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State of the Union: EC proposes revised 55% GHG emissions reduction target by 2030

On 16 September, during the [annual speech](#) on the **State of the Union**, the Commission President Ursula von der Leyen [announced](#) the Commission [plan](#) to **stepping up EU 2030 climate ambition**. The related Communication, published the day after, lays down an increased GHG emissions reduction **target of 55%**. This starts from the assumption that simply continuing with the implementation of current policy framework will not allow the EU to reach the climate neutrality by 2050, and therefore the EU needs to skyrocket climate change mitigation efforts in the 10 years to come.

The Communication is accompanied by an [impact assessment](#) stating that this revised target is realistic and feasible. It affirms that despite the consistent amount of investments necessary – notably in the energy sector and in sectors hard to decarbonise such as buildings, transport and industry – these will result in improved prosperity for citizens and competitiveness for the European economy.

For this target to become reality, the Commission will revise existing legislation by 2021. Current targets such as on energy efficiency and share of renewable energy need to be adapted in order to contribute in achieving the new 55% target. Likewise, the buildings and transport sector need specific and more effective measures to decarbonise at faster pace.

The [EC Communication](#) and proposal prepares the ground for a public debate in autumn 2020 on increasing the EU's Nationally Determined Contribution (NDC) under the Paris Agreement by the end of 2020: the decision on increasing 2030 target constitutes the first step to communicate EU's higher climate ambition in international fora and ahead of the 2021 EU Climate Conference (COP26) in Glasgow. In that regard, the Carbon Border Adjustment mechanism will be the tool to ensure other countries follow Europe's example.

To push investments forward towards its climate objectives, the EC also announced that 30% of the Next Generation and the EU budget – that altogether might be around €1.8 trillion euros – will be dedicated to climate-related expenditures.

The 55% GHG emissions reduction target by 2030 should formally become law with the adoption of the so-called European Climate Law.

VIP of the month: Ursula von der Leyen

Born and raised in the Brussels municipality of Ixelles, also known as the birthplace of Audrey Hepburn; bilingual German and French; graduated physician and wife of a physician; mother of seven; longest-serving member of Angela Merkel's cabinet and first woman to serve as German defence minister. Basically the European Commission's version of Wonder Woman, with a taste for tailored blazers and a very good speechwriter. [Ursula](#) did not need our little paragraph to be known but we ran out of Commissioners, so here we are. Some would say that she is not much of a revolutionary choice in European politics, as a Christian-democrat representing the status quo at a time when the status quo has gone out of the window. Some would say that she is [moderate](#) enough and powerful enough to bring together diverging European leaders and politics. One thing we can all agree on is that she is now confronted with an unprecedented [crisis](#) no Commission President has faced before, on top of the usual migration-rule-of-law-climate-change crises.



CEP implementation: Final assessment of Member States' NECPs

On 17 September the European Commission published its [assessment](#) of the final National Energy and Climate Plans Member States had to deliver as part of the Governance Regulation 2018/1999. The assessment states that all plans are of good quality and comprehensive of all aspects of the Energy Union, and surely more ambitious than the draft plans. At the current policy level as reported by Member States in their plans, the EU should reach an overall GHG emissions reduction of 41% by 2030. The majority of Member States are already coal-free or planning to phase-out coal, which should bring coal to a decrease by 70% compared to 2015. Member States are on track also to achieve the current



interoperability. On data governance the rapporteur insists on the data governance model to be built on a decentralised data operating environment. Further, the rapporteur calls for the creation of a Commission-led body to set Union-wide guidelines on data governance. A strong focus lies on cross-sectoral data sharing, which is considered essential for innovation by Kumpula-Natri. Regarding the Data Act, which is expected to be proposed by the EC in 2021, the rapporteur wants the EC to encourage B2B, B2G, G2B and G2G flow of data in all sectors. Further, voluntary data sharing schemes shall be facilitated, but data access shall be compulsory where specific circumstances exist (i.e. systematic imbalances in B2B value chains).

Digitalisation: Draft EP report on the European strategy for data

Rapporteur and ITRE member Miapetra Kumpula-Natri (S&D/FI) published her [draft EP own initiative report on the European strategy for data](#). The report, which is available since 11 September, addresses the issues of data governance, data access and

State aid: EC adopts revised EU Emissions Trading System State Aid Guidelines

On 21 September the Commission adopted its [revised EU Emission Trading System State aid Guidelines](#) in the context of the system for greenhouse gas emission allowance trading post 2021. The revised guidelines, which will enter into force on 1 January 2021 and which will replace the previous guidelines adopted in 2012, aim at a focus on reducing the risk of "carbon leakage". Under the new guidelines aid should be targeted only at sectors at risk of carbon leakage due to high indirect emission costs. Another block of the guidelines is to make compensation conditional upon additional decarbonisation efforts by the companies concerned (i.e. compliance with recommendations of their energy efficiency audit). Specificities of SMEs in line with the [SME Strategy for a sustainable and digital Europe](#) will also be taken into account in the guidelines.

Currently, the EC is also evaluating and reviewing the [Energy and Environmental Aid Guidelines 2014-2020](#), to make sure they are fully aligned with the Commission's green and digital objectives. The current rules, which would otherwise expire at the end of 2020, have been [prolonged by a year](#). It is expected that the EC will launch a comprehensive review of its state aid rules in 2021.

Energy infrastructure: TSOs and DSOs to establish Prime Movers' group on H2 and gas quality

As the gas industry is gearing up its efforts to roll-out increasing levels of renewable, decarbonised and low-carbon gases, and the European Commission is laying down its strategies to support full decarbonisation of the economy and the creation of a hydrogen ecosystem, the European gas system will have to be able to adapt and deal with diverse gas mixes which need to be handled technically. For this purpose and with the support of the European Commission, the European gas DSOs and the TSOs have launched a Prime Movers' group to analyse and discuss technical issues related to the uptake of renewable and decarbonised gases in the existing natural gas infrastructure. The first stakeholder meeting took place 15th of September, and aimed at bringing together stakeholders from the whole gas value chain, including end-users appliances, producers, shippers and traders.

From our members: A living lab with renewable hydrogen

The Brussels distribution system operator **Sibelga**, in collaboration with John Cockerill (international provider of specialised energy technologies) and the Belgian gas transmission system operator Fluxys, launched the [H2GridLab](#) research partnership. The partnership aims at creating a living lab open to any stakeholders and supplied with renewable hydrogen. The designated experimental site will host a series of pilot projects including renewable hydrogen generation from on-site solar PVs, local storage of hydrogen and injection of hydrogen in the distribution grid.

To share your story, please write an email to info@cedec.com or anyone else in the CEDEC Secretariat.

Reading of the month

[ENTSOG 2050 Roadmap Action Plan](#)

Ongoing consultations

[Public consultation on the Energy Taxation Directive](#) – deadline 14 October 2020

[Public consultation on the evaluation of the F-gas Regulation](#) – deadline 29 December 2020

[Public consultation on EU state aid rules for broadband network deployment](#) – deadline 5 January 2021

Upcoming meetings & events

- CEDEC WG EU DSO Entity (via MS Teams): XX October 2020
- EU Gas Regulatory Forum (Madrid Forum): 14-15 October 2020
- EU Energy Infrastructure Forum (Florence Forum): 20 October 2020
- CEDEC Virtual Annual Congress: 18 November 2020

