

EPEE NEWS

NOVEMBER-DECEMBER 2008

The European Partnership for Energy and the Environment is pleased to present its bimonthly newsletter. Please note this version is designed for external use and its content has thus been reduced. The full version of the newsletter (including links to key documents, EPEE's comments/action points, calendar of events, "on the intranet" section and "Message from the Director General") is available for EPEE members only.

To receive additional information on EPEE and the benefits of membership, please contact the Secretariat: secretariat@epeeglobal.org

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I. Monitoring & recent events

Key recent events of significance to EPEE members

1. Poznan: Small steps forward but big questions remain

Despite powerful appeals made at the UN International Climate Change conference held in Poznan in December 2008 - the warm-up to Copenhagen 2009 was never expected to deliver major breakthroughs. The executive secretary of the UN Framework Convention on Climate Change (UNFCCC), Yvo de Boer, stated that Poznan was always meant to be a “blue-collar conference that had to deliver practical results.”

Small steps forward were made in the end – tough negotiations led to an agreement on administrative reforms to the adaptation fund, but unfortunately, without consensus on increasing its size. The fund is projected to be worth between \$80 million and \$300 million in 2012 – far from the sums experts are saying are necessary to pay for adaptation. However, the few successes that were achieved were marred by strained relations between developing and developed countries.

Many NGOs voiced their concerns towards the end of the conference as important questions remain unanswered. Further, many developing countries are increasingly frustrated at the lack of response from developing countries on issues such as climate change measures, technology transfer and financing.

Key documents:

For EPEE members only!

2. RES: RES Directive recognises Heat Pumps, Aerothermal and Hydrothermal energy

On 17 December 2008 the European Parliament adopted six legislative proposals, among which the much anticipated renewable energies (RES) directive. The RES Directive was adopted by a massive majority; 635 votes for, 25 against and 25 abstentions. The final

compromise text of the RES Directive recognises for the first time aerothermal and hydrothermal energy as sources of renewable energy, and heat pumps as a renewable energy technology, under EU law.

Preceding the plenary vote during the debate on 16 December 2008, Rapporteur MEP Claude Turmes (Greens, Luxembourg) was hailed by his peers for the strong stance he took during the trilogue discussions between the European Parliament, the Council and the European Commission. Despite the adoption of such a complex and politicised piece of legislation critics have voiced concern over the fact that the directive is imperfect and was indeed adopted out of political realism.

Many MEPs acknowledge that the tight schedule imposed on them, in terms of having the directive approved and adopted, did force them to ultimately give up some of their rights, and perhaps more importantly, their powers as MEPs faced with quite unprecedented Council manoeuvres. In the words of MEP Avril Doyle (EPP-ED, Ireland) "There is no legal provision for heads of state and government to intervene in the co-decision procedure, which is what happened at the European summit last week, on important aspects of the package. This is why I insisted and obtained, during the three-way talks of 13 December, the addition of a recital specifying that the consultation of the European Council cannot, under any circumstances, be considered as a precedent".

Key documents:

For EPEE members only!

Key EPEE actions:

For EPEE members only!

3. EU Institutions: Barroso to create new Energy Directorate

European Commission President Jose Manuel Barroso has recently announced its intention to create by 1 November 2009 a new Directorate-General (DG) focusing only on Energy.

So far, Energy has been under the responsibility of a hybrid "Energy and Transport" DG which reports to both the Energy and Transport Commissioners. A specific Task Force is expected to make detailed proposals on the scope and the structure of such a DG by 1 May 2009. We recall that the Energy section of the DG handles issues such as EUP, Energy Star and energy labelling.

The "Energy and Transport" DG was created by Romano Prodi (former Commission President) with the objective of enhancing synergies between the two policy areas and reduce costs. But the growing concerns surrounding the issues of climate change, energy efficiency, and energy security of supply over the period 2004-2008 have shifted EU's policy priorities and the institutional structure of the Commission now needs to reflect this change.

This announcement also comes along with rumours that the Commission and the Member States might create a “Climate Change and Energy” Commissioner after the European elections of June 2009. This information has however not been officially confirmed yet.

4. ODS: Draft parliamentary report published

For EPEE members only!

Key documents:

For EPEE members only!

Key EPEE actions:

For EPEE members only!

5. EuP: Extended scope of the recast EuP Directive backed by the Council

In December, EU Energy Ministers reached an agreement on the proposal of the Commission to broaden the scope of the EuP Directive to energy-related products. This recast Directive would allow eco-design requirements to be set for products with an impact on energy consumption during their use, such as windows, insulation materials and certain water-driven devices like shower heads and taps.

In the European Parliament, a vote is expected to be achieved in first reading. The Environment committee will vote on the Report of MEP Csibi Magor Imre (ALDE, Romania) on 17 February 2009 and the plenary vote is scheduled for April.

Key documents:

For EPEE members only!

6. GHG: National GHG targets by 2020 adopted by the Parliament

On 17 December, the European Parliament adopted the Report of Satu Hassi (Greens, Finland) setting targets for Member States to reduce their non-industrial GHGs emissions by 20% by 2020 compared to 1990 emissions. Sectors not covered by the EU Emission Trading Scheme (ETS) will have to meet these targets. In practice, this means transport, buildings, services, agriculture, small industrial plants, etc; which represent 60% of total EU GHGs emissions. As from 2013, member States will have a binding national target until 2020.

After tough discussions in trialogue meetings, some flexibility has been introduced in the initial Commission's proposal:

- Member States will be able to transfer up to 5% of their emission allocation for the following or previous year;
- Member States will be able to transfer up to 5% of their emission allocation to another Member State;
- Member States will be able to transfer any unused part of their emission allocation to the following year;
- 1% of their annual target can be reached through projects in least-developed countries and small-island developing countries.
- Member States will be sanctioned if they exceed their emission allocation. The excess emissions will be multiplied by a factor of 1.08 and deducted from their allocation the next year.

If an international post-Kyoto deal is agreed by 2012, the Commission will update the emission cut of at least 30% by 2020.

EU national GHGs targets for 2020 will enter into force after the green light of governments in the Council.

Key documents:

For EPEE members only!

7. **WEEE: Commission to revise electric waste directive**

On 3 December 2008 the European Commission tabled proposals on the revision of the 2002 Waste Electrical and Electronic Equipment (WEEE) directive which could effectively force electrical equipment manufacturers to finance the collection of waste appliances from households. This has caused bitter reactions from the industry – going so far as to saying that industry is 'disgusted' by the revision proposal.

Industry representatives are also upset over a new mandatory collection target equal to 65% of the average weight of electrical and electronic equipment placed on the market over the two previous years in each member state.

On the opposite end of the spectrum, the European Environmental Bureau (EEB) stated that they were pleased with the proposal as it "safeguards the environmental objectives of the original directive" – despite this, the EEB said that the suggested solutions to areas of weaknesses timid steps towards reducing the environmental impact of Europe's discarded electronics."

Key documents:

For EPEE members only!

8. RoHS: Overhaul plans for RoHS angers industry and environmentalists

Along with the proposed revision of the WEEE Directive, the European Commission proposed in early December 2008 its intention to revamp the Directive on Restricting Hazardous Substances in electrical and electronic equipment (RoHS Directive). The plans have been poorly met by both industry and environmental groups, with some industry representatives calling the plans “even more ill-conceived than the original directive”.

The European Commission wants to extend the scope of the RoHS directive to cover medical devices and monitoring and control instruments. In addition a list of ‘priority’ substances posing particular environmental concerns should be assessed in accordance with the REACH regulation. The Commission has said that the revision of the RoHS and WEEE Directives could lead to savings of up to €66 million.

The Commission hopes that the revision will lead to improved compatibility between the WEEE and RoHS Directives and other legislative texts.

Key documents:

For EPEE members only!

9. Energy efficiency: Commission publishes two proposals on EPBD and Energy Labelling as part of Action Plan on energy efficiency and energy security

For EPEE members only!

10. Eco-label: EU environment ministers suggest carbon footprint

Ministers have called on the European Commission to develop “as soon as possible” a common methodology to calculate the carbon footprint of products. They have suggested to include CO2 emissions as a criteria in the development of future new Eco-labels.

So far, there is no clear majority in the Council for an only carbon-driven approach. Indeed, some Member States would rather prefer a full life-cycle method including all relevant environmental parameters (water, energy, biomass, etc).

Based on a carbon footprint project developed in the framework of the Eco-labelling Board, the Commission is expected to draft recommendations on how carbon emissions should be addressed in first semester 2009.

Key documents:

For EPEE members only!

11. Energy efficiency: European Regional Development Fund to be extended to all the Member States

On 27 November 2008, the European Commissioner for regional policy, Danuta Hübner announced at the informal Council on Cohesion Policy the recast of the European Development Fund (ERDF – Regulation 1080/2006) in order to finance energy investments in low-income households with support from the European Structural Funds in all the 27 Member States, as opposed to only the ‘old’ member states, as is currently the case.

In practice, the new rules would make it possible to set up national, regional or local schemes to finance investments in energy efficiency and renewable energy in housing, such as the installation of new boilers, solar panels or dual-glazed windows. The target is low-income households, which are most exposed to fluctuating energy prices (the definition of a low-income household is left to the individual Member States).

Although the European Parliament is expected to adopt this recast without any obstacles, the Council could stall an agreement, which needs to be found under co-decision. Indeed, some key countries like Germany, Sweden, Austria, the UK and The Netherlands have already hindered the adoption of such a proposal in 2006, in the Structural Fund regulations for 2007-2013.

Key documents:

For EPEE members only!

12. ODS: Countries commit funds to realise HCFC phase-out

During an annual meeting of the Montreal protocol parties in November in Doha, world governments have agreed a funding package aiming to accelerate the phase-out of HCFCs. Industrialised nations agreed to contribute US\$490m (€380m) to the protocol's financial instrument for the period 2009-11. The amount will largely go towards helping developing countries phase out HCFCs.

In addition, delegates informally debated how to fund destruction as the protocol's financial mechanism does not currently cover ODS destruction. Some delegates suggested using the Kyoto protocol's Clean development mechanism (CDM) or the voluntary carbon market to make destruction commercially viable.

Key documents:

For EPEE members only!

13. Renewables: France to step up its effort to meet its renewable energy goals

On 17 November 2008, the French government presented a 50-point measures-plan in order to meet its commitment to use 23% of renewables in its final energy consumption by 2020.

The plan focuses on wind energy, with a projected production capacity increase to 20,000MW, solar power plants, which will be put in each of the 22 regions by 2011, and geothermal and biomass energy which will be enhanced as well.

The measures include amongst others financial support to develop district heating networks using renewables, and the extension until 2012 of current tax incentives to help buying renewable energy technology equipment, such as heat pumps.

Key documents:

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EPEE Newsletter

II. Calendar of events

Upcoming events of relevance to EPEE members, including industry/RAC conferences, as well as institutional and EPEE-specific events

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III. On the Intranet

Latest documents uploaded on EPEE's intranet, with relevant weblinks for direct access

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