

Policy Working Group

Meeting #8 – 24 November 2022



Meeting Agenda

5 min

1) Welcome and approval of Minutes

10 min

2) EU & International Policy Updates

35 min

3) Debrief of SET Plan Conference

7,5 min

4) SUPEERA Developments

12,5 min

5) Open Consultations

5 min

6) For your agendas

5 min

7) AOB

A green hexagon containing the number 1, with two vertical lines (one white, one green) above it.

1

**Welcome and approval
of the minutes of last
POL WG meeting**

Minutes last EERA Policy Working Group – 25 October 2022



EERA Policy Working Group Minutes – 25 October 2022

EERA Policy Working Group MINUTES

Date 25 October 2022
Time 10.00 - 11.15
Location Online

1. Participants

Name	Organisation	Name	Organisation
Adel El Gammal	EERA	Paola Mazzucchelli	CIRCE
Alessandro Scialo	UNITO	Peter Støa	SINTEF
Ganna Gladkykh	EERA	Pinar Derin	METU
Hanna Kuittinen	Tecnalia	Raffaello Guerin	EERA
Henry Jeffrey	Univ. of Edinburgh	Rosita Zili	EERA
Holger Ihssen	Helmholtz	Sofia Simões	INEG
José Rosa	EERA	Tanja Ivanic	IFPEN
Julien Balsen	EERA	Vito Di Noto	UNIPD
Karina Veum	TNO	Vanessa Polito	ENEA
Katrin Mögele	Fraunhofer		

2. Agenda

- Welcome and approval of the minutes of last POL WG meeting (15.09.22) - INFORMATION
- Debrief of EERA High-Level Policy Conference - INFORMATION
- EU & International Policy Updates - INFORMATION & DISCUSSION
 - Energy Crisis & EU policy developments
 - Other key energy and climate files (hydrogen, critical materials etc.)
 - International developments (COP27, IEA reports, US Inflation Reduction Act etc.)
- SUPPEERA - Policy Brief on Biodiversity & Webinar on Critical Materials - INFORMATION & DISCUSSION
- Consultations - INFORMATION
- For your agendas - INFORMATION
- AOB

3. Debrief of the meeting

- Welcome and approval of the minutes of last POL WG meeting (15.09.22) - INFORMATION

Minutes were approved.

2. Debrief of EERA High-Level Policy Conference (HLPC) – INFORMATION

- The Conference included **High-level representatives** from IPCC, the European Commission, EuroCities, EIT Climate-KIC, the Belgian Government, EIT InnoEnergy, Clean Energy Transition Partnership, among others.
- It marked the official launch of the **EERA REPowerEU Manifesto**.
- 85 in-person participants.
- 115 online participants.

The **EERA Manifesto** is a collaborative work between JPs and the Secretariat highlighting complementarities of EERA constituencies and following up on the "EERA White paper on the CET". It provides a holistic approach to the repowering challenge, explores a new role for research in facilitating the REPowerEU implementation, and provides detailed technology-related and high-level policy recommendations.

The HLPC included 2 Panel discussions:

- On the socio-economic perspective & cooperation: **Creating the conditions for REPowerEU societal change**.
- On the energy system perspective: **Knowledge implementation, facilitating the implementation of REPowerEU**.

Comments on the High-Level Policy Conference:

Paola Mazzucchelli (CIRCE): The conference was very interesting and well presented. The 2 panels were really interesting and interactive. Great opportunity to meet the community in person. Good feedback and congratulations on the event.

Petter Støa (SINTEF): It was a big success. The White paper and the Manifesto are very solid platforms, focused on the right things: the POL WG can spread the messages contained therein widely. Time is of essence, so more should be done. We need to put ideas to work in a practical sense.

3. EU & International Policy Updates – INFORMATION & DISCUSSION

The European Energy Crisis

Following REPowerEU, three main EU legislative pieces were put forward to tackle the energy crisis:

1 - "Save Gas for a Safe Winter Plan" – 25.07.22:

- Focus on **avoiding consumption**, acting on demand, and fostering alternative supply options.
- Mandatory reduction of 15% of demand at EU level** and reinforcing monitoring and mutual exchange of information to protect the Single Market.
- Measures to reduce gas consumption** and obligation for public buildings to limit heating and cooling temperatures, for instance, at Member State level.

2 - "Emergency intervention to address high energy prices in Europe" – 30.09.22



EERA Policy Working Group Minutes – 25 October 2022

- Electricity demand reduction.
- Cap on market revenues for inframarginal techs.
- Solidarity levy for fossil fuels sector.
- Retail measures for SMEs.

