FOLLOW-UP PROVIDED BY THE EUROPEAN COMMISSION TO THE OPINIONS OF THE EUROPEAN COMMITTEE OF THE REGIONS

PLENARY SESSION OF JULY 2023

108th REPORT
<table>
<thead>
<tr>
<th>N°</th>
<th>TITLE / LEAD DG</th>
<th>REFERENCES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DG CNECT &amp; EEAS</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| 1. | **The role of local and regional authorities in countering disinformation and foreign information manipulation and interference**  
Rapporteur-general: **Gustaw Marek BRZEZIN** (PL/EPP) | Council presidency referral  
COR-2023-01564-00-00-AC-TRA  
CIVEX-VII/023 |
| **DG NEAR** | | |
| 2. | **EU Enlargement package 2022**  
Rapporteur: **Anna MAGYAR** (HU/ECR) | Own-initiative  
COM(2022) 528 final  
COR-2023-00018-00-01-AC-TRA  
CIVEX-VII/021 |
| **DG GROW** | | |
| 3. | **Critical raw materials package**  
Rapporteur-General: **Isolde RIES** (DE/PES) | Own-initiative  
COM(2023) 160 final  
COM(2023) 165 final  
COR-2023-02188-00-00-AC-TRA  
ECON-VII/031 |
| 4. | **Net Zero Industry Act**  
Rapporteur-General: **Mark SPEICH** (DE/EPP) | Own-initiative  
COM(2023) 161final  
COR-2023-02189-00-00-AC-TRA  
ECON-VII/032 |
| **DG ENER** | | |
| 5. | **Fostering the potential and synergies of EU Green Deal initiatives for regions and cities**  
Rapporteur: **Andries GRYFFROY** (BE/EA) | Own-initiative  
COR-2023-00229-00-00-AC-TRA  
ENVE-VII/036 |
| 6. | **Reform of the EU electricity market design**  
Rapporteur-General: **Josef FREY** (DE/GREENS) | Mandatory  
COM(2023) 148 final  
COR-2023-02118-00-01-AC-TRA  
ENVE-VII/039 |
<table>
<thead>
<tr>
<th></th>
<th>Revision of the Urban Waste Water Treatment Directive</th>
<th>Dagmar LUBSCHNITZ (AT/S&amp;D)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Revision of the EU Ambient Air Quality Legislation</td>
<td>Una POWER (IE/GREENS)</td>
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<tr>
<td></td>
<td>Mandatory</td>
<td>COM(2022) 541final</td>
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<td>COR-2022-06179-00-00-AC-TRA</td>
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<tr>
<td></td>
<td></td>
<td>ENVE-VII/034</td>
</tr>
<tr>
<td>Points of the European Committee of the Regions opinion considered essential</td>
<td>European Commission position</td>
<td></td>
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Points of the European Committee of the Regions opinion considered essential | European Commission position
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The Commission welcomes the support of the Committee for a Critical Raw Materials Regulation and its emphasis on the role of regional authorities and local communities. The Commission has focused its replies on the key amendments tabled.

**Amendment 8:**
Projects should also ensure engagement in good faith as well as comprehensive and meaningful consultations with local and regional authorities, including with indigenous peoples in full compliance with the principles of Free Prior and Informed Consent (FPIC) and respecting the right to say no of those communities.

Amendment 15:
To that end, national competent authorities should ensure that applicants and project promoters have access to simple dispute settlement procedure and that Strategic Projects are granted urgent treatment in all judicial and dispute resolution procedures relating to the projects, without prejudice to the enforcement of the right to redress and the diligent application of the right to say no of local communities, especially of indigenous peoples.

Amendment 34:
(d) a plan containing measures to ensure public acceptance including, where appropriate, the proposal emphasises the importance of local community involvement, in particular where indigenous peoples are concerned, and requires project developers of Strategic Projects to develop a plan to facilitate public acceptance. Existing laws and commitments of both the EU and the Member States ensure that local communities are duly consulted, involved in the permitting process, transparently informed and, where necessary, compensated.
establishment of recurrent communication channels with the local and regional authorities, local communities and indigenous communities and organisations, including social partners, the implementation of awareness-raising and information campaigns and the establishment of mitigation and compensation mechanisms, ensuring that involuntary resettlement is used exclusively as a last resort option.

**Amendment 17:**
Public funding opportunities must therefore be designed in such a way that preliminary studies are already regarded as aid projects as part of environmental aid or, in the case of projects involving regions from different Member States, as important projects of common European interest.

**Amendment 39:**
Public funding opportunities for preliminary studies shall be regarded in this framework as aid projects as part of environmental aid or, in the case of projects involving regions from different Member States, as important projects of common European interest.

**Amendment 41:**
Public funding opportunities for preliminary studies shall be regarded in this framework as aid projects as part of environmental aid or, in the case of projects involving regions from different Member States, as important projects of common European interest.

The proposed wording would pre-empt an assessment of the compatibility of State aid with the internal market, provided for under the State aid rules laid down in Articles 107 and 108 of the Treaty on the Functioning of the European Union. As the Court of Justice has confirmed, secondary legislation adopted under Treaty provisions outside the realm of State aid rules may not impinge on the Commission’s competence under the abovementioned Treaty articles to assess compatibility of aid measures with the internal market.

There are several options for Member States to design public funding for preliminary studies in line with EU State-aid rules, for example, within the limits of the General Block Exemption Regulation: Aid for studies on environmental protection and energy matters (Article 49) or Aid for research and development-feasibility studies (Article 25). If aid is in line with these provisions, Member State can grant it under their own responsibility and without prior notification to and approval by the Commission.

