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CEDEC Brief News | July 2021

- EC presents: the new Sustainable Finance Strategy
- EU funding: Horizon Europe in the starting blocks
- Hydrogen: the Hydrogen Public Funding Compass
- Energy Council: agreement on TEN-E & discussions on Hydrogen and Renovation Wave strategies
- Broadband: Evaluation of the EU State aid rules for deployment of broadband networks published
- Spotlight on: Slovenian Council Presidency

FOR OUR MEMBERS

“Fit for 55” leaked documents

→ [Reading of the month](#) → [Ongoing consultations](#) → [Upcoming meetings & events](#)

EC presents: the new Sustainable Finance Strategy

On the 6th of July the European Commission has published the [New Sustainable Finance Strategy](#) announced as part of the European Green Deal. Through the new strategy, the EC aims at upgrading the sustainable finance framework proposing to *1) extend the existing sustainable finance toolbox to facilitate access to transition finance; 2) improve the inclusiveness of small and medium-sized enterprises (SMEs), and consumers, by giving them the right tools and incentives to access transition finance; 3) enhance the resilience of the economic and financial system to sustainability risks; 4) increase the contribution of the financial sector to sustainability; 5) ensure the integrity of the EU financial system and monitor its orderly transition to sustainability; 6) develop international sustainable finance initiatives and standards, and support EU partner countries.* Particularly relevant for the energy sector, is the objective to extend the sustainable finance to allow financing of the **transition towards sustainability**, which finally puts certain technologies under a positive spotlight. There the EC – in line with the [Communication accompanying the “taxonomy”](#) delegated act, published on April 2021 – expressly states the intention of supporting the necessary **intermediate steps** that might contribute to mitigate climate change but do not lead to lock-in of carbon intensive technologies. EC also confirms the plan to come up with **two additional proposals**: a legislation to recognise and support the financing of certain economic activities in the energy sector (amongst others gas, clearly mentioned) and a **“complementary” taxonomy delegated act** which would cover activities in the agriculture and energy sector which are now excluded from the taxonomy. More info about the strategy is accessible [here](#).

Spotlight on: Slovenian Council Presidency

On 1 July 2021, Slovenia took over the **Presidency of the Council of the EU** under the motto **“Together. Resilient. Europe”**. As the last one of the Council Trio Presidency – consisting of Germany, Portugal and Slovenia – the acting Presidency will preside the Council until the end of the year, putting its focus on strengthening resilience to health, economic, energy, climate and cyber crises. In the remit of the **Energy Council (TTE)** and specifically on energy, the Presidency plans to start negotiations on the **Renewable Energy Directive (RED III)** and the **Energy Efficiency Directive (EED)**, which are both expected to be published by the EC as part of the Fit for 55 Package on 14 July. Discussions will also be launched on the update of the **Energy Performance of Buildings Directive (EPBD)**, which will follow in the last quarter 2021. Moreover, the Presidency will aim at making maximum progress in finalizing the current negotiations on the **TEN-E Regulation**. Finally, first considerations will be given to the hydrogen and gas market decarbonisation package, with work also beginning on the proposal for reducing methane emissions in the energy sector. Both initiatives have been announced for the end of the year. Other dossiers that the Presidency wants to push forward are: the **Alternative Fuels Infrastructure Directive (AFID)** – in the field of transport – as well as the **Artificial Intelligence Act**, the **Data Governance Act**, the **Data Act**, the **e-Privacy Regulation** and the **NIS 2 Directive** – as part of the EU’s digital agenda.

More information on the [6-month programme](#) and its [draft calendar](#) can be found on the [Presidency website](#).

EU funding: Horizon Europe in the starting blocks

On 15th of June, the European Commission approved the 2021-2022 work programme for [Horizon Europe](#), with an unprecedented €95.5 billion budget in total, and launching the first calls for projects for climate, energy and mobility topics worth € 1.2 billion. Horizon Europe constitutes a huge opportunity to finance research and innovation projects until 2027. Five missions have been identified within the programme, and each mission has a dedicated board and assembly. Among those the **“100 Climate-neutral Cities by 2030 – by and for the Citizens”** aims at supporting cities to become climate neutral, also through energy transition projects such as including hydrogen in buildings and mobility. The calls for projects are accessible [here](#).