3 - "Energy Emergency – preparing, purchasing and protecting the EU together" – 18.10.22

- A voluntary joint purchasing of gas, except for binding demand aggregation for a volume equivalent to 15% of storage filling needs.
- Energy solidarity measures in case of gas supply disruptions at national, regional or Union level.
- A new benchmark complementary to the Dutch Title Transfer Facility (TTF) to be elaborated by early 2023.
- A temporary EU framework to cap the price of gas in electricity generation.

Holger Ihssen (Helmholtz) pointed out that the German industry saved a lot of gas in the summer because they stopped producing fertilisers, reaching around 80% in saved gas. It was a simple measure which will impact the future of agriculture (it wasn't structural measures that made it happen).

Petter Støa (SINTEF) emphasised that the POLWG presentation is excellent and asked whether slides could be used by the participants.

Rosita Zili (EERA) confirmed that the POLWG presentations are indeed open-source, so of course, they can be spread and used by participants.

Henry Jeffrey (Univ. of Edinburgh) commented that there is a lack of awareness regarding the EU electricity that is produced from gas, as it is usually perceived as being used for heating. In truth, to save gas we also need to save electricity. Additionally, he asked if there are campaigns that EERA could join to raise awareness about where people's electricity comes from, which would be then related to the Commission's goal of communicating with and to citizens.

Rosita Zili (EERA) replied that there is an awareness at policy maker level that electricity prices are connected to gas prices. A reform is planned for next year, and the main issues will be tackled.

Henry Jeffrey (Univ. of Edinburgh) emphasised that EERA can raise awareness on these kinds of issues.

Rosita Zili (EERA) replied that it is well noted and that EERA will bring up this matter with the European Commission.

Other Key Energy and Climate Files:

State of the Energy Union 2022

Provided an overview of the current energy circumstances in the EU:

- Percentage of Russian pipeline gas in EU imports were from 41 in 2021 to 9% in September 2022.
- Reached 23% of EU electricity from solar from May to August 2022. 11% from wind.

The minutes of the last EERA Policy Working Group are available at this [link](#).

A green hexagon containing the number 2, with two vertical lines (one white, one green) extending upwards from its top edge.

2

EU & International Policy Updates



2.1

COP 27



Key outcomes (1/3)

► Loss and damage fund agreed

- Developing countries seeking financial assistance for **loss and damage**, i.e. money needed to rescue and rebuild the physical and social infrastructure of countries devastated by extreme weather – **for nearly three decades** → achieving **agreement on a fund is a major milestone** BUT **no agreement yet on the specifics** (how the finance should be provided, where it should come from)



► 1.5C target kept alive but “on life support”

- **2015 Paris** agreement → **two temperature goals** 1) to **keep the rise “well below 2C”** above pre-industrial levels 2) “pursuing efforts” to **keep the increase to 1.5C**. Science since then has shown clearly that 2C is not safe → **Cop26** last year agreed to **focus on a 1.5C limit** but as countries’ commitments on cutting GHG emissions were too weak to stay within it, they agreed to return each year to strengthen them – “the **ratchet process**”.
- **Cop27** → 1.5C goal and ratchet process kept in spite of resistance from some countries. Clear though that 1.5C limit is practically unattainable.

► Boost to “low-emissions energy”

- Final text contains a provision to **boost “low-emissions energy”** → **very vague**: critics pointed out that this could also be interpreted to mean gas – lower emissions than coal, but still a major fossil fuel. Many countries at Cop27, particularly those from Africa with large reserves to exploit, came to COP27 hoping to strike lucrative gas deals.

Key outcomes (2/3)

Fossil fuels

- ▶ **COP26** → **landmark commitment to phase down the use of coal** agreed (first time a resolution on fossil fuels had been included in the final text).
- ▶ **COP27** → some countries – led by India – wanted to go further and include a commitment to **phase down all fossil fuels** but **the attempt failed** and the COP26 resolution was maintained.

World Bank reform

- ▶ First time a climate COP backs **reform of giant lenders** such as the **IMF** and **World Bank**
- ▶ Reform could involve a **recapitalisation** to allow them to **provide far more assistance to the developing world** in efforts to adapt to the impacts of the climate crisis

Adaptation

- ▶ Of the **\$100bn a year** rich countries promised developing countries would receive as of 2020 – a promise still not fulfilled – **only about \$20bn goes to adaptation**. At **COP26, countries agreed to double that proportion**, a **commitment** which was **reaffirmed at COP27**.

Key outcomes (3/3)

IPCC & tipping points

- ▶ Since Cop26, the Intergovernmental Panel on Climate Change has published the key parts of its latest assessment of climate science, warning of catastrophic impacts that can only be averted by sharp and urgent cuts in GHG emissions → at COP27 a reference to the **IPCC key finding of “tipping points”** was put in i.e. a warning that **the climate does not warm in a gradual and linear way**, but that we risk tripping feedback loops that will lead to rapidly escalating effects.