Larger aid measures exceeding these limits and requiring prior Commission approval could be designed in line with, for example, i) the Framework for State aid for research and development and innovation, as regards aid for research and development-feasibility studies; ii) the Guidelines on State aid for climate, environmental protection and energy 2022, as regards aid for studies on climate, environmental protection and energy, or the Important Project of Common European Interest Communication as regards large and ambitious cross-border projects.
**Amendment 21:**

*From the point of view of diversification, these strategic stocks should be made as decentralised as possible in cooperation with local and regional authorities in order to protect stockpiling from interference and to support cross-border cooperation.* In doing so, the Board should consider the need to maintain incentives for the development of strategic stocks by private operators using strategic raw materials. *In addition, the Board, together with the Commission, should put in order of priority the options for using strategic raw materials with a view to safeguarding the supply of particularly critical goods in the internal market in the event of a supply disruption.*

The Commission recognises the role of local and regional authorities and will recommend to consult them. Having said that, it should be borne in mind that the Commission’s proposal focuses on building up a knowledge base through reporting (Article 21) and on coordinating Member State action (Article 22) with reference to a benchmark for a safe level of EU stocks. It does not prescribe the build-up of stockpiles or the sub-national structures for how this would be done. Similarly, the Commission does not intend, within the context of the Critical Raw Materials Act, to define a prioritisation of uses for critical raw materials.

**Amendment 22:**

*The EU Supply Chain Act should also include the financial sector in this framework, as influence on commodity traders, exchanges and off-exchange metal trading venues can only be exerted if sustainability standards and human rights and environmental due diligence requirements are met in supply chains in a way that is consistent, competitive and low in red tape.*

The recitals of the Critical Raw Materials Act should not contain calls for changes to other pieces of legislation. Recitals are intended to provide reasons for the provisions included in the relevant act.

**Amendment 28:**

*A key aspect of reducing dependence on third countries and of security of supply is an overall reduction in demand for critical raw materials. Therefore, the link with other factors, such as improving product design and repair rights to prolong product durability, should be highlighted.*

**Amendment 31:**

*(b) reduce demand for critical raw materials through improved efficiency along value*  

The Commission agrees that substitution and more efficient use of critical raw materials, including through innovation and behavioural changes, are important to mitigate as much as possible the expected increase in demand and thereby reduce supply risk. This is also reflected in recent Commission initiatives regarding the circular economy, including the proposed Ecodesign for sustainable products regulation\(^1\). However, the Commission does not consider demand reduction as such an appropriate objective for this proposal. There is uncertainty regarding the exact future demand for critical raw materials in the EU, but even under the most optimistic projections, the EU’s demand for critical raw materials...  

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\(^1\) COM(2022) 142 final.
Chains.

Amendment 31 proposes to replace the overall capacity benchmarks by benchmarks for each individual strategic raw material. It also increases the 15% recycling benchmark to 20% and requests the Commission to establish minimum recycling capacity targets for each strategic raw material by 24 months after entry into force.

Amendment 33:
for projects in third countries, including in emerging markets and developing economies, the project would be mutually beneficial for the Union and the third country concerned by adding value in that country, and comply with equivalent social, environmental and labour requirements to projects in the Union.

Amendment 42:
Each Member State shall, following mandatory consultation with local and regional authorities, draw up a national programme for general exploration targeted at critical raw materials. The choice to establish overall capacity benchmarks, rather than an individual target per each strategic raw material, is motivated by the desire to maintain flexibility and focus on overall progress rather than the specificities of each strategic raw material. Evidently, data will be gathered per strategic raw material, and the Commission will set out a methodology to aggregate the individual data, which it will provide in its progress report according to Article 42. However, underachieving the benchmarks for only some strategic raw materials should not oblige the Commission to assess the feasibility and proportionality of additional measures to ensure achievement of the objectives.

The level set for the recycling benchmark reflects the Commission’s desire to be ambitious while also remaining realistic; notably when aggregated across all strategic raw materials, the 15% benchmark will already be challenging to achieve as the amount of products that can be recycled by 2030 will be lower than the expected demand.

While consultation with local and regional authorities in the creation of the national exploration programmes is certainly to be recommended, the Commission does not intend to interfere with the Member States’ discretion in how to devise and implement the programmes, in keeping with the subsidiarity principle.
Each Member State shall draw up the first such programme by [OP please insert: 1 year after the date of entry into force of this Regulation]. The national programmes shall be reviewed and, if necessary, updated, at least every 5 years. *Every time a programme is reviewed and updated, local and regional authorities shall once again be consulted.*

In amendments 43 and 44, the CoR opinion deletes or amends provisions that would make results of exploration programmes and of the monitoring system public, reasoning that ‘Information relevant to security policy should remain confidential’.

While the Commission agrees that information relevant to security policy should remain confidential, the suggested amendments go beyond this and prevent also relevant information without security implications from being shared. This would reduce the effectiveness of the monitoring provisions, which aim to make information on raw materials supply risks available to businesses and enable them to take preventive measures. It should also be noted that Article 44 of the proposal already provides horizontal rules for the treatment of confidential information.

**Amendment 48:**

The Board shall be composed of Member States, the Commission *as well as one representative of European local and regional authorities, appointed by the European Committee of the Regions*. It shall be chaired by the Commission.

Article 35 of the proposal allows the Board to invite appropriate stakeholders to its meetings and those of its sub-groups; local and regional authorities will certainly be relevant especially for discussions relating to permitting and exploration. However, membership of the Board should remain limited to the Commission and Member States, who are the main actors in the implementation of the Regulation.

**Policy Recommendation 19:**

calls for further development of research and innovation on raw materials extraction, processing and recycling, with a particular focus on sustainability, diversification and substitution, in order to align security of supply with the latest scientific evidence on the economic, climate and environmental implications of certain raw materials.

