



ENERGY UNION AND THE CLEAN ENERGY PACKAGE

(Approved by the CPMR General Assembly, 19-20 October 2017, Helsinki-Finland)

BACKGROUND

This policy position is being prepared as a CPMR response to the [Clean Energy Package](#) of proposals published by the European Commission in November 2016. It is based on the position adopted by the CPMR's North Sea Commission at the end of June 2017, and draws on the views of CPMR regions expressed during a meeting of the Climate Task Force on 26 September 2017 in Brussels.

The CPMR established a Climate Task Force at the end of 2016 in response to the strong interest of its member regions in taking a more active role on climate action, and the Clean Energy Package was identified as a key priority for 2017.

KEY POINTS

The CPMR:

1. Underlines the importance of EU leadership at the international level on climate change and welcomes the **contribution of the Clean Energy Package to reaching the EU's overall goals on climate protection**
2. Reiterates the need to **address simultaneously mitigation and adaptation** to cope with a rapidly warming world
3. Highlights that **maritime and peripheral regions are directly impacted by many of the challenges that climate change poses**, and have rich and diverse resources available to make a positive contribution to clean energy transition
4. Supports the Commission's intention to **place citizens at the heart of the EU energy policy**, as part of a decentralisation and empowerment agenda, noting that mobilising public support for transformational change is essential;
5. Underlines that decentralisation must support multiple objectives of (i) **enhancing self-sustainability of local communities in energy production**, including remote areas and islands; and (ii) ensuring **connectivity to national (and European) