# **ITRE**



# Committee on Industry, Research and Energy

NEWSLETTER - ISSUE 8 - 10-11 JULY 2017

## Words by the Chair



## Dear colleagues,

For its last meeting before the summer break, ITRE will have a full agenda, spanning across the Committee's various remits. Our July meeting will also be an opportunity to have an in-depth exchange with the incoming Estonian presidency of the Council as we welcome Ms Kadri Simson, Estonian Minister of Economic Affairs and Infrastructure, Ms Urve Palo, Estonian Minister for Entrepreneurship and Information Technology and Ms Mailis Reps, Estonian Minister for Education and Research.

The Committee work on the Clean Energy Package will continue in earnest as we consider the draft reports on the directive on common rules for the internal market for electricity, the regulation on the internal market for electricity, the recast of the regulation and the riskregulation on preparedness in the electricity sector. These files are very much inter-linked and extremely important as they will ultimately revamp the internal market in the electricity sector, making it more secure for all EU citizens.

The Committee will also hold a Public Hearing on the Clean Energy package. A total of seven speakers, representing a wide array of stakeholders, have been invited to participate in this hearing, reflecting the complexity

### Risk-preparedness in the electricity sector

Consideration of draft report

Rapporteur: Flavio Zanonato

ITRE will consider the draft report of Flavio Zanonato (S&D) on the Risk-preparedness regulation. The rapporteur acknowledges the need for an EU-wide coordination that enables all Member States put in place appropriate tools to prevent, prepare for and manage electricity crisis situations and is generally satisfied with the proposal of the Commission.

Through his report the rapporteur seeks to strengthen the Commission's proposal by, amongst other things, suggesting that feasibility assessments of cross-border assistance be limited to technical aspects, that compensation mechanisms amongst Member States be defined ex-ante so to avoid later disagreements, that risk-preparedness plans should not leave room for market distortion and that TSOs and DSOs should be explicitly involved in the identification, preparation, management, monitoring and ex-post evaluation processes.

#### **PROVISIONAL TIMETABLE**

- Deadline for tabling amendments: 8 September 2017
- Consideration of amendments: 11-12 October 2017
- Vote in ITRE: 28 November 2017
- Vote in plenary: tbc

## Directive and regulation on the internal market in electricity

Consideration of draft report

Rapporteur: Krišjānis Kariņš

The Rapporteur, Mr. Krišjānis Kariņš (EPP), will present his two draft reports on the proposal for a directive on common rules for the internal market for electricity and regulation on the internal market for electricity respectively. The rapporteur has introduced altogether 187 amendments in the draft reports: 129 for the regulation and 58 for the directive.

The rapporteur notes that electricity production has evolved from a centralized system to a much more decentralized one, due to advances in renewable and other technologies. Renewables have introduced a large degree of intermittency to the system, which has had to adapt to become more flexible while still guaranteeing security of supply. At the same time, our climate goals have fostered various subsidy and support schemes, which - combined with incomplete cross-border cooperation between EU Member States - have resulted in an overcapacity of generation on EU level. In many Member States, regulated prices combined with disjointed support schemes are sending the wrong signals to investors.

To address these challenges and to foster decarbonisation, the rapporteur has taken a "market first" approach, which means creating a true level playing field for all market participants. This entails moving away from market-distorting subsidies, whether they are for fossil fuels, nuclear, or renewable energy sources. Fair rules mean fair competition in the market. A fair electricity market will deliver both our climate goals as well as the lowest and most competitive prices for consumers, at the same time ensuring security of supply without over-investment.

More precisely, the rapporteur sees the capacity mechanisms as subsidies, which make little sense when there is overcapacity in the EU. Therefore, capacity mechanisms should be allowed only in limited cases. On priority dispatching, the rapporteur believes that for the market to deliver, everyone has to be financially responsible for the imbalances they cause in the system, including renewable energy producers. For electricity bidding zones, the

of this legislative package and the major importance that ITRE associates with it. Also in connection with the Energy sector, the Committee will be considering the amendments tabled to directive on energy performance of buildings.

