



Council of the European Union
General Secretariat

Brussels, 15 March 2018

WK 3180/2018 INIT

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WORKING PAPER

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From:	General Secretariat of the Council
To:	Working Party on Energy
Subject:	Regulation on governance of the Energy Union - EWP 22/3 - Climate issues

In view of the Energy Working Party on 22 March 2018, delegations will find in the annex a working document on the Regulation on governance of the Energy Union (climate issues).

With a view to the preparation of the next technical meeting with the EP on the Governance the PCY proposes the EWP on 22/03 to hold general discussions on the issues related to the long-term low emission strategies.

Although there are some converging elements in the Council GA and the position of the EP, still some major differences remain regarding the deadlines, long-term vision and the requisites of the strategies.

The table below provides comparison between the Council GA and the position of the EP and contains suggested approach/questions put forward by the PCY to guide the discussions.

On the basis of the flexibility expressed by the delegations the PCY will decide the way forward and will introduce the relevant changes in the draft text.

Long term strategies

The integrated national energy and climate plans and their template as in the Council General Approach and the long-term strategies and the new annex as proposed by the Parliament contain various similar elements. While this is only logical, they will consider these elements with a different time perspective (10 years bearing in mind the longer time perspective for the national plans vs a perspective of at least 30 years for the long term strategies), and in a different context (e.g. plan vs strategy, link with mid-century strategy under the Paris Agreement).

The common elements include issues such as:

- Executive summary;
- Context;
- National and EU policy context;
- Consultations
- Consultations with public and stakeholders (parliament, local and regional, public, other relevant stakeholders);
- Consultations with other Member States;
- Greenhouse gas emission reductions and removals by sinks;
- Renewable energy trajectory;
- Energy efficiency trajectory;
- The sectorial strategies have common elements with the policies and measures section of the national plans;
- Financing;
- Analytical basis and socio-economic impacts;

New element in the EP position on the LTS is **p. 3 – Sectorial strategies**.

Council GA	EP position Am. 123	Suggested approach/Questions to delegations
<p>Art. 14, para 1, a Who: The MS When: by 1 January 2020, and every 10 years thereafter</p>	<p>Who: The Commission and MS When: by 1 January 2019, and every 5 years thereafter</p>	<p><i>The PCY suggests accepting the EP proposal that the COM and the MS shall prepare LTSs (as is the current regime in the MMR) and keep the GA on the rest. Could delegations accept such an approach? Could you show some flexibility regarding the deadline proposed by EP?</i></p>
<p>Content: The original proposal of the COM with changes in:</p> <ul style="list-style-type: none"> - art. 14, para 1 – at least 30-years perspective; - art. 14, para 2,a, b- inclusion of waste; - art, 14, para 3 – consistency with the plans; 	<p>Content:</p> <ol style="list-style-type: none"> 1. additional elements in Art. 14, para 2 2. references to public participation and publicity of the supportive analysis and data (Art 14 para 4) 3. reporting by Member States on progress with the Long term strategies (Art. 15, para 2, point a,c – Am. 127) 4. Support by the Commission (Art 14 para 4a) 5. Assessment and recommendations by the Commission (Art 14 para 4b) 6. additional Annex IIa (am. 277) + mandate for a delegated act to modify it (Art. 14, para 2a) 	<p><i>1. The PCY sees certain degree of possible compromise with the EP in point 1 and could redraft the relevant text accordingly. To enable the PCY to do so the delegations are kindly asked to indicate which elements in the EP position on the content of the LTSs (points 1 in the second column) can <u>NOT</u> support.</i></p> <p><i>2. PCY suggests to accept references to public participation and publicity of the supportive analysis. Public participation is already required under existing legislation on public participation in decision making relevant to environmental issues.</i></p> <p><i>3. PCY suggests to accept this as this reporting is already included in Article 16 and Annex IV point (b).</i></p> <p><i>4. PCY suggests to accept a supporting role for the Commission as per four-column document 6430/1/18 distributed.</i></p>

		<p>5. PCY invites comments on whether assessment and recommendations by the Commission can be acceptable.</p> <p>6. On AM. 277 the PCY sees as a possible way forward a compromise with the EP on an annex with minimum requirements aiming to facilitate MS in the preparation of the LTS while keeping at the same time the administrative burden low. If you support such an approach could you indicate which elements proposed by the EP in Annex IIa to be taken on board?</p>
<p>Objectives:</p> <ol style="list-style-type: none"> 1. fulfilling the commitments under the UNFCCC and the Paris Agreement; 2. reaching the goals under PA; 3. achieving long-term greenhouse gas emission reductions and enhancements of removals by sinks in all sectors in line with the Union's objectives; 	<p>Objectives:</p> <ol style="list-style-type: none"> 1. Limiting the Union's GHG emissions below its fair share of remaining carbon budget (Art 14(b)) 2. Achievement of a net-zero emissions within the Union by 2050 and go into negative emissions soon thereafter (Art 14 (c)) 3. By no later than 2050, achieve a highly energy efficient and renewables based system within the Union 	<p>As a possible compromise the PCY suggests the general references to the Paris Agreement and its objectives to be reinforced throughout the text.</p> <p>In addition delegations are kindly asked to indicate their flexibility to the EP amendments regarding the objectives of the LTSs.</p>

Carbon budget

The IPCC report expected in October 2018 with assessment of the global carbon budget will be a milestone for setting further policies and measures with respect to achieving the targets under the Paris Agreement.

The EP introduces obligations for the COM *“to report on the remaining global carbon budget that is consistent with pursuing efforts to limit the temperature increase to well below 2°C, in particular 1,5°C, above pre-industrial levels and shall publish an analysis of the Union’s fair share for 2050 and 2100”*.

While such an analysis on EU level will be conducted following the IPCC report and the operationalization of the Paris Agreement, the reference introduced by the EP the LTS of the MS to contribute to *“the limiting the Union's greenhouse gas emissions below its fair share of the remaining global carbon budget”* is deemed to be highly premature.

Council GA	EP position	Suggested approach/Questions to delegations
-	<p>Art. 13a – Am. 122 Who: The Commission When: by 1 July 2018 Content:</p> <ul style="list-style-type: none">• assessment of the remaining carbon budget• analysis of the Union's fair share for 2050 and 2100 <p>Objectives: "pursuing efforts to limit the temperature increase to well below 2°C, in particular 1,5°C"</p>	<p><i>Could we show some flexibility towards the EP amendments on carbon budget with more general text, namely: the COM to come up with analysis on the carbon budget and the EU fair share under the EU LTS/mid-century strategy by 1.01.2020 but without introducing further obligations for the MS under Art. 14?</i></p>