As outlined in the Communication accompanying this proposal, research and innovation in the critical raw materials value chain is important. Under the Horizon Europe work programme (2021-2024), the EU has budgeted projects on exploration, extraction, processing and reuse, recycling and recovery amounting to EUR 470 million. The Communication announces developing a Strategic Implementation Plan via the existing stakeholder forum that will guide EU research and innovation priorities in the coming years and announces developing a coordinated plan on advance materials with Member States addressing, among others, the substitution of critical raw materials.
Policy Recommendation 25:
welcomes the fact that the European Commission has accompanied its proposal with a detailed subsidiarity assessment grid; supports its conclusion that the proposal is in line with the subsidiarity principle, as Member States acting alone would be unable to properly achieve the Regulation's objectives. The CoR is also on the same page as the European Commission with regard to the proportionality of the proposal and the choice of a Regulation as a legal instrument. Nevertheless, the CoR regrets in principle that the Regulation's legal basis of Article 114 of the Treaty on the Functioning of the European Union does not provide for its mandatory consultation.

The Commission welcomes the Committee’s confirmation regarding the subsidiarity, proportionality and legal basis of the proposal.
### Points of the European Committee of the Regions opinion considered essential

Recital 51: Given their role in ensuring the Union's security of supply for net-zero technologies, and their contribution to the Union's open strategic autonomy and the green and digital transition, responsible permitting authorities should consider Net-Zero Strategic Projects to be in the public interest. Based on its case-by-case assessment and a public consultation, a responsible permitting authority may conclude that the public interest served by the project overrides the public interests related to nature and environmental protection and that consequently the project may be authorised, provided that all relevant conditions set out in Directive 2000/60/EC, Directive 92/43/EEC and Directive 2009/147/EC[1] are met. **It is paramount that the "do no significant harm" principle and the Aarhus convention are upheld.**


### European Commission position

As regards public consultation, the Commission guidance on this topic states that ‘the Habitats Directive does not contain an explicit obligation to obtain the opinion of the general public when authorising plans or projects requiring an appropriate assessment’. According to the wording of Article 6(3) this has only to be done if it is ‘considered appropriate’. However, the Court of Justice of the European Union has clarified, including recognised environmental non-profit organisations, has the right to participate in the authorisation procedure (C-243/15 paragraph 49). This right involves, in particular, “the right to participate effectively during the environmental decision-making” by submitting, ‘in writing or, as appropriate, at a public hearing or inquiry with the applicant, any comments, information, analyses or opinions that it considers relevant to the proposed activity’” (C-243/15, paragraph 46). The Committee’s suggestion of making explicit reference to the obligation which already exists based on the Court of Justice of the European Union jurisprudence may therefore not be necessary.

Recital 57: The environmental assessments and authorisations required under Union law, including in relation to water, air, ecosystems, habitats, biodiversity and birds, are an integral part of the permit granting procedure for a net-zero manufacturing projects from Natura 2000 sites, the Habitats Directive does not prohibit such projects if certain conditions are met (Article 6(3)-(4)).
zero technologies manufacturing project and an essential safeguard to ensure negative environmental impacts are prevented or minimised. **Natura 2000 shall be excluded from project-permitting.** To ensure that permit granting procedures for net-zero technologies manufacturing projects are predictable and timely, […]

| Recital 64: The scaling up of European net-zero technology industries requires significant additional skilled workers which implies important investment needs in re-skilling and upskilling, including in the field of vocational education and training. To this end, the creation of Net-Zero Industry valleys, for instance by reindustrializing former coal regions, should contribute to the creation of quality jobs in line with the targets for employment and training of the European Pillar of Social Rights. The energy transition will require a significant increase in the number of skilled workers in a range of sectors, including renewable energy and energy storage, and has a great potential for quality job creation. […] In the photo-voltaic solar energy sector, up to 66 000 jobs would be needed in manufacturing alone. **Therefore, it is important to acknowledge the potential for skilled labour of regions that previously suffered from deindustrialization within the Net-Zero industry and a just transition.** […] |

| Article 3(1)a: ‘net-zero technologies’ means renewable energy technologies; electricity and heat storage technologies; heat pumps; grid technologies; renewable fuels of non-biological origin technologies; sustainable alternative fuels technologies; electrolysers and fuel cells; advanced technologies to produce energy from nuclear processes with minimal waste from the fuel cycle, small modular reactors, and related best-in-class fuels; carbon capture, utilisation, The Commission takes notes of the Committee’ views. The Net-Zero Industry Act also encourages reindustrialisation in Just Transition Fund Territories, less developed and transition regions in Member States eligible for funding under cohesion policy rules, by providing simplified recognition of strategic projects without project promoter’s having to submit a formal application. Skills Academies as envisaged in the proposal would support the availability of a skilled workforce needed for net-zero technology industries in the EU. As stated in the Commission Staff Working Document accompanying the Net-Zero Industry Act¹, Skills Academies also allow lower income regions to access quality educational content. Due to their design and distribution model, the Academies can provide their content to the same standards throughout Europe, reaching areas seeking to reskill/upskill their workforce. |

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¹ SWD(2023) 219 final.
and storage technologies; and energy-system related energy efficiency technologies. They refer to the final products, specific components and specific machinery used for the production of those products. They shall have reached a technology readiness level of at least 8.

In order to benefit from the provisions of the Net-Zero Industry Act, manufacturers of those components would have to substantiate that they are meant to be primarily used for the manufacturing or as part of final products included in the scope of the act.