Global heating & health

- ▶ Reference in the final text to **“the right to a clean healthy and sustainable environment”**.
- ▶ Increasing presence of **medical professionals in climate talks** → clear link between global heating and health

An insider's view on COP27 – EERA Secretary General Adel El Gammal



Two vertical lines, one white and one light green, extend from the top of the slide.A light green hexagon containing the text '2.2' in white.

2.2

EU Energy and Climate files

Energy Crisis Update (1/2) – EU Gas Price Cap Proposal

Tabled on Tuesday 22 November, available [here](#). **“Market correction mechanism of last resort”** to prevent and, if necessary, address episodes of excessively high prices not in line with global price trends

To be **applied to the Dutch TTF** (EU’s main gas trading hub, +/- 80% of trade) but **only for month-ahead products** (+/- 22% of trade)

Not covered:

Spot and day-ahead products

Over-the-counter trading

If approved by EU countries, the cap will be **in place for a year** and come **into force if two triggers are met:**

- If **month-ahead prices** on the Dutch TTF **exceed €275 for two weeks**
- If the **difference between the TTF price and the global liquified natural gas (LNG) price is €58 or more.**

The regulator **ACER** will monitor the markets → a decision to suspend the mechanism could be taken very quickly

To be seen whether the countries most supportive of a price cap – Poland, Belgium, Italy and Greece – and those most against it, Germany and the Netherlands, will accept the proposal

Energy Crisis Update (2/2) – EC temporary emergency rules for renewable energy projects

*Faster deployment of renewables is necessary for a definitive end to the current emergency as it will immediately and structurally reduce demand for fossil fuels in the **power, heating and cooling, industry and transport** sectors.*

- Published on 10.11.22
- Temporary urgency measure. It is time limited to one year's duration, with a review clause

The regulation introduces:

The overriding public interest nature of renewable energy installation

Quicker permits process for the repowering of renewable energy power plants

Quicker permits process for solar energy equipment (not over 1 month)

Accelerated deployment of heat pumps

Latest developments on the Energy Charter Treaty

Countries that recently decided to withdraw from the ECT – ES, PL, FR, NL, DE, SLO:



► **Energy Charter Treaty**: signed in the 1990s, to shield the investment of oil and gas majors from political instability in the former Soviet Union.

► **Today**: used as a base to sue governments against plans to phase out fossil fuels



► The EU **attempted a reform** of the Treaty, including provisions to cease legal protection for new investments in fossil fuels

✗ Various Members **did not accept** the attempt, shrugging it off as “**insufficient**” and “**inconsistent**” with the goals of the Paris Agreement

☀ Most debated is the “**sunset clause**”, which extends the validity of the ECT’s provisions to investments for 20 years after the date of withdrawal

EC call for projects to deliver on REPowerEU

The [third call for large-scale projects](#) under the **EU Innovation Fund** opened on 3.11.22. It will be focused explicitly on **REPowerEU**, with an approximate budget of **€3 billion** (increased thanks to ETS revenues)

General decarbonisation (budget: €1 billion)

seeking innovative projects in **renewable energy, energy-intensive industries, energy storage or carbon capture, use, and storage**, as well as **products substituting carbon-intensive** ones (notably low-carbon transport fuels, including for maritime and aviation)

Innovative electrification in industry and hydrogen (budget: €1 billion)

seeking innovative projects in **electrification methods to replace fossil fuel use in industry** as well as **renewable hydrogen production** or **hydrogen uptake** in industry;

Clean tech manufacturing (budget: €0.7 billion)

seeking innovative projects in **manufacturing of components as well as final equipment for electrolyzers and fuel cells, renewable energy, energy storage and heat pumps**;

Mid-sized pilots (budget: €0.3 billion)

seeking highly innovative projects in **disruptive or breakthrough technologies in deep decarbonisation in all eligible sectors** of the Fund. Projects should prove the innovation in an operational environment but would not be expected to reach large-scale demonstration or commercial production.

The call is open for projects located in EU Member States, Iceland and Norway **until 16 March 2023**

New European Bauhaus call for innovative projects in cities

€50 Million

Launched on 10.11.22 under the scope of the [European Urban Initiative](#) (EUI)

Projects in one of four areas:

constructing and renovating in a spirit of circularity and carbon neutrality

regenerating urban spaces

preserving and transforming cultural heritage

adapting and transforming buildings for affordable housing solutions

- The EU Regional Development Fund will finance **80%** of the cost of selected projects
- Each project can receive **up to €5 million**
- Part of this funding will support the **transfer** of innovative solutions **to other cities** in Europe

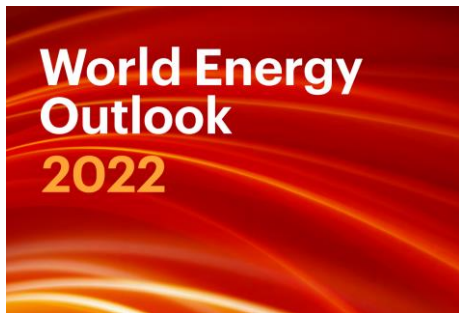
Two vertical lines, one white and one light green, extend from the top of the slide.A light green hexagon containing the text '2.3' in white.

