

The European Parliament insists on including ships, cars and planes in the EU's energy saving goals for 2030. But those very objectives remain a hot issue, with the latest EU presidency compromise proposal opting for a weaker, indicative 31-33% target range. Legislators are nearing the finishing line on the revised energy efficiency directive, according to Benedek Jávor, a Hungarian lawmaker with the Greens political group in the European Parliament.

Speaking to Brussels-based journalists on Tuesday (8 May), Jávor said the fresh negotiation mandate recently agreed by EU member states in the Council of Ministers has now opened the door for a compromise.

The energy efficiency directive is part of a wider clean energy package of legislation tabled by the European Commission in November 2016. But Eastern EU member states are reluctant to accept binding goals and obligations - a concern Parliament took on board by accepting to lower its own level of ambition when it voted on the proposed law in January. Representatives from the European Commission, Parliament and Council are due to meet on 16 May for three-way talks that could prove decisive in clinching a final deal, Jávor said. But no agreement will be struck until a broad settlement can be reached on key remaining issues, said the Hungarian MEP who represents the Greens faction in the Parliament negotiating team.

Here are the main sticking points ahead of the 16 May talks:

Headline target: The Bulgarian EU Presidency, which steers negotiations on behalf of the 28 EU countries, has proposed an indicative 31-33% energy saving goal, which comes a step closer to the 35% binding objective voted on by Parliament in January. But the figure isn't legally-binding, which is a major source of concern for MEPs.

Going for a 30% non-binding target, like the Council asked in December, would be clearly "unacceptable" for Parliament, Jávor said, dividing EU countries into three groups:

The "progressives": Led by France and Sweden, which back a 35% target. A sub-group is composed of the Netherlands, Portugal, and Luxembourg, which Jávor said "are open to go beyond the 30% target". Then come Denmark, Ireland and Germany, which "are most likely to be on this side as well," the Hungarian MEP said.

The "intermediate" group: Broadly supporting the Commission's proposed 30% objective. This group is made up of most of EU member states, including Spain, Italy, Belgium, Austria, Greece, Czech Republic and others.

The "less ambitious" group: Made up of Poland, Romania, Hungary, Slovakia and Latvia, who are either opposing the 30% target or are undecided.

The 31-33% proposal from the Bulgarian Presidency "could be basis for a deal," Jávor

suggested. But the objectives need to be binding and loopholes must be closed, he insisted, referring to flexibilities and exemptions that are envisaged in the latest compromise proposal circulated by the Bulgarian Presidency.

Transport: In its January vote, Parliament decided to add the transport sector in the baseline for energy saving calculations. "Even though transport is not included in the baseline today, member states can still use measures in the transport sector to achieve the savings requirement under Article 7 of the directive," says the Bulgarian Presidency proposal. "A majority of member states currently do so, accounting for 6% of total notified savings," the Presidency states, suggesting the overall savings targets would be easier to achieve with transport included in the baseline.

The inclusion of transport would thus facilitate reaching a higher target, the argument goes. "All other things being equal, including 20% of transport energy consumption would, for example, increase the overall level of ambition of Article 7 by 10%," the presidency says.

Article 7: The key article in the directive specifies what sectors need to be included in the baseline for energy savings calculations (i.e.: transport, buildings). It also contains a flagship objective for countries to achieve 1.5% yearly energy savings in final energy consumption, and specifies measures to achieve them.

"One of the biggest open questions is whether transport will be included in the scope of the calculations. Further issues include accounting of energy efficiency measures in the building stock," the Greens said in a briefing paper. "We are fighting for the highest possible target and a strong Article 7, regardless of what happens elsewhere," Jávör said.

Flexibilities and exemptions: A number of countries have raised concerns about early action they have taken to meet their existing energy saving goals for 2020, fearing they would end up being penalised by having to seek even deeper cuts to energy consumption in the next period leading up to 2030. To address the issue, the Bulgarian Presidency proposes to take "early action" recorded in 2018-2020 into account for the calculation of their 2030 goals.

Bulgaria also proposes carrying forward the so-called "excess savings" in the next period leading up to 2030: "Excess savings' means that if a member state achieves more savings during a period than Article 7 requires, it can subtract the excess from the amount of savings it must achieve during the next period," the Presidency explained in its compromise proposal.

Another key issue are exemptions granted to Malta and Cyprus, which obtained a reduction of their annual savings obligation from 1.5% to 0.8% in the Bulgarian proposal. Malta and Cyprus successfully argued for the exemptions because they are small island states.

But Jávör warned this could open a Pandora's Box, where other member states also ask for

exemptions. "If that's the price to pay to get support from Malta and Cyprus, I would be ready to pay this price," Jávör said. "But we shouldn't step on this road unless everything else is agreed and this is the last compromise," he said.

May deal?

Overall, Jávör played down expectations for the 16 May triologue, saying another "possibly final" session is scheduled for 30 May, before a meeting of EU energy ministers on 11 June. "To be very honest, the Bulgarian presidency is keen to complete the negotiation. But for the Parliament, it's not necessary so we have to see. If we cannot get a good compromise under the Bulgarian presidency, we can continue negotiations under the Austrian presidency," Jávör said.

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