pursuing the forward-looking European Structural and Investment Fund (ESIF), JASPERS and ELENA projects that

help in meeting Europe's climate and energy policy targets. The European Investment Advisory Hub should provide a fast-track procedure to support cities that have committed themselves to developing projects with low CO_2 emissions.

13. It is necessary to promote energy innovation as a part of INECPs in the move towards a low carbon economy for a resilient Energy Union with a forward-looking climate policy and new boosts to jobs, growth and investment. LRAs should be involved especially in smart-city initiatives coupled with green public procurements in the field of clean energy in such domains as energy saving in urban transport, interregional transport strategies, collaboration in new storage technologies and smart public buildings. Better synergies between the ESIFs and the European Fund for Strategic Investments are of crucial importance for the implementation of cross-border sustainable energy projects.

II. **Questions**

1. How can we ensure that LRAs are fully taken into account in the drafting of the INECPs?

2. Which mechanisms are available for LRAs to provide their input to the INECPs? What are the practical ways available to Member States' governments to gather LRA input in this late stage of drafting the INECPs?

3. What is the progress in the Member States on implementing the multilevel climate and energy dialogue? What are the current best practices regarding implementation of the multilevel climate and energy dialogue?

4. Which aspects in the INECPs can benefit most from input by LRAs?

5. Are there particular topics of interest to LRAs that are insufficiently addressed in the draft INECPs that are available?

6. Are there inconsistencies and conflicts or rather potential synergies between the different pieces of legislation in the field, between the INECPS and the European Union Long Term Strategy towards 2050 and between the ongoing initiatives and best practices, as, for example, the Covenant of Mayors for Climate and Energy?

7. How can the information and experience gained through the Covenant of Mayors for Climate and Energy be integrated into the different INECPs?

8. Which recommendations to the INECPs would we like to see made by the European Commission in June 2019?

9. Which role do you see for the CoR in the drafting of the INECPs?

Brussels, ...

II. PROCEDURE

Title	Implementing the Clean Energy Package: the INECPs as a tool for local and territorial governance approach to climate, active and passive energy
Reference(s)	Own-initiative opinion
Legal basis	
Procedural basis	Art. 41, b)(ii)
Date of Council/EP referral/Date of Commission letter	
Date of Bureau/President's decision	5 February 2019
Commission responsible	Commission for the Environment, Climate Change and Energy (ENVE)
Rapporteur	József Ribányi (HU/EPP), Vice-President of the County Council of Tolna Megye
Analysis	
Discussed in commission	Scheduled for 4 April 2019
Date adopted by commission	Scheduled for 12 June 2019
Result of the vote in commission (majority, unanimity)	
Date adopted in plenary	Scheduled for 7-10 October 2019
Previous Committee opinions	
Date of subsidiarity monitoring consultation	