2.3

International updates

IEA World Energy Outlook 2022 & Critical Minerals Policy Tracker

Released on 27.10.22. The main [conclusions of the report](#) include the following:



- Government responses to today's energy crisis → **major turning point towards a cleaner and more secure energy system**
- **Russia's invasion of Ukraine** → **extensive reorientation of energy trade & investment flows**
- **A massive surge in clean energy investment is vital** to keep the door to 1.5 °C open.

Mid-November 2022, available [here](#). It explores the various strategies policymakers use to ensure materials and minerals' supply reliability. Three core themes:

Critical Minerals Policy Tracker

- Ensuring reliability and resiliency to **guard against supply disruptions**;
- Promoting exploration, production and innovation to **diversify raw material supplies**;
- Encouraging **sustainable and responsible practices** across the supply chain.

UNEP Emissions (27.10.22) & Adaptation (1.11.22) Gap Report



- Most G20 members have just started implementing efforts to meet climate targets → expected to fall short of their promises without strengthened action.
- Worldwide, policies currently in place, without further strengthening, suggest a 2.8°C hike in temperatures (compared to pre-industrialization).
- A global transformation to a low-carbon economy is expected to require investments of at least USD 4-6 trillion a year: a relatively small (1.5-2%) share of total financial assets managed.



- At least 84% of UNFCCC Parties have established adaptation plans (+ 5 % compared to 2021).
- The instruments increasingly prioritize disadvantaged groups (e.g. Indigenous peoples).
- Financing yet far from sufficient. → International adaptation finance flows to developing countries are 5-10 times below estimated needs, and this gap is widening. → Estimated annual adaptation needs: \$160-340 billion by 2030 and \$315-565 billion by 2050.

Two vertical lines, one white and one light green, extend from the top edge of the slide.A light green hexagon containing the white number 3.

3

Debrief of SET Plan Conference



Two vertical lines, one white and one light green, extend from the top edge of the slide.A light green hexagon containing a large white number 4.

4

SUPEERA

State-of-play from the policy side (Task 3.2)



► Objectives for end of the year 2022

- 1 Webinar
- 2 Policy Briefs to be published

► Webinars

- *"Paving the way for strategic autonomy: The role of R&I on materials for the energy transition"*
- Thursday 01 December – 10:00 to 11:30 CET → Please **register** [here!](#)
- [Info-pack](#) for reference

► Policy Briefs

- **3rd: European Biodiversity Strategy** → In finalization stage, link to the document [here](#)
- 4th: By mid-December 2022: **Sustainable Carbon Cycles**

Previously published in 2022:

[PB on the Energy Efficiency Directive \(recast\)](#)

[PB on REPowerEU](#)

Previously held in 2022:

[Webinar on Green Hydrogen](#)

Two vertical lines, one white and one light green, extending from the top edge of the slide.

5

Open consultations

EC Public Consultations

Policy Topic	Stage	Close by	
European Critical Raw Materials Act → EERA input submitted on 22.11.22, available here!	Open	25 November 2022	Submit feedback
Ecodesign – European Commission to examine need for new rules on environmental impact of photovoltaics	Open	16 December 2022	Submit feedback
Energy labelling – European Commission to examine need for new rules on environmental impact of photovoltaics	Open	16 December 2022	Submit feedback

A green hexagon containing the number 6, with two vertical lines (one white, one green) extending upwards from its top edge.

6





For your agendas

For your agendas

EERA Events

- ▶ **1st December** – SUPEERA webinar: “*Paving the way for strategic autonomy: The role of R&I on materials for the clean energy transition*” – Register [here](#)!
- ▶ **9th February** – ORIENT-NM final meeting: “*The future of nuclear materials*” – Register [here](#)!

External events

- | | |
|---|---|
|  EU Commission |  Think Tank |
|  EU Presidency |  Media Outlets |

- ▶ **7 December 2022** – [EU Energy Transition – What role for Critical Raw Materials?](#)
- ▶ **15-16 December 2022** – [European Commission info day on Climate, Energy and Mobility](#)
- ▶ **10 January 2023** – [First Plenary Meeting of the Investors Dialogue on Energy](#)



AOB



Thank you

www.eera-set.eu

r.zilli@eera-set.eu