Hydrogen: the Hydrogen Public Funding Compass

In the framework of the European Clean Hydrogen Alliance and on the occasion of the Hydrogen Forum on 17-18 June, the European Commission has launched the **Hydrogen Public Funding Compass**. The funding compass is a useful online tool, open to all interested stakeholders, providing a single entry-point for information about funding sources for hydrogen-related projects. The platform includes an overview of both **European and national funding** and redirects participants towards those programmes that seem to be most relevant for financing their projects. The funding compass is already active and accessible through the following links:

- European funding programmes: https://ec.europa.eu/growth/industry/hydrogen/funding-guide/eu-programmes-funds_en
- Member States’ funding programmes (whenever existing and shared with the EC – this section will be constantly updated): https://ec.europa.eu/growth/industry/hydrogen/funding-guide/eu-countries-funds_en

You may find additional information on the dedicated webpage [here](#).

EU Energy Council: agreement on TEN-E & discussions on Hydrogen and Renovation Wave strategies

At the end of its Presidency, the Portuguese achieved to **strike a deal** among EU energy ministers on the revision of the **Trans-European Energy Networks Regulation (TEN-E)** on **11 June 2021**, confirming the principle that support for new natural gas and oil projects should end. The Council’s general approach can be accessed [here](#).

Although some countries had previously spoken out against it, the ministers agreed that new TEN-E projects for natural gas infrastructures may be used to store or transport a mixture of hydrogen, fossil gas or biomethane until a transitional period (until 31 December 2029). Selected projects will have to show how these assets will cease to be natural gas assets, to become dedicated hydrogen assets, by the end of the transitional period. CEDEC welcomes that the Council’s text clearly deletes the exclusion of pipelines for the local distribution of hydrogen, as postulated by the EC proposal. However, the Council position still contains the spirit of the old TEN-E as regards the mandatory cross-border criterium (of at least two Member States) for both smart electricity and smart gas grids, the large number of affected grid users and the exclusion of the low-voltage level, continuing to give full priority to large-scale cross-border projects. Moreover, the general approach fails to include the newly created EU DSO Entity on equal footing with ENTSOs as regards cross-sectoral infrastructure planning, considering the Entity just as one of many stakeholders to be consulted. Finally, district heating networks have not been given a place in the TEN-E despite their important role for sector integration technologies and a cost-effective decarbonization pathway.

On the same day, EU energy ministers also discussed the Hydrogen and Renovation Wave Strategies. In view of the **Hydrogen Strategy** ministers debated on how to foster the market and speed up regulation regarding end-use technologies to increase hydrogen uptake as well as on funding priorities (see [Portuguese Presidency background note](#)). Finally, the Council approved [conclusions](#) on an **EU Renovation Wave**, endorsing the strategy’s aim to double energy-related renovation rates in the EU by 2030.

Broadband: Evaluation of the EU State aid rules for deployment of broadband networks published

On 7 July, the Commission has published a Commission Staff Working Document presenting the results of its **evaluation of the State aid rules for the deployment of broadband networks** – consisting of internal analyses, public consultations of stakeholders as well as a [study](#) conducted by external consultants. CEDEC has replied to the public consultation on the State aid rules on 5 January 2021. As a next step, the Commission will launch the formal review with the publication of a roadmap within the next weeks and a public consultation on the draft revised guidelines that is scheduled to take place in Autumn 2021. The evaluation documents can be found on the [EC’s consultation website](#).

FOR OUR MEMBERS!

“Fit for 55” leaked documents

While waiting for the 14th of July official publications of the so-called “Fit for 55” package, many pieces of it have been leaked, giving us an idea on the potential content of the legislative proposals. Among the most relevant for CEDEC:

- The Renewable Energy Directive II revision ([link to the leaked version of the directive](#))
- The Energy Efficiency Directive revision ([link to the leaked version of the directive](#))
- The EU ETS ([link to the leaked version of the directive](#) – [link to the impact assessment](#))

The Commissioner for Energy Kadri Simson is expected to present the package to the **European Parliament Committee on energy (ITRE)** on the **15th of July**: the **presentation will be broadcasted live [here](#)**.

Reading of the month

[CEDEC Annual Report 2020](#)



Ongoing consultations

- [Public consultation on the revised Climate, Energy and Environmental Aid Guidelines \(CEEAG\)](#) – Deadline 2 August 2021
- [Public consultation on CEER 2022 Work Programme](#) – Deadline 9 August 2021
- [Public consultation on the Data Act and amended rules on the legal protection of databases](#) – Deadline 3 September 2021

Upcoming meetings & Events

- CEDEC Working Group Gas: 8 July 2021
- CEDEC Annual Congress: 10 November 2021 (Brussels)