

Barcelona, Spain

Joint Workshop – Session 2

Governance Regulation and its interactions with the 3 directives

Agenda

Time	Title	Name
14:30 – 14:35	Introduction to the session	Shruti Athavale, Leonardo Barreto
14:35 – 14:50	Presentation by DG ENER on interlinkages between the Governance Regulation and the 3 directives	Antonio Lopez-Nicolas (deputy head of unit RES and CCS policy, C1, DG ENER)
14:50 – 15:05	Questions to DG ENER presentation	all participants
15:05 – 15:25	Germany	Johann Duvigneau and Katrin Rosendahl, German Federal Ministry of Economy and Energy (BMWi)
15:25 – 15:35	Denmark	Peter Bach, Danish Energy Agency (DEA)
15:35 – 15:40	Questions to Germany and Denmark	all participants
15:40 – 16:00	Discussion and conclusions	all participants

Governance Regulation

- **Integration** of strategic **planning** and **reporting** on the implementation of climate and energy policies
- **Coordination** between actors responsible for energy and climate policy
- **Multi-level energy dialogue** in MS to discuss different options for energy and climate policies
- **Breaking silos** across policies and sectors, across government departments, with stakeholders and the public, and cross-border
- **Coordinated implementation** of the 3 directives (RED II, EED and EPBD)
- Facilitation of **regional cooperation**, which is key to the achievement of the objectives of the Energy Union in a cost-optimal manner
 - strengthening regional cooperation in the areas of renewable energy and energy efficiency
 - Extend regional cooperation to include the development and monitoring of the NECPs in particular as regards relevant issues for cross-border cooperation

Purpose of the session

- Participants will gain insights into the synergies between the RED, EPBD and EED and how they are underpinned by the Governance Regulation.
- A common and better understanding of the obligations
- Clarifications on the integrated reporting
- Provisions of the RES, EPBD, and EE Directives that need the most coordination will be identified
- Identify topics for future collaboration between CAs

Interlinkages between Gov. Reg, RED II, EED, EPBD

Governance Regulation	RED II	EED	EPBD
Objectives, targets, contributions (Art 3, 4)	√	√	√
NECP overlapping between EE and RES measures (Art. 3, 9, and 14)	√	√	√
RES Contribution setting (Art 5)	√		√
EE Contribution setting (Art 6)		√	√
<ul style="list-style-type: none"> • Multilevel climate/energy dialogue (Art. 11), Reg. cooperation (Art 12) • Cooperation between MS and Union (Art. 41) 	√	√	√
Long-term strategies (Art 15)	√	√	LTRS
RES Integrated reporting (Art 17,18, 20) , Report on 2020 targets (Art. 27)	√		RES in buildings
EE Integrated reporting (Art 17, 18, 21) , Integrated reporting energy poverty (Art. 24)		√	LTRS
E-platform (Art 28)	√	√	√
State of the Energy Union Report (Art. 35)	√	√	NZEB
Additional RES reporting (Annex VI, VII, IX part 1, X, XI)	√ - RES in buildings		
Annex III for Art 7 EED , Additional EE reporting (Annex VI, VII, IX part 2)	√	√	

Examples of interlinkages between RED II, EED, EPBD

Governance Regulation

RENEWABLES

- Art 7: RES share calculation
- Art 15 (3): RES H&C/EE and DR programmes of network operators
- Art 15 (4): Minimum levels of RES in buildings
 - RES and DH in building codes and other measures
- Art 15 (5): exemplary role of the public sector (NZEB)
- Art 15 (6) RES H&C to reduce energy consumption
- Art 15 (7) RES in Comprehensive Assessments (Art. 14, EED)
- Art 22: Renewable energy communities
- Art 23: Mainstreaming RES H&C
 - Use EEOS to implement/monitor Art. 23 measures (Art 23, 5)
- Art 24: efficient DHC and efficient DHC that exploits high-eff. CHP

BUILDINGS

- Art 2: RES share in the Definition of NZEB
- Art 2a: Long term Renovation Strategies (LTRS)
 - Energy poverty (Art. 2a)
- Art 5: cost-optimal levels on Min. EP requirements
- Art 6: Decentralised RES, RES DH, HP, CHP in new buildings
- Art 7: high-eff. alternative systems in buildings undergoing major renovation
- Art 8: technical systems, SRI and e-mobility
- Art 9: Nearly-Zero Energy Buildings (share of RES and EE)
- Art 19: integrated district or neighbourhood approaches
- Smart Finance for Smart Buildings (SFSB)
- Annex 1a: PEF

ENERGY EFFICIENCY

- Art 5: Role of public buildings
- Art 7: EEOS
- Art 7 (1): energy savings from small-scale RES on or in buildings (subject to Annex V, 2e).
- Art 7(4) exclusion of 30 % of energy generated on or in buildings for own use as a result of policy measures promoting new installation of RES
- Art 7(9): renewable energy communities for implementation of alternative policy measures
- Art 7: Policy design taking energy poverty into account (EENF)
- Art 14: Promotion of EE in H&C, RES in Comprehensive Assessment
- Art 15: RES and high-efficiency CHP
- Art 20 (3): Exchange of best practice
 - Art 20 (3a): Dialogue with public and private financial institutions including tools of SFSB initiative
- Annex V: Savings from new buildings

Guiding questions for the Commission

1. What are the reporting obligations of Member States?
2. How will be integrated national energy and climate progress reports be structured? How can the Commission support integrated reporting by MS?
3. Which provisions of the RES, EPBD, and EE Directives need the most coordination? Where are the overlaps?
4. How can the Commission facilitate regional cooperation and consultation among the Member States and provide indicative guidance for this cooperation?
5. Use of the e-platform to submit to the Commission the reports and to promote cooperation among Member States and to facilitate public access to information

Questions for the participants

- Where do the MS foresee the biggest hurdles in the implementation of the Governance Regulation?
- What are the barriers to integrated reporting in the MS?
 - How is monitoring carried out in practice by MS? What structures and methodology? Is it in line with reporting obligations of MS under Gov. Reg.?
 - How to overcome lack of data (e.g. waste heat/cold, RES cooling)?
- NECP overlapping between RES and EE measures:
 - how can MS coordinate implementation of policies and facilitate integrated approaches?
 - Suggestions for better integration of the implementation of the 3 directives
 - Can RES and EE measures be coupled?
 - How can MS develop a unified set of rules for energy efficiency and the use of renewables in the buildings sector?
- How can we improve regional cooperation in renewable energy and energy efficiency?

Which topics are relevant for future collaboration across the three CAs?

- Regional cooperation
- Coordinated implementation of RES and EE measures
- Integrated Reporting

Which topics are relevant for regional cooperation?

- Support to cross-border projects (e.g. on RES H&C)
- Reg. coop. to facilitate better coordination of national policies (e.g. joint chapters in NECPs)
- Reg. coop. between subnational actors

Which topics are relevant for coordinated implementation of RES and EE measures?

- Coupling policies on RES and EE domains
- Combining EE and RES measures in buildings (e.g. for implementation of LTRS)
- Smart financing packages combining RES and EE
 - E.g. complementarity between EU and nat. instruments
- Sector Integration

Integrated Reporting (IR)

- Improvement of structures and methodology for M&V of policy measures
- Overcoming lack of accurate and reliable data (e.g. waste heat, RES cooling)
- Linkages between GHG emissions reporting and RES and EE reporting

Thank you for your attention!

Support Slides

Multilevel climate and energy dialogue (Art. 11)

- Each Member State shall establish a multilevel climate and energy dialogue pursuant to national rules, in which local authorities, civil society organisations, business community, investors and other relevant stakeholders and the general public are able actively to engage and discuss the different scenarios envisaged for energy and climate policies, including for the long term, and review progress, unless it already has a structure which serves the same purpose. Integrated national energy and climate plans may be discussed within the framework of such a dialogue.

Regional cooperation

- **Article 12 Governance Regulation:**
 - Provides for regional cooperation between member States 'to effectively meet the targets, objectives and contributions set out in their integrated national energy and climate plans'
 - The article provides for the consultation of neighboring Member States on the National Energy and Climate Plans and for continued cooperation in the implementation of the plans
- **Article 41 Cooperation between the Member States and the Union**
 - the process for preparing, adopting, notifying and assessing the integrated national energy and climate progress report pursuant to Article 17 and annual reporting pursuant to Article 26

Regional cooperation

- Commission can facilitate regional cooperation and provide guidance
- Develop regional approaches
- Joint drafting of NECPs/Integrated progress Reports, including in regional cooperation fora
- Review draft plans
- Sharing best practice
- Regional cooperation at subnational level
 - networks of local authorities to set up cross-border cooperation mechanisms (e.g. without international agreement between nat. governments)
- Financial incentives for regional cooperation
- Comm. provides support to MS to develop cross-border RES projects (e.g. RES H&C, RES DH)
- Identification of opportunities for cooperation

Long-term renovation strategies (Art. 2a, EPBD)

- LTRS are part of NECP
- NECP specify indicative milestones, domestically established measurable progress indicators, evidence based estimate of expected energy savings and wider benefits, contributions to Union's energy efficiency targets
- LTRS support renovation of national building stock by 2050, and cost-effective transformation of existing buildings into NZEB
 - Roadmap with measures, **measurable progress indicators and indicative milestones** for 2030, 2040 and 2050
- Financial mechanisms have a central role in LTRS (e.g. aggregation of projects, risk reduction, guiding investment)
- Evaluation and monitoring of implemented policies are an important element of LTRS
- MS to specify the expected output of their LTRS and monitor developments by setting domestic progress indicators

Long-term renovation strategies (Art. 2a, EPBD)

- Are there measures in the LTRS where energy efficiency and renewables affect or reinforce each other?
- Are there measures in the transposition of the EED or RED which particularly help to achieve the objectives of the LTRS?

Integrated national energy and climate progress reports (Art. 17)

- by 15 March 2023, and every two years thereafter, each MS shall report to the EC on the status of implementation of its NECP
 - information on the **progress accomplished towards reaching the objectives, targets and contributions** set out in the integrated NECP, and towards **financing and implementing the policies and measures** necessary to meet them, including a review of **actual investment** against initial investment assumptions;
 - where applicable, information on the progress in establishing the **dialogue** referred to in Article 11;
 - (c) the information referred to in Articles 20 to 25 and, where appropriate, updates on policies and measures, in accordance with those articles;
- energy and climate progress report shall cover information on policies and measures and projections of GHG emissions
- §6 Where the Commission has issued recommendations pursuant to Article 32(1) or (2), the MS concerned shall include in its integrated national energy and climate progress report information on the policies and measures adopted, or intended to be adopted and implemented, to address those recommendations.

Integrated Reporting on RES (Art. 20)

- Art 20 integrated reporting on renewable energy
 - Implementation of trajectories
 - National RES shares, sectoral shares, trajectories per technology;
 - Where applicable other national trajectories and objectives e.g. RES share in DH, RES use in buildings, RE communities and RES self-consumers
 - Implementation of policies and measures *inter alia*
 - implemented, adopted and planned policies and measures to achieve the national contribution to the 2030 RES EU target
 - specific measures on financial support, including Union support and the use of Union funds, for the promotion of the use of energy from renewable source
 - where available, **specific measures for regional cooperation**
 - Measures to promote RES self-consumption and RE communities
 - measures to increase RES share in the H&C and transport sector;

RES Integrated Reporting (Annex IX)

- Additional RES reporting obligations
 - **electricity and heat generation from renewable energy in buildings, including disaggregated data** on energy produced, consumed and injected into the grid by solar photovoltaic systems, solar thermal systems, biomass, heatpumps, geothermal systems, as well as all other decentralised renewables systems;
 - where applicable, the share of renewable energy in district heating, as well as the renewable energy produced by cities and renewable energy communities;

Integrated reporting on energy efficiency (Art. 21, Gov. Reg)

