

Proposal for a Regulation on the Governance of the Energy Union

Joint Briefing: The Case for a Multi-level Climate and Energy Dialogue Platforms

## **Energy Cities and ClientEarth: The Role of Local and Regional Actors in the Governance of the Energy Union**

### **Policy background**

With the advent of local energy communities in the energy market, the proliferation of new technologies (e.g. blockchain, distributor ledgers) and the continuous increase of the share of renewables in the energy mix, the future European energy system is bound to be decentralized, flexible and locally grounded. The forthcoming governance framework of the EU Energy Union needs to reflect this new reality. It has to carve out a space for local and regional actors in the decision-making process of national energy and climate plans and long-term climate and energy strategies, which are the backbone of the Energy Union governance process.

In the current proposal of the EU Commission, Member States have to report in National Energy and Climate Plans (NECPs) on their contributions to the EU 2030 energy and climate targets across the 5 dimensions of the Energy Union: 1) Decarbonisation, 2) Energy Efficiency, 3) Energy Security, 4) Internal Energy Market, 5) Research, Innovation and Competitiveness. Furthermore, they need to outline their long-term climate strategies on a mid-century horizon.

Ambitious NECPs and long-term strategies are both key for the EU to become fully decarbonized by 2050, in line with its commitments under the Paris Agreement. This will only be achieved through a mutually reinforcing, multi-level partnership between all energy transition stakeholders at local, regional, national and EU levels.

### **Proposed solutions: Energy Dialogue Platforms and integration of the Aarhus Convention**

The Energy Union Governance should not be merely a burdensome, administrative planning and reporting process for Member States towards the European Commission. Instead, it should serve as a key mobilizing and co-designing process, involving all energy transition stakeholders, in order to trigger the appropriate investment indispensable to fully decarbonize the EU economy by 2050.

Regions, cities and local communities can make a key contribution to this undertaking. As the Covenant of Mayors for Climate & Energy has shown over the last 10 years, local authorities have implemented ambitious energy and climate policies through their participatory and integrated Sustainable Energy and Climate Action Plans (SECAPs), in order to help the EU and its Member States achieve common climate and energy objectives. Regions, cities and local communities are also the governance level closest to the citizens. However, they are still only considered as side stakeholders via public consultations. Art.10 of the Regulation on the Governance of the Energy Union as well as its recital 20 (both on public consultation), as proposed by the Commission, do not give local and regional players, including cities, any special status. They only refer to the public and public consultations in general terms, leaving Member States to decide on the exact modalities of the consultation.

**Article 10 Energy Union Governance regulation - Public consultation – TEXT PROPOSED BY THE COMMISSION**

*Without prejudice to any other Union law requirements, Member States shall ensure that the public is given early and effective opportunities to participate in the preparation of draft plans referred to in Article 9 and attach to the submission of their draft integrated national energy and climate plan to the Commission a summary of the public's views. In so far as the provisions of Directive 2001/42/EC are applicable, consultations undertaken in accordance with that Directive shall be deemed to satisfy also the obligations to consult the public under this Regulation.*

Aware of the insufficient role given to local and regional authorities in the co-development of national plans and reports, the draft report of the co-rapporteurs in the European Parliament<sup>1</sup> provides that Member States should set up permanent structures of dialogue involving local authorities, civil society, business community, investors, other relevant stakeholders and the general public. This “Multi-Level Energy Dialogue Platform” should discuss the various scenarios and policy options of a country’s short, medium and long-term energy future.

**MAIN ELEMENTS OF THE EP’S PROPOSALS ON ‘MULTI-LEVEL ENERGY DIALOGUE PLATFORMS’**

Member States shall establish permanent Energy Dialogue Platform to support active engagement of various players in managing the energy transition,

Member States shall submit to their Energy Dialogue Platforms different options and scenarios for short, medium and long-term policies (incl. cost benefit analysis for each option),

Member States shall ensure that the Energy Dialogue Platforms benefit from adequate human and financial resources.

The proposal on the Multi-Level Energy Dialogue Platform(s) is a step in the right direction and should be supported. Such platform(s) could be a key instrument to involve local and regional actors in the decision-making process of Member States’ NECPs and long-term strategies in a transparent and inclusive way.

