



**2022/2188(INI)**

20.7.2023

## OPINION

of the Committee on Industry, Research and Energy

for the Committee on Foreign Affairs and the Committee on International Trade

on the implementation report on the EU-UK Trade and Cooperation Agreement (2022/2188(INI))

Rapporteur for opinion (\*): Dan Nica

(\*) Associated committee – Rule 57 of the Rules of Procedure

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## SUGGESTIONS

The Committee on Industry, Research and Energy calls on the Committee on Foreign Affairs and the Committee on International Trade, as the committees responsible, to incorporate the following suggestions into their motion for a resolution:

### *Energy*

1. Highlights, against the backdrop of Russia's war of aggression against Ukraine and the ongoing energy crisis, the renewed importance of strengthening cooperation on energy between the EU and the UK so that they do not put each other at risk; stresses the importance of maximising mutual benefits to the largest extent possible, in an integrated and interconnected energy system based on common technical and market principles; notes that energy trading between the EU and the UK increased considerably throughout 2022;
2. Calls for a balanced and coordinated approach towards achieving Green Deal and REPowerEU objectives and energy independence for both the EU and UK; calls on both parties to strengthen technological cooperation, skills development and exchange of data in the energy sector; highlights the importance of R&D cooperation, including within the Euratom framework, in the field of critical technologies necessary for the digital and green transition;
3. Welcomes the fact that the UK and the EU have reaffirmed their ambitions for energy efficiency and renewable energy for 2030; welcomes the Memorandum of Understanding on offshore energy cooperation; highlights that cooperation in the development of renewable technologies is important for both the Union and the United Kingdom and calls for the further development of energy technologies in line with climate change objectives; calls for the establishment of an effective framework for trading arrangements for electricity flows and for energy market stability and predictability, so as to prevent price and market manipulations; calls for accelerating the deployment of renewable energies in the North Sea while ensuring good spatial planning;
4. Is concerned about the results of the joint cost-benefit analysis presented by the respective transmission system operators in May 2021, which highlighted a high risk of market manipulation and disruption; recalls that the proposal to revise the Regulation on Wholesale Energy Market Integrity and Transparency (REMIT)<sup>1</sup> contains new provisions regarding market surveillance for generators from third countries and that these would apply to the UK, with a view to increasing market stability and predictability; encourages both parties to step up their efforts to develop trading arrangements for electricity flows between the EU and the UK, as provided for in Article 312 of the Trade and Cooperation Agreement;

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<sup>1</sup> Proposal of 14 March 2023 for a regulation of the European Parliament and of the Council amending Regulations (EU) No 1227/2011 and (EU) 2019/942 to improve the Union's protection against market manipulation in the wholesale energy market (COM(2023)0147).

5. Recalls that maintaining solid ties between the UK's and the EU's energy markets, including by making full use of existing and planned electricity interconnections, is in everyone's own best interest and calls for coordinated EU-UK critical infrastructure development, especially in the energy sector, to enhance its robustness and lower the chances of infrastructure disruptions and energy supply failures;
6. Emphasises the unique situation of the island of Ireland in relation to electricity trade with the United Kingdom and underlines that any disruption to the Single Electricity Market would have negative implications for consumers and businesses on the island of Ireland; calls for the continued application of the EU energy *acquis* in Northern Ireland as it is necessary for ensuring continuity for the Single Electricity Market on the island of Ireland following the UK's withdrawal from the EU;
7. Underlines that existing energy legislation does not directly address any aspects of EU-UK relations and calls for the alignment of policies in this area, in particular on reducing energy demand, promoting energy efficiency and renewable generation capacities, given the clear link between the two sides and the fact that any decisions made affect them both;
8. Believes that common rules for offshore renewable energy and for pipeline infrastructure are essential for facilitating commercial agreements in these areas with the UK, in light of the second edition of the North Sea summit held in Ostend in April 2023 where it was agreed to exploit renewable energy potential in a more coordinated way;
9. Is concerned that no major long-term agreement to trade electricity between the UK and the EU was reached; takes note of the fact that the North Sea is a powerhouse for renewable energy and highlights the renewable energy potential of the UK's shores for the EU;
10. Considers that an agreement on energy cooperation, which should be aligned with the overall agreement on future relations and based on robust governance and a level playing field, would be in the mutual interest of both parties to guarantee continued energy flows, as the current energy provisions of the TCA are due to expire in June 2026, although these can be extended;

### **Research**

11. Deplores the fact that the United Kingdom lost access to EU research programmes as a result of its withdrawal from the EU, and highlights the importance and the mutual benefits of continued cooperation in research and innovation between the EU and the UK;
12. Takes note of the 'transitional arrangements' in place for potential UK participants in Horizon Europe programmes and regrets that grant agreements cannot be signed yet, as they are conditional on UK association; calls on the Commission and the UK to swiftly reach a fair, balanced and mutually beneficial agreement on UK association to Horizon Europe;
13. Welcomes the Windsor Agreement and calls for constructive relations between the UK

Government and the Commission to form the basis for effective cooperation and participation in EU programmes, including potential association to Horizon Europe under the existing rules agreed as part of the EU-UK Trade and Cooperation Agreement;

14. Recalls that Horizon Europe will conclude at the end of 2027 and highlights the crucial importance of avoiding further delays in reaching an agreement on UK association to Horizon Europe, since this would risk the competitiveness and innovation of both the EU's and the UK's scientific community;
15. Underlines that any potential agreement on UK association to Horizon Europe should apply only to the current programme, without prejudice to the UK's participation in future EU research programmes; calls for the full involvement of the European Parliament in the future implementation of the UK's association to Horizon Europe;
16. Stresses that the general principles of the UK's participation in Horizon Europe should be subject to the conditions set out in the relevant instruments and should take into consideration the EU's strategic goals in its cooperation with the UK;
17. Emphasises that a fair balance must be struck between the UK's contributions to Horizon Europe and the benefits it would receive in return and highlights the need to take into account the wider benefits stemming from EU-UK cooperation; welcomes the Commission's forthcoming attitude in the renegotiation of UK contributions and expects the UK to adopt a like-minded, flexible approach;
18. Invites the UK to reconsider its association to the Erasmus+ programme, which would increase its opportunities for student exchange and cooperation projects in the areas of education and training;