The scope of the Net-Zero Industry Act proposal refers to those net-zero technologies that have reached at least a technology readiness level 8 (first-of-a-kind commercial – commercial demonstration, full-scale deployment in final form). As explained in the staff working document published on 19 June 2023\(^2\), the reason for this is that the Net-Zero Industry Act (with the exception of Chapter VI on innovation) contains a set of measures aimed at supporting and scaling up the manufacturing capacity of the net-zero industry in the EU. As a result, the net-zero technologies covered by the Net-Zero Industry Act would need to have reached a degree of maturity sufficient to enter an industrial production stage.

| Article 3(1)c: "innovative net-zero technologies" means technologies which satisfy the definition of "net-zero technologies", except that they have not reached a technology readiness level of at least 8, and that comprise genuine innovation which are not currently available on the market and are advanced enough to be tested in a controlled environment. | The technology readiness level aims at clarifying that, under the Net-Zero Industry Act and with respect to Article 26 and 27 on Net-Zero regulatory sandboxes, ‘innovative net-zero technologies’ are technologies which are listed in Article 3(1) of the proposal but which have not reached a technology readiness level of 8, meaning that they comprise genuine innovation which is not currently available on the market. The technology readiness level distinction between net-zero technologies and innovative net-zero technologies is important to understand which regulatory barriers prevent them from being commercially available in the market. As explained in the staff working document published on 19 June 2023, the assessment of technology readiness levels can be made and updated on a continuous basis, relying on scientific consensus, such as the yearly Competitiveness SWD(2023) 219 final. |

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\(^2\) SWD(2023) 219 final.
<p>| Article 4(1): By …[3 months after the date of entry into force of this Regulation], Member States shall designate one or more competent authorities which shall be responsible for facilitating and coordinating the permit-granting process for net-zero technology manufacturing projects, including for net-zero strategic projects, and to provide advice on reducing administrative burden in line with Article 5. | Article 4(3) allows for delegating the responsibilities of a national competent authority to one or more other authorities under certain conditions, in effect allowing Member States to set up more than one one-stop shop. The conditions are that the national competent authority notifies the project promoter of a delegation and that where an additional competent authority exists or a new one has been designated, it too adheres to the principle that merely one single authority coordinates the permit-granting process for any given project. |
| Article 8(1): When preparing plans, including zoning, spatial plans and land use plans, national, regional and local authorities shall, where appropriate, include in those plans provisions for the development of net-zero technology manufacturing projects, including net-zero strategic projects. Priority shall be given to artificial and built surfaces, industrial sites, brownfield sites, and, where appropriate, greenfield sites not usable for agriculture and forestry or protected under Natura 2000. | The Commission assumes that the aim of the Committee’s proposed amendment of Article 8(1) is to ensure that the development of net zero technology manufacturing project should not be prioritised inside Natura 2000 zones. The Commission recalls that net zero technology manufacturing projects can be developed in Natura 2000 zones if conditions of Article 6(3)-(4) of the Habitats Directive and Article 12(3) of Net Zero Industry Act are met. |
| Article 10(2): the CO2 storage projects can demonstrate that local and regional authorities have been consulted on the project. | The Commission takes note of the Committee’s view. In relation to environmental assessment and authorisations, the Commission notes that such compliance is already envisaged in Article 7(3) in line with relevant existing legislations. |
| Article 11(3): Member States shall assess the application referred to in paragraph 1 through a fair and transparent process within a month. The absence of a decision by Member States within that time frame shall constitute an approval of the project. In cases where the local and | The Commission takes note of the Committee’s view. On the basis of the subsidiarity principle, national legislations have the freedom to set out their respective processes for the granting of the strategic net-zero project status. |</p>
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<th>Article 16(5)c: The option of CO₂ storage to the end of enhanced oil recovery should be excluded here.</th>
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Article 19(3): Contracting authorities and contracting entities should give the tender’s sustainability and resilience contribution a *reasoned weighting* in the award criteria, without prejudice of the application of Article 41 (3) of Directive 2014/23/EU, Article 67 (5) of Directive 2014/24/EU or Article 82 (5) of Directive 2014/25/EU for giving a higher weighting to the criteria referred to in paragraph 2, points (a) and (b).  

The proposal aims to strengthen the role of sustainability and resilience criteria in public procurement, auctions and the designing of government schemes, which is why the word ‘shall’ was chosen. It should be noted that the Commission will be preparing guidance for Member State authorities with regards to the criteria to assess the resilience and sustainability contribution of available products covered by the forms of public intervention covered under Articles 19, 20 and 21 of the Net-Zero Industry Act.

The percentage of 15-30% aims at striking a balance between giving contracting authorities and entities a certain amount of flexibility whilst ensuring that the aims of the proposal are not circumvented. Concepts such as ‘reasoned weighting’ would create unclarity in this context. In addition, all weightings need to be mentioned in the procurement documents and they need to have a reasoning behind them (even if only internal to the contracting authority).

Article 19(4): For the technologies concerned by Annex I, the contracting authorities and contracting entities should run the tendering procedure in an accelerated procedure to the extent possible.  

The Commission takes note of the Committee’s view.

The Commission notes that Member States will participate in the governance structure via the Net-Zero Europe Platform on Skills (see Article 25 of the proposal).

Reference to Articles 165 and 166 of the Treaty on the Functioning of the European Union (TFEU)
cooperation on education, shall be strictly observed when implementing the following objectives: […]

seems redundant since any legislation should be in compliance with the EU Treaties.

As per Articles 165 and 166 TFEU, Member States are competent for the content and organisation of teaching and education systems, as well as vocational training. EU actions shall encourage cooperation and support and supplement the action of Member State. In line with this, the Net-Zero Industry Act does not create new education and/or training institutions: the proposed Academies will develop learning content and offer this to education and training providers in Member States to use as part of their education and training activities. This is an offer, not an obligation, and therefore supports the action of Member States. Academies offer but do not impose any learning content on Member States. Learning content developed by the Academies can supplement but in no way replaces learning content developed in the Member States.