In order to further strengthen the proposal of the co-rapporteurs and of some other members of the European Parliament, we would like to propose the following recommendations:

- The text should clarify that a separate platform should be established in each Member State rather than a single pan-European platform, in order to allow for the adequate involvement of local players (cities, civil society and the business community) in the decision-making process in each Member State.
- The scope of the platform should also integrate a climate dimension, reflecting the climate and energy scope of the NECPs. For that reason, the name of the platform could be changed to “Multi-Level Climate and Energy Dialogue Platforms”;
- National platforms should be permanent structures with clearly established rules on their operation and dedicated staff and budget; otherwise, there is a risk that ‘dialogues’ may be a light and loose consultation process without big impact;
- Each Member State should establish in a transparent way the rules of functioning of its Platform, and define the Platform as open as possible, to allow for the participation of all energy transition stakeholders;

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<sup>1</sup> This idea has been supported by a number of MEP from different political groups.

- There should be a clarity on the role of Platforms: they should have an active role in the preparation and implementation of NECPs and long-term strategies (and their respective drafts and updates), by proposing opinions and ideas for policy measures;
- Local action plans, such as the SECAPs of local authorities in the framework of the Covenant of Mayors, shall inform Member States' actions concerning renewable and energy efficiency policies, such as the targets set for energy efficiency and the share of renewables in the energy mix, and the allocation of funding for renewable and energy efficiency measures; the Joint Research Centre of the EU Commission shall, in cooperation with the EU Environment Agency, regularly assess and quantify the contribution of Covenant of Mayors signatories as regards GHG emission reduction, energy efficiency and renewable energy in each Member State, and provide to Member States this data so they can include these contributions into the projections and policies of their NECPs and long-term strategies;
- It should be clear that the Platforms' proposals will, at least, be taken into account at national level; national governments should provide information on the input by Platforms in their draft and final NECPs and long-term strategies submitted to the European Commission as well as relevant reports.

We also welcome the European Parliament's proposal to amend the provision on public consultation of the Energy Union Governance Regulation (Art. 10), as proposed by the European Commission. Making Art.10 more specific in order to meet the standards of the Aarhus Convention should help Member States to follow the standards for transparent and participative environmental governance, of which energy and climate planning are a critical part.

The following examples from several Member States demonstrate how the climate and energy actions of local and regional actors can be concretely included in national plans and decisions: as a first step, through a top-down national support to local planning and implementation, and as a second step, through the set-up of national policy making dialogues where local considerations influence national climate and energy policies.

## **1) TOP-DOWN - Support to local planning and implementation**

### **Good practices from 3 EU Member States**

#### **Ireland**

In Ireland, the Sustainable Energy Authority has recognized the importance of integrated spatial planning. Coordination with local authorities is emphasized in order to avoid the risk of "stranded assets" and "lock ins". The Sustainable Energy Authority of Ireland (SEAI) has thus developed spatial planning instruments to assist local authorities in defining the energy landscape of the future.

The tool consists of a methodology and template aimed at guiding them in preparing more holistic renewable energy strategies. The SEAI also provides financial support for Covenant signatory cities to develop their action plans. In addition to this, the SEAI also extended a grant to the local authority to map the energy demand of its territory and link the plan with local development and spatial planning concerns. To encourage local optimisation of resource and demand-driven energy planning, the SEAI has furthermore developed "resource atlases" showing the availability of renewable energy options. The atlases will be complemented by energy demand and efficiency datasets – including national heat demand mapping – to best assist local authorities in their planning needs.

## **Luxembourg**

In 2012, Luxembourg established a law on creating a Climate Pact with municipalities. This is essentially an agreement between the national government and municipalities, which they can voluntarily join. The municipalities commit to taking coherent action on climate action, and the national government in its turn commits to supporting those efforts with both finance and technical assistance. This has been a success story and at this moment, all but one municipality (104 out of 105) in Luxembourg is taking part in the climate pact. It has created a win-win situation between the two government levels: municipalities are eager to reduce their CO<sub>2</sub> emissions, and the national government can be sure that the municipalities are doing their share of reducing emissions and thus allow the country to reach its emission reduction targets.