### ***Digital***

19. Highlights the importance of ensuring sensible competition reforms in the digital sectors, in line with the Digital Market Act and the Digital Service Act, in order to guarantee that they establish open, competitive and fair digital markets worldwide;
20. Notes that there are potential difficulties associated with regulatory divergence between the EU and the UK in relation to digital policies; underlines the need to cooperate in ensuring the resilience of digital communications, especially over internet, and participate in joint actions meant to increase cybersecurity; calls for strengthening cooperation in the field of cybersecurity, given its implications for both the EU and UK on a wide range of areas of mutual interest, especially in the digital and financial sectors, IT, defence, energy and R&D;
21. Reiterates the need to cooperate on promoting transparent and reasonable rates for international roaming services in order to protect EU and UK consumers;
22. Underlines the importance of ensuring high-level data protection standards for the transfer and processing of personal data between the two parties and calls for regular information sharing regarding legal and policy developments between the EU and the UK, through the Specialised Committees and the Partnership Council;

### *Industry*

23. Emphasises the importance of ensuring good cooperation in relation to industrial policy; stresses that the UK should not make use of its privileged market position to obtain direct benefits while undermining the principles of the EU's internal market.

## INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

<b>Rule 58 – Joint committee procedure</b> Date announced in plenary	15.12.2022
<b>Date adopted</b>	19.7.2023
<b>Result of final vote</b>	+: 65 -: 0 0: 7
<b>Members present for the final vote</b>	Nicola Beer, François-Xavier Bellamy, Hildegard Bentele, Vasile Blaga, Michael Bloss, Paolo Borchia, Cristian-Silviu Buşoi, Jerzy Buzek, Maria da Graça Carvalho, Ignazio Corrao, Beatrice Covassi, Nicola Danti, Marie Dauchy, Pilar del Castillo Vera, Martina Dlabajová, Christian Ehler, Valter Flego, Niels Fuglsang, Jens Geier, Nicolás González Casares, Christophe Grudler, Henrike Hahn, Robert Hajšel, Ivo Hristov, Ivars Ijabs, Romana Jerković, Seán Kelly, Zdzisław Krasnodębski, Andrius Kubilius, Thierry Mariani, Marisa Matias, Marina Measure, Dan Nica, Niklas Nienass, Ville Niinistö, Johan Nissinen, Mauri Pekkarinen, Tsvetelina Penkova, Morten Petersen, Markus Pieper, Manuela Ripa, Robert Roos, Sara Skyttedal, Maria Spyraiki, Grzegorz Tobiszowski, Patrizia Toia, Henna Virkkunen, Pernille Weiss, Carlos Zorrinho
<b>Substitutes present for the final vote</b>	Damian Boeselager, Franc Bogovič, Francesca Donato, Matthias Ecke, Ladislav Ilčić, Elena Lizzi, Dace Melbārde, Jutta Paulus, Massimiliano Salini, Jordi Solé, Susana Solís Pérez, Ivan Štefanec, Nils Torvalds, Emma Wiesner
<b>Substitutes under Rule 209(7) present for the final vote</b>	Rosanna Conte, Arnaud Danjean, César Luena, Nicola Procaccini, Elżbieta Rafalska, Antonio Maria Rinaldi, Daniela Rondinelli, Nacho Sánchez Amor, Edina Tóth

## FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

65	+
ID	Paolo Borchia, Rosanna Conte, Marie Dauchy, Elena Lizzi, Thierry Mariani, Antonio Maria Rinaldi
NI	Francesca Donato, Edina Tóth
PPE	François-Xavier Bellamy, Hildegard Bentele, Vasile Blaga, Franc Bogovič, Cristian-Silviu Buşoi, Jerzy Buzek, Maria da Graça Carvalho, Pilar del Castillo Vera, Arnaud Danjean, Christian Ehler, Seán Kelly, Andrius Kubilius, Dace Melbārde, Markus Pieper, Massimiliano Salini, Sara Skyttedal, Maria Spyraiki, Ivan Štefanec, Henna Virkkunen, Pernille Weiss
Renew	Nicola Beer, Nicola Danti, Martina Dlabajová, Valter Flego, Christophe Grudler, Ivars Ijabs, Mauri Pekkarinen, Morten Petersen, Susana Solís Pérez, Nils Torvalds, Emma Wiesner
S&D	Beatrice Covassi, Matthias Ecke, Niels Fuglsang, Jens Geier, Nicolás González Casares, Robert Hajšel, Ivo Hristov, Romana Jerković, César Luena, Dan Nica, Tsvetelina Penkova, Daniela Rondinelli, Nacho Sánchez Amor, Patrizia Toia, Carlos Zorrinho
The Left	Marisa Matias, Marina Mesure
Vers/ALE	Michael Bloss, Damian Boeselager, Ignazio Corrao, Henrike Hahn, Niklas Nienass, Ville Niinistö, Jutta Paulus, Manuela Ripa, Jordi Solé

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ECR	Ladislav Ilčík, Zdzisław Krasnodębski, Johan Nissinen, Nicola Procaccini, Elżbieta Rafalska, Robert Roos, Grzegorz Tobiszowski

Key to symbols:

+ : in favour

- : against

0 : abstention