- Implementation of national trajectories, objectives and targets
 - the indicative trajectory for primary and final annual energy consumption from 2021 to 2030 as the national energy savings contribution to achieving the EU 2030 target
 - indicative milestones of the LTRS, and the contributions to the Union's energy efficiency targets pursuant to Directive 2012/27/EU in accordance with Article 2a of Directive 2010/31/EU;
 - where applicable, an update of other national objectives set out in the national plan;
- Implementation of policies and measures, *inter alia*:
 - implemented, adopted and planned policies, measures and programmes to achieve the indicative national energy efficiency contribution for 2030 including energy performance of buildings
 - national energy efficiency obligation scheme and alternative measures pursuant to Article 7a and 7b of Directive 2012/27/EU and in accordance with Annex III to this Regulation;
 - **long-term renovation strategies** in accordance with Article 2a of Directive 2010/31/EU;
 - **regional cooperation in the area of energy efficiency**, where applicable;
 - **financing measures**, including Union support and the use of Union funds, in the area of energy efficiency at national level, where applicable;

Art. 7 EED (EEOS)

- Member States may count end-use energy savings stemming from policy measures promoting the installation of small-scale renewable energy technologies against their energy savings obligation.
- energy savings resulting from small-scale renewable technologies installed on or in buildings may be eligible, subject to compliance with Annex V.
- exclusion of 30 % of energy generated on or in buildings for own use as a result of policy measures promoting new installation of renewable energy technologies; Art. 7 (4)
- Article 21(b)(3) of the Governance Regulation requires Member States to include information on the implementation of national EEOs and alternative policy measures in their integrated national energy and climate progress reports. Therefore, as of 15 March 2021 (and every two years thereafter), they should provide information on the actual amount of energy generated on or in buildings for own use from newly installed renewable energy technologies.

Integrated Reporting

- Lack of accurate and reliable data at national level (e.g. waste heat, RES cooling)
- Harmonized national and EU calculation methodologies
 - e.g. Article 23 (RED II): including a definition and means to calculate waste heating and cooling

Financing

- Appropriate financing at national and regional level, including mobilisation of Union programmes and instruments
- cross cutting issues in finance between EPBD, EED and RES
 - Smart finance solutions
 - Financial mechanisms for the mobilisation of investment in building renovation have a central role in LTRS (e.g. aggregation of projects, risk reduction, guiding investment, Art 2a, EPBD,)
 - Financial mechanisms for cross-border projects by regional/local authorities of several MS
 - Coordination and complementarity between MS and European funding
- **Integrated reporting on:**
 - Specific measures on financial support for the promotion of the RES use in electricity, heating and cooling, and transport (Art. 20 Gov. Reg)
 - Integrated reporting on financing measures, including Union support and the use of Union funds, in the area of energy efficiency at national level, where applicable (Art. 21, Gov. Reg.)
 - Review of actual investment against initial investment assumptions

E-platform (Art. 28, Gov. Regulation)

- The Commission shall establish an online platform (e-platform) to facilitate communication between the Commission and Member States, to promote cooperation among Member States and to facilitate public access to information
- The transparency platform on renewable energy is also integrated in the broader e-platform established in the Gov. Regulation

Assessment of progress (Art. 29)

- By 31 October 2021 and every two years thereafter, the Commission shall assess, in particular on the basis of the integrated national energy and climate progress reports, of other information reported under this Regulation, of the indicators and of European statistics and data where available:
- (a) the progress made at Union level towards meeting the objectives of the Energy Union, including for the first ten-year period the Union's 2030 targets for energy and climate, in particular for the purpose of avoiding any gaps to the Union's 2030 targets for renewable energy and energy efficiency;
- (b) the progress made by each Member State towards meeting its objectives, targets and contributions and implementing the policies and measures set out in its integrated national energy and climate plan;

Assessment of progress (Art. 29)

- In the area of renewable energy, as part of its assessment referred to in paragraph 1, the Commission shall assess the progress made in the share of energy from renewable sources in the Union's gross final consumption on the basis of an indicative Union trajectory that starts from 20 % in 2020, reaches reference points of at least 18 % in 2022, 43 % in 2025 and 65 % in 2027 of the total increase in the share of energy from renewable sources between the Union's 2020 renewable energy target and the Union's 2030 renewable energy target, and reaches the Union's 2030 renewable energy target of at least 32 % in 2030.
- 3. In the area of energy efficiency, as part of its assessment referred to in paragraph 1, the Commission shall assess progress towards collectively achieving a maximum energy consumption at Union level of 1 273 Mtoe of primary energy and 956 Mtoe of final energy in 2030 in accordance with Article 3(5) of Directive 2012/27/EU.