## **Croatia**

According to the Croatian Energy Efficiency Act, energy efficiency planning and reporting is obligatory for 20 Croatian counties and 17 cities (>35000 inhabitants). This way, local and regional governments are encouraged to systematically manage their energy efficiency policies and provide feedback to the national level. Plans are made on a three-year and annual basis. In June 2014, the web application of SMIV (system for measuring and verifying energy savings) was put into operation, created by the Centre for Monitoring Business Activities in the Energy Sector and Investments in cooperation with the German *GIZ*. The Croatian Energy Efficiency Act (Official Gazette 127/14) defines SMIV as the national tool for calculation and verification of energy savings on national, regional and local level.

## **2) BOTTOM UP - When local considerations influence national decisions**

Although numerous Member States have managed to provide top-down support to the design and implementations of local energy action plans - providing the necessary framework, technical and financing tools - very few of them have managed to engage in genuine policy making dialogues, paving the way for local and regional authorities to themselves support the national level in planning and designing their energy and climate actions plans.

## **France**

In 2012, France initiated an extensive debate process of three years that led to the adoption in 2015 of the Energy Transition Law for Green Growth. Thanks to this unprecedented exercise of participative governance, civil society representatives but also local and regional authorities have been allowed to voice their observations and know-how into what has become a very ambitious roadmap for the country's energy future, including sound policy instruments to support all energy stakeholders and government levels in delivering the 2050 decarbonisation objective.

## **Netherlands**

In the Netherlands, the Energy Agreement for Sustainable Growth has been adopted as the result of a large-scale exchange process between the national government, local and regional authorities but also trade unions, environmental organisations and industry representatives.

While both processes have shown an initial willingness to draft long-term plans based on large-scale public involvement and support, the next challenge looking ahead will be to ensure that such endeavours don't remain a one-off exercise, but are based on permanent dialogue structures, institutionalised into mainstream policy making, so as to ensure iterative feedback on the evolution of the national plan.

## Further material

- ☐ Energy Cities policy brief, June 2017: “National reporting systems for local climate and energy action in the EU”, available by request at [david.donnerer@energy-cities.eu](mailto:david.donnerer@energy-cities.eu)
- ☐ Energy Cities publication, February 2017: “Local State of the Energy Union: Beyond cables and pipelines - A brighter state of the Energy Union”, available here: [http://www.energy-cities.eu/IMG/pdf/local\\_state\\_of\\_the\\_energyunion.pdf](http://www.energy-cities.eu/IMG/pdf/local_state_of_the_energyunion.pdf)
- ☐ Energy Cities, CLER & RAC France publication, November 2016: “Cities heading towards 100% Renewable Energy by controlling their consumption – Food for Thought and Action”, available here: [http://www.energy-cities.eu/IMG/pdf/publi\\_100pourcent\\_final-web\\_en.pdf](http://www.energy-cities.eu/IMG/pdf/publi_100pourcent_final-web_en.pdf)
- ☐ Energy Cities position paper, June 2016: “Think local first: From Pipe Dreams to Local Means – A Guidance Paper to Assist Member States within the Energy Union Governance Process”, available here: [http://www.energy-cities.eu/IMG/pdf/guidance\\_paper\\_to\\_ms\\_energy\\_union\\_governance\\_final\\_draft.pdf](http://www.energy-cities.eu/IMG/pdf/guidance_paper_to_ms_energy_union_governance_final_draft.pdf)
- ☐ Opinion of the Committee of the Regions on " Energy Union governance and clean energy", available here: [http://dm.cor.europa.eu/CORDocumentSearch/Pages/redresults.aspx?k= Energy Union governance and clean energy \(documentlanguage:EN\)](http://dm.cor.europa.eu/CORDocumentSearch/Pages/redresults.aspx?k= Energy Union governance and clean energy (documentlanguage:EN))
- ☐ ‘Communication: Energy Union Governance – Planning and Reporting Obligations’ by the European Economic and Social Committee, available here: <http://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/energy-union-governance>

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