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<th>New article after article 23: European Net-Zero Industry Valleys</th>
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<td>The Commission shall support, including through the provision of seed-funding, the establishment of European Net-Zero Industry Valleys, which have as their objectives to:</td>
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<td>a) create favourable conditions for the development of a specific European net-zero technology in a designated region;</td>
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<td>b) reindustrialize regions particularly affected by structural changes and the departure of key industries and thus contribute to a just transition;</td>
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<td>c) take advantage of skilled labour in these regions to reskill them to respond to the needs within the Net-Zero Industry Valley.</td>
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The Commission takes note of the Committee’s view.

Regional convergence aspects are included in the proposal. In fact, it promotes the development of net-zero manufacturing projects in less developed and transition regions by granting them a simple and automatic access to strategic status.
national competent authorities. Member States and, if restricted to a given territory, the affected regions that have established net-zero regulatory sandboxes shall coordinate their activities and cooperate within the framework of the Net-Zero Europe Platform with the objectives of sharing relevant information. […] The lessons learned from the use of regulatory sandboxes should also be assessed in the context of the better regulation agenda of the EU and discussed in the Fit for Future Platform, including against the background of its compatibility with the principle of active subsidiarity.

<table>
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<th>Article 29: Structure and functioning of the Net-Zero Europe Platform</th>
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<td>1. The Platform shall be composed Member States, representatives of the CoR and of the Commission. It shall be chaired by a representative of the Commission. […]</td>
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<td>4. The Platform shall meet at regular intervals to ensure the effective performance of its tasks specified in this Regulation. Where necessary, the Platform shall meet at the reasoned request of the Commission or a simple majority of its members. […]</td>
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<td>8. Where appropriate, the Platform or the Commission may invite experts, particularly from the local and regional level, and other third parties to Platform and sub-group meetings or to provide written contributions. […]</td>
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The proposal states that the Platform will be a reference body in which the Commission and Member States can discuss, exchange information, share best practices on issues related to this proposal, and in which the Commission may get input from third parties such as experts and representatives, for example, from the net-zero industry.

As the Net-Zero Industry Act has implications for local and regional administrations, their involvement in Net-Zero Industry Act implementation and coordination with their respective national governments but also the Commission and stakeholders is key.

3 SWD(2023) 277 final.
<table>
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<td></td>
<td>156th plenary session – July 2023</td>
</tr>
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<td></td>
<td>Rapporteur: Andries GRYFFROY (BE/EA)</td>
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Reform of the EU electricity market design
Mandatory
COM(2023) 148 final
COR-2023-02118-00-01 – ENVE-VII/039
156\textsuperscript{th} plenary session – July 2023
Rapporteur-general: Josef FREY (DE/GREENS)
DG ENER – Commissioner SIMSON

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Amendments and points of the opinion of the European Committee of the Regions considered essential

1. The European Committee of the Regions (CoR) regrets that the targets of the current directive were not fully achieved, but acknowledges that it contributed to reducing pollution and improving water quality in European lakes, rivers and coastal areas, thereby benefiting the environment and improving the well-being and health of EU citizens.

2. The revision should be fully consistent with legislative proposals such as the reviews of the Directives on Environmental Quality Standards, Bathing Water and the Marine Strategy Framework and the Evaluation of the Sewage Sludge Directive.

3. The CoR emphasises that the framework needs to be risk-based, goal-oriented and

The Commission regrets as well that the targets of the current directive were not fully achieved. The Commission is taking active action to improve the situation by providing the necessary funds for the infrastructure but also launching infringement cases when necessary. As highlighted in the REFIT evaluation\(^1\) of the Directive, the situation greatly differs from one Member State to another even if at EU level the distance to target remains relatively low (1% for collection, 6% for secondary treatment and 7% for tertiary treatment) – see Table 3 of the Refit Evaluation.

One of the objectives of the proposal of the Commission was to align the revised Urban Waste Water Treatment Directive (UWWTD) with the ambition of the Green Deal. Several concrete actions are included in the proposal aiming at reducing greenhouse gas emissions, optimize energy use and production, further reduce water pollution, improve circularity of the residues. Particular attention was given to ensure the consistency of the new proposal with the proposal on Environmental Quality Standards and with the evaluation of the Sewage Sludge Directive.

The proposal is built on the risk-based approach to ensure that investments will take place where

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flexible enough to account for local and regional differences within and among Member States. The one-size-fits-all approach could lead to disproportionate costs in relation to environmental benefits achieved, particularly in relation to the requirements on nitrogen removal.

The CoR urges the Commission to ensure coherence of EU water legislation so that the construction and expansion of treatment plants in growing regions or cities is possible.

4. The lack of coherence has already led to counter-productive bans on expansions of wastewater treatment plants. To make the Directive future-proof, an exemption from the non-deterioration ban should be provided where technical treatment measures cannot further compensate for a growing population;

Apart from Mayotte having been defined more recently as ‘outermost region’, the Commission does not see any reason to include specific requirements or extended deadlines for the outermost regions. The application of the risk-based approach is sufficient to take into account the specific situations of outermost Regions.

5. The CoR calls on the Commission to establish provisions adapted to the reality of the outermost regions to take account of their particular context in the treatment of urban wastewater.

6. The CoR supports the introduction of the Extended Producer Responsibility (EPR) scheme, aligning with the Green Deal regarding control at source and the Polluter Pays Principle (PPP). The EPR scheme is a necessary precondition to ensure the maintenance of the environmental benefits.

The Commission agrees and takes note of the Committee’s opinion and will take it into account within subsequent interinstitutional negotiations.
affordability of water services as well as a socially fair financing instrument to address the treatment of micropollutants in wastewater. It could create a level playing field for industries affected, reducing environmental dumping and the associated risks. The scheme will also act as an incentive for the developing of more environmentally friendly products, giving industries competitive advantages.

7. The CoR recalls the experience gained with the selective monitoring of SARS-CoV-2 and welcomes the planned expansion of the monitoring of viruses, other pathogens and pollutants in municipal wastewater in order to ensure the best possible health protection for the population.

The Commission agrees and takes note of the Committee’s opinion and will take it into account within subsequent interinstitutional negotiations.

9. The CoR believes that clear, ambitious and realistic timeframes are a central component for a successful implementation of the UWWTD; considers that an extension of the proposed deadlines would enable its efficiency as well as coordination with other legislation.

Based on the experience of the existing directive, the Commission gave a lot of attention to the deadlines included in the proposal. All these deadlines were calculated to be progressive until 2040 and consistent amongst themselves. Attention was also given to the deadlines included in other related directives such as the 2027 deadline of the Water Framework directive for achieving good status of the EU waters.

10. The CoR fears that the indication of total costs in the Impact assessment is heavily underestimated\(^2\). The extension of the scope of the Directive and the increase of requirements will result in a significant increase in investment costs as well as in operational expenditure. It will therefore be necessary to establish funding mechanisms for the competent authorities to cover these costs.

As detailed in full transparency in Annex 4 of the impact assessment\(^3\), the cost figures are based on reference cost functions used in the sector since several years. These functions were applied to the different envisaged scenario with the support of the Joint Research Centre (JRC) having a database with more than 25,000 wastewater treatment plants. In addition, very prudent hypothesis was applied to assess the costs and financial benefits of reaching energy neutrality. There is therefore no objective indication of an underestimation of the costs.

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\(^3\) Proposal for a revised Urban Wastewater Treatment Directive (europa.eu)
11. The CoR supports the proposed objective to reach energy neutrality, but underlines that the proposal needs to be more flexible to take into account the different conditions across regions and cities. Renewable energy is often technically infeasible for production and use on-site. Therefore, renewable energy produced both on- and off-site, should also be taken into account for achieving this neutrality goal. Furthermore, the use of renewable energy by treatment plants, regardless of its origin, should also be considered to achieve this neutrality goal.

The Commission agrees that renewable energy could be produced offsite for instance from residues of the treatment process (sludge) or with renewable energy installations (wind/sun) at the vicinity of the installations. The Commission takes note of the Committee’s opinion and will take it into account within subsequent interinstitutional negotiations. Nevertheless, experience from most advanced Member States shows that 100% neutrality is already achieved without including renewable energy from other sources. Moreover, the objective of energy neutrality is to be met at national level, leaving enough flexibility to ensure that efforts are made in the facilities where it makes most sense.

12. The CoR highlights that pollution needs to be addressed at source in addition to end-of-pipe solutions; underlines that control at source is an important step in enabling the reuse of sludge and water.

The Commission agrees with the Committee and has included in Article 14 precise requirements to track pollution at source so that sludge and treated water could be more safely and easily recovered.

13. The CoR is of the opinion that individual systems are an adequate solution for the treatment of wastewater in isolated and sparsely populated areas and in the outermost regions; underlines that collection of wastewater in these areas is costly and inefficient and does not necessarily provide better environmental benefits and, for such cases, calls for decentralised solutions with adequately functioning individual systems, to be regulated within the Member States or at the regional level, where requirements take into account local and regional conditions, and environmental and health protection are not compromised.

The Commission recalls that the main requirements of this text apply only from agglomerations above 1.000 inhabitants. Even in these agglomerations, individual systems are allowed under some conditions detailed in Article 4 of the proposal. European based minimum standards for the design and functioning of such individual systems are needed to ensure a minimum level of performance while simplifying and harmonising the market. It will reduce administrative burden as there will be no need to make these systems conform in each Member State. The Commission recalls that under the current Directive individual systems have already to provide the ‘same level of environmental protection’ than in centralised
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<th><strong>such systems and small wastewater treatment systems entails considerable construction and operating costs and also requires qualified staff; this may be disproportionate, and alternatives such as nitrification as proof of good cleaning efficiency should therefore be permitted.</strong></th>
<th><strong>facilities. This was not changed in the proposal.</strong></th>
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<tr>
<td>14. The CoR agrees to use delegated acts and implementing acts to supplement or amend provisions to adjust to technical or scientific progress, but only if used sparingly; all essential requirements must already be laid down in the Directive; urges the setting of all significant requirements in the Directive to allow for transparency and securing of relevant input from Member States, regions and municipalities.</td>
<td><strong>The Commission considers that all essential elements are included in the Directive and not subject to delegation.</strong></td>
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<td><strong>16. The CoR considers it necessary to make a firm commitment to reusing treated water and, in particular, including targets to improve wastewater collection networks in the integrated urban wastewater management plans so as to prevent the infiltration of wastewater into the subsoil, and the infiltration of brackish water and/or freshwater into networks that affect urban wastewater treatment and reuse capacity.</strong></td>
<td>In line with the principle of subsidiarity and due to the variety of situation amongst Member States in terms of access to water, droughts, type of agriculture and industry etc, the Commission has not included mandatory targets for water reuse. Nevertheless, it is proposed to require a ‘systematic’ consideration of water reuse by the operators. The Commission agrees on the necessity to limit infiltrations, which is already a requirement under the existing Directive (Annex 1) and was kept in the proposal.</td>
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<td><strong>17. The CoR stresses the need to strengthen the requirements on monitoring and reporting, as they are central in verifying compliance and the progress of implementation; with regard to associated costs, highlights that it is important that monitoring and reporting are carried out only to the extent necessary to fulfil the purpose of protecting human health and the environment.</strong></td>
<td>The Commission agrees on the necessity to strengthen monitoring and reporting. In the proposal, attention was given to ensure a good equilibrium between the additional costs of monitoring and reporting and the added value in terms of compliance checking. Other data are needed for instance to better understand greenhouse gas emissions or water pollution due to rainwater or to better track pollution at source. These additional monitoring efforts will help to better identify the remaining sources of pollution and plan and design future possible additional</td>
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18. The CoR underlines that the proposal is essentially in line with the principle of subsidiarity; doubts, however, that Article 19 – Access to sanitation – and the associated reporting requirements then set out in Article 22 – can be justified within the meaning of the subsidiarity principle, since transnational aspects are missing; is concerned about its compliance with the principle of proportionality and the one-size-fits-all approach proposed; therefore, calls for a risk-based approach and greater flexibility within the framework to ensure that the burden on the LRAs is not excessive in relation to the objective of protecting human health and the environment.