Our work on the research and industry fronts will continue through the consideration of the draft report on the establishment the Bio-based Industries Joint Undertaking. ITRE will also consider its draft opinion on the 2018 budget resolution while at the same time adopting its opinion on the budget lines the Committee's concerning responsibilities. The Committee will also adopt its opinion on the 'Copyright in the Digital Single Market' directive.

Finally, I would like to take this opportunity to give a warm welcome to Ms. Mariya Gabriel as the new EU Commissioner for Digital Economy and Society and to thank Mr. Günther Oettinger, for the excellent cooperation during his time as Commissioner for this portfolio. We wish them all success and look forward to working closely with Commissioner Gabriel in the months ahead.

Jerzy Buzek

NEWS FROM THE POLICY DEPARTMENT A

Recent publications:

At a Glance: <u>Policy Departments'</u> Monthly Highlights - July 2017

Study: Review of EU-third country cooperation on policies falling within the ITRE domain in relation to Brexit

Briefing: Study in focus: Review of EU-third country cooperation on policies falling within the ITRE domain in relation to Brexit

Study: <u>Workshop: Facilitati</u>ng external <u>trade via</u> border management

Periodicals: <u>The audiovisual media</u> regulation in the age of on-demand - Thematic Digest rapporteur suggests a 'carrot and stick' approach: after the bidding zone review, relevant Member States should agree unanimously on the bidding zone structure and concrete commitments where necessary. Where an agreement cannot be reached, the Commission should step in to resolve the disagreement. The rapporteur notes that the ultimate responsibility for the security of the system has to remain with the national transmission system operators (TSOs). However, as electricity markets become ever more interlinked, enhancing the cooperation of TSOs by assigning more tasks and functions at the regional level is the next logical step. Finally, the rapporteur considers that new electricity market design has to facilitate the inclusion of everyone that can and is willing to participate. Removing market barriers means more market players and more choice for the consumer. The rapporteur is also suggesting changes in the proposal to ensure that the consumer can make well-informed decisions and switch suppliers in a short period of time.

#### **PROVISIONAL TIMETABLE**

- Deadline for tabling amendments: 7 September 2017
- Consideration of amendments: 11-12 October 2017
- Vote in ITRE: 28 November 2017
- Vote in plenary: tbc

## European Union Agency for the Cooperation of Energy Regulators (recast)

Consideration of draft report

Rapporteur: Morten Helveg Petersen

The Rapporteur will present his draft report on this proposal, which forms part of the "Clean Energy for all Europeans Package" and is closely linked to other files of the package, in particular those related to electricity market revision. The proposed recast aims to update the ACER Regulation to reflect the new tasks given to the Agency and to align it with changes in electricity market rules, which are being proposed in the context of the Clean Energy Package. While the Rapporteur broadly supports the Commission's proposal and the increased scope of responsibilities it foresees for the Agency, he tabled 36 amendments, most of which aim to further strengthen the Agency's ability to effectively fulfil its tasks.

#### **PROVISIONAL TIMETABLE**

- Deadline for tabling amendments: 6 September 2017
- Consideration of amendments: 11-12 October 2017
- Vote in ITRE: 28 November 2017
- Vote in plenary: tbc

## Establishing the Bio-based Industries Joint Undertaking

Consideration of draft report

Rapporteur: Miroslav Poche

On Tuesday afternoon there will be an exchange of views on Mr Poche's (S&D) draft report on the proposal for a Council regulation amending the Council Regulation (EU) No 560/2014 of 6 May 2014 establishing the Bio-based Industries Joint Undertaking. The BBI JU was set up by Regulation (EU) No 560/2014 and is due to operate for 10 years until 2024. The goal of the BBI JU is to bring all relevant stakeholders together and contribute to the advancement of Europe as a major research, demonstration, and deployment competitor in the bio-based products and biofuels marketplace. As with all the other Public-private partnerships under Article 187, this file is following the consultation procedure. The rapporteur overall agrees with the Commission that there is a need to implement certain modifications to the financial contribution management to operational costs.

## **PROVISIONAL TIMETABLE**

- Deadline for tabling amendments: 30 August 2017
- Vote in ITRE: 2 October 2017
- · Vote in plenary: October II

#### **NEWS FROM THE AGENCIES**

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Next ITRE meeting: 4 September 2017, Brussels

#### Parliament's position on the 2018 Draft Budget

• Adoption of draft opinion on budgetary lines

**Draftsperson: Jerzy Buzek** 

ITRE will vote on the draft opinion on the budget lines in 2018 Draft Budget. Altogether 207 amendments have been tabled.

• Consideration of draft opinion on budget resolution

**Draftsperson: Jerzy Buzek** 

The aim of the opinion on the mandate on the 2016 budget is to explain the ITRE priorities in the EU 2018 budget. The opinion will address ITRE's sectorial priorities and possible issues that could be raised when considering the Commission's 2018 Draft Budget and Council's position on it.

## **PROVISIONAL TIMETABLE**

- Deadline for tabling amendments: 5 September 2017
- Vote in ITRE: 2 October 2017
- Vote in BUDG (lead Committee): 10 October 2017
- Vote in plenary: October II

## **Energy performance of buildings**

Consideration of amendments

Rapporteur: Bendt Bendtsen

In the meeting on 10-11 July Members will discuss the amendments that have been tabled to the draft report to the Commission's proposal for a revised directive on the energy performance of buildings. Members have tabled a total of 629 amendments, including the amendments in the draft report by the rapporteur.

Amendments concern, among other things, the long-term renovation strategy that Member State shall establish (former Article 4 of the Energy Efficiency Directive), various requirements to promote electro-mobility and financial incentives and market barriers.

## **PROVISIONAL TIMETABLE**

- · Vote in ITRE: 11 October 2017
- · Vote in plenary: tbc

## Copyright in the Digital Single Market

Adoption of draft opinion

Draftsperson: Zdzisław Krasnodębski

On 11 July ITRE will vote on Mr Krasnodębski's (ECR) opinion on Copyright in the Digital Single Market directive proposal. The opinion focuses on text and data mining, platforms, educational exception, preservation exception, press publishers and transparency obligations. A total of 259 amendments have been tabled and 56 compromises agreed.

## **PROVISIONAL TIMETABLE**

- Vote in JURI: 28 September 2017
- Vote in plenary: tbc



## Public hearing on 'Clean Energy Package - The Future of the EU Electricity Market'

On 10 July 2017, ITRE will hold a public hearing on the Future of the EU Electricity Market. The hearing is organised in the context of the legislative work of the Committee on the 'Clean Energy Package' which was adopted by the Commission on 30 November 2016.

The hearing will focus on the legislative proposals of the package, which aim to set a new regulatory framework for the EU electricity market design. The hearing will allow Members to have an open, balanced and fruitful discussion on the content of the Commission's proposals and on how the European electricity market should be organised in the future.

Estonian Presidency of the Council of the European Union, Visit of Ms Kadri Simson, Minister of Economic Affairs and Infrastructure (Energy, Industry), Ms Urve Palo, Minister for Entrepreneurship and Information Technology (Telecom, Space, SMEs) and Ms Mailis Reps, Minister for Education and Research (Research)

The ITRE Committee will welcome three Estonian Ministers who will present the priorities of the Estonian Presidency for the coming six months in the Committee's policy areas. Ms Kadri Simson, Estonian Minister of Economic Affairs and Infrastructure, will cover the priorities in the energy policy, Ms Urve Palo, Estonian Minister for Entrepreneurship and Information Technology, will focus on the digital agenda, whereas Ms Mailis Reps, Estonian Minister for Education and Research, will present the Presidency priorities for research and innovation.

During these upcoming six months, ITRE will be dealing with a wide range of important dossiers that fall within the portfolios of visiting Ministers, including the Energy Union, the Clean Energy Package, electronic communications, the latest initiatives in industrial, space and defence policy, amongst others.

#### ABOUT THE EDITOR

## **European Parliament**

Directorate General for Internal Policies of the Union send an e-mail with your contact details and Industry, Research and Energy Committee Head of Unit / Editor: Klaus Baier Administrator: Andre Corrado

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