Union and national systems for policies and measures and projections (Art 39)

- By 1 January 2021, Member States and the Commission shall operate and seek to continuously improve national and Union systems respectively, for reporting on policies and measures and for reporting on projections of anthropogenic greenhouse gas emissions by sources and removals by sinks.
- Those systems shall include the relevant institutional, legal and procedural arrangements established within a Member State and the Union for evaluating policy and making projections of anthropogenic greenhouse gas emissions by sources and removals by sinks.
- 2. MS and the Commission shall aim to ensure the timeliness, transparency, accuracy, consistency, comparability and completeness of the information reported on policies and measures and projections of anthropogenic greenhouse gas emissions by sources and removals by sinks, as referred to in Article 18, including the use and application of data, methods and models, and the implementation of quality assurance and quality control activities and sensitivity analysis.

EED: Links between M&V of GHG emissions and EE savings

- possibilities of combining GHG targets with energy efficiency targets
- How can M&V systems serve both GHG and EE reporting requirements?

Interlinkages between Gov. Reg, RED II, EED, EPBD

Governance Regulation

RENEWABLES

- Objectives, targets, contributions (Art 3/4)
- NECP overlapping between EE and RES measures (Art. 3, 9, 14)
- RES Contribution setting (Art 5)
- Multilevel climate/energy dialogue (Art. 11), Reg. cooperation (Art 12)
- Cooperation between MS and Union (Art. 41)
- Long-term strategies (Art 15)
- RES Integrated reporting (Art 17,18, 20) , Report on 2020 targets (Art. 27)
- E-platform (Art 28)
- Assessment of progress (Art 29) , Response to insufficient ambition (Art. 31) and progress (Art. 32)
- Comm. Recommendations to MS (Art. 34) , SOEUR (Art. 35)
- Union and nat. systems for policies, measures and projections (Art 39)
- Additional RES reporting (Annex VI, VII, IX, X, XI),

ENERGY EFFICIENCY

- Objectives, targets, contributions (links with EED EPBD) (Art 3 /4)
- NECPs overlapping measures (Art. 3, 9 and 14)
- EE Contribution setting (Art 6)
- Multilevel climate/energy dialogue (Art. 11), Reg. coop. (Art 12)
- Cooperation between MS and Union (Art. 41)
- Long-term strategies (Art 15)
- EE Integrated reporting (Art 17, 18, 21) , Integrated reporting energy poverty (Art. 24)
- E-platform (Art 28)
- Assessment of progress (Art 29) , Response to insufficient ambition (Art. 31 and progress (Art. 32)
- Comm. Recommendations to MS (Art. 34), SOEUR (Art. 35)
- Amendments to the EED (Art 47)
- Annex III for Art 7 EED , Additional EE reporting (Annex VI, VII, IX)

BUILDINGS

- Objectives, targets, contributions (Art 3 and 4)
- NECPs (overlapping measures, Art. 3, 9 and 14)
- Multilevel climate/ energy dialogue (Art. 11)
- Regional cooperation (Art 12) , Cooperation between MS and Union (Art. 41)
- Long-term strategies (Art. 15, LTRS)
- RES related elements for integrated reporting (Art 20, RES in buildings)
- EE related elements in the integrated reporting (Art 21, Long-Term Renovation Strategies)
- Integrated reporting on energy poverty (Art. 24)
- E-platform (Art 28)
- Assessment of progress (Art 29); Response to insufficient ambition (Art. 31) and progress (Art. 32)
- Comm. Recommendations to MS (Art. 34)
- State of the Energy Union report (Art.35, NZEB)