The requirements on access to sanitation in the proposal are directly in line with Sustainable Development Goal (SDG) 6 and principle 20 of the European Social Rights. It is essential for the Commission to ensure that all EU citizens have access to sanitation. Nevertheless, Article 19 of the proposal leaves a large autonomy to the Member States and their local competent authorities to define more precisely how to implement these principles.

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4 The European Pillar of Social Rights in 20 principles - Employment, Social Affairs & Inclusion - European Commission (europa.eu)
<table>
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<tr>
<th>Amendment 5, Art 1.2:</th>
<th>The Commission proposal revises air quality standards in two steps. First, it sets intermediate 2030 EU air quality standards, more closely aligned with the World Health Organisation (WHO), which fully take into account technical feasibility and socio-economic considerations. The impact assessment found that some 6% of sampling points would not be expected to meet the corresponding air quality standards without additional effort at local level or may need time extensions. Article 18 of the proposal provides for such time extensions, under specific conditions. The impact assessment also found that if standards were fully aligned with the WHO Air Quality guidelines in 2030, 71% of air quality sampling points in the EU would not be expected to meet the corresponding air quality standards without additional effort at local level (and in many of these instances would not be able to meet these standards at all with technical feasible reductions only). Second, the Commission proposal also sets a clear trajectory for reaching a zero-pollution objective, fully aligned with science, at the latest by 2050, through a regular review mechanism. This will make it possible to move to full alignment with WHO guidelines as soon as new technology and policy developments allows it.</th>
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<td>Ammendment 18, Annex I – Section 1</td>
<td>[This amendment proposes changes to the proposed air quality standards corresponding to Amendment 5]</td>
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Amendment 6, Art. 3.4 and 3.5(new):

4. Where the Commission considers it appropriate, as a result of the review, it shall present a proposal to revise air quality standards or to cover other air pollutants **within one year of the publication of the review**. Such proposals shall be developed in line with the non-regression principle.

5. **The first review shall include a detailed assessment on pollutants of emerging concern such as ultrafine particles, black carbon, ammonia and particulate matter less than 1 micron in size. This assessment shall be based on studies evaluating the impact of these pollutants on human and environmental health.**

Amendment 9, Art 16

4. **In order to help the competent authorities to assess the contribution from natural sources to air pollution in their territory, the European Commission shall review and update the existing guidance document no later than 31 December 2026, in particular regarding the methods to quantify any natural contribution to the average exposure reduction obligation.**

Amendment 10, Article 18.1

1. Where, in a given zone, conformity with the limit values for particulate matter (PM10 and PM2.5) or nitrogen dioxide cannot be achieved by the deadlin**es** specified in **Tables 1 and 1a** of Section 1 of Annex I, because of site-specific dispersion characteristics, orographic boundary conditions, adverse climatic conditions, transboundary contributions or because of disproportionate cost of implementation which exceeds the cost of inaction, a Member State may postpone that deadline once by a maximum of 5 years for

The Commission notes that, in order to safeguard legal certainty, it would be advisable to avoid references to guidance or guidelines in legislative acts without specifying the legal nature and legal basis of such documents.

The Commission notes that the Committee’s policy recommendations ‘highlight […] the fact that the costs of an ambitious policy to fight air pollution are far outweighed by the benefits for the economy, nature, climate and particularly health, especially considering the cost of inaction, in particular for people living in vulnerable conditions, as pollution is the leading environmental cause of disease and premature death around the world’.
that particular zone if the following conditions are met: […]

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<th>Amendment 10, Article 18.1</th>
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<td>(d) the air quality plan referred to in point (a) outlines how additional funding, including via relevant national and Union funding programmes, will be <strong>earmarked and mobilised</strong> to accelerate the improvement of air quality in the zone to which the postponement would apply.</td>
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<th>Amendment 10, Article 18.2</th>
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<td>2. [...] <strong>The Commission shall assist competent authorities in the identification of possible forms of EU support for the administrative and financial efforts that the above-mentioned measures imply.</strong></td>
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<th>Amendment 11, Article 19.6</th>
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<td>When preparing air quality plans, Member States shall ensure that stakeholders whose activities contribute to the exceedance situation are encouraged to propose measures they are able to take to help end the exceedances and that non-governmental</td>
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|  | The 2021-2027 cohesion policy framework includes mandatory earmarking for Policy Objective 2, a legal target for funding contributing to climate objectives, as well as a spending objective for biodiversity goals. These may include investments in air quality. However, there is no separate earmarking for investments in air quality. |
|  | The EU and Commission continue to provide implementation support in the form of funding, as well as through the Environmental Implementation Review (EIR), and its “Peer-to-Peer tool”.
Overall, an estimated EUR 147 billion will be available for clean air directly or indirectly in the current funding period for 2021-2027, about 8.3% of the multiannual financial framework. This involves a number of funding programs, including the recovery and resilience facility, cohesion policy, the Connecting Europe Facility, rural development funding, Horizon Europe and the LIFE program for the environment, as well as InvestEU support.
The Commission has also published a guide on funding for environmental action[^3]. |

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1. Also see COM(2018) 330 final and [https://europa.eu/!9HQN7h](https://europa.eu/!9HQN7h)
2. [https://europa.eu/!Vcv36r](https://europa.eu/!Vcv36r)
organisations, such as environmental organisations, consumer organisations, organisations representing the interests of sensitive population and vulnerable groups, other relevant health-care bodies and the relevant industrial federations are allowed to take part in those consultations.

**Member States shall ensure that local and regional authorities representing those areas likely to be significantly affected by the air pollution exceedances that determined the need to draft air quality plans are allowed to take part in those consultations.**

**Amendment 11, Article 19.8**

8. *The Commission shall facilitate the elaboration and implementation of the air quality plans, where appropriate, through an exchange of best practices. The Commission shall establish guidance on the elaboration, implementation and revision of air quality plans, specifically tailored for local and regional authorities.*

**Amendment 12, Article 20.6**


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<td><strong>Amendment 11, Article 19.9</strong></td>
<td><strong>Amendment 12, Article 19.9</strong></td>
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<td><strong>9. Air quality plans shall be drafted in coordination with relevant national air pollution control programme prepared according to Directive (EU) 2016/2284.</strong></td>
<td><strong>Recital 31 of the Commission proposal states that ‘(to) ensure coherence between different policies,[..] air quality plans should where feasible be consistent with plans and programmes prepared pursuant to Directive 2010/75/EU 2001/80/EC of the European</strong></td>
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The EU and the Commission continue to provide implementation support in the form of funding, such as under cohesion policy and the LIFE programme, as well as through dedicated Clean Air Dialogues with Member States, the Environmental Implementation Review (EIR), and its “Peer-to-Peer tool” that support exchange of good practices.

In order to safeguard legal certainty, the Commission advises to avoid references to guidance or guidelines in legislative acts without specifying the legal nature and legal basis of such documents.

The proposed revision of the Ambient Air Quality Directives would continue to leave the choice of measures to achieve air quality standards to the Member States. Requirements for air quality plans are set out inter alia in Articles 18 and 19 and in Annex VIII of the Commission proposal.

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4 Also see COM(2018) 330 final and [https://europa.eu/9HQN7h](https://europa.eu/9HQN7h)
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<th>Amendment 14, Article 22</th>
<th>The Commission notes that the scientific evidence available on health effects of pollutants of emerging concern is limited, in particular when it comes to detailed quantitative assessments. The health effects of ozone, the formation of which stems from ozone precursors, are included in Article 22.1(e) of the Commission proposal.</th>
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<tr>
<td>Member States shall ensure that the public <strong>and local and regional authorities</strong> as well as appropriate organisations such as environmental organisations, consumer organisations, organisations representing the interests of sensitive populations and vulnerable groups, other relevant health-care bodies and the relevant industrial federations are informed, adequately and in good time, of the following:</td>
<td>(f) contribution to health and environmental damage caused by pollutants of emerging concern and ozone precursors,</td>
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<td>(…)</td>
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<td><strong>Amendment 15, Article 27.1</strong></td>
<td>The interest of any non-governmental organisation which is a member of the public concerned or a sub-national public authority representing all or part of the public concerned shall be deemed sufficient for the purposes of the first paragraph, point (a). Such organisations shall also be deemed to have rights capable of being impaired for the purposes of the first paragraph, point (b).</td>
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<td>The Commission does not consider it appropriate to include sub-national public authorities as representatives of the public concerned in matters of access to justice, since the purpose of Article 27 is to provide legal recourse to citizens and the civil sector to challenge decisions, acts or omissions of the Member State, which may include sub-national public authorities. Article 27 is not intended to serve as a means of settling disputes between different governance levels in the Member State.</td>
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<td><strong>Amendment 16, Article 27.3</strong></td>
<td>3. The review procedure shall be fair,</td>
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<td>The Commission considers that effective redress mechanisms, which may include</td>
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equitable, timely and not prohibitively expensive, and shall provide adequate and effective redress mechanisms, including injunctive relief as appropriate. **Member States shall ensure that the courts or other independent and impartial review bodies are able to apply effective coercive measures.**

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<th>equitable, timely and not prohibitively expensive, and shall provide adequate and effective redress mechanisms, including injunctive relief as appropriate. <strong>Member States shall ensure that the courts or other independent and impartial review bodies are able to apply effective coercive measures.</strong></th>
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| **Policy recommendation 6**  
6. highlights that it may be challenging to strengthen existing and planned measures before 2030, in several of the relevant policy files, such as mobility, industry, climate, energy and agriculture. It is important for local and regional authorities to gain an understanding of the social impact for residents, entrepreneurs, visitors, and matters such as enforcement, transitional arrangements and financial consequences so as to take decisions. Public consultation process and timely and clear communication are very important for public acceptance. |
| Many of the existing policies at EU level, for instance on climate and transport, will help improve air quality. This will lower the cost of the proposed new air quality standards substantially. Overall, the impact assessment found that costs for achieving the new standards are expected to remain well below 0.1% of gross domestic product (GDP), and at least 7 times lower than the benefits to economy and society. In 2030, the impact assessment expects total gross benefits for society of about EUR 42 billion to EUR 121 billion, compared to a total cost of about EUR 5.7 billion for reducing air pollution and related administrative costs.  
Positive impacts on output by industry, the power and services sector, and crop production are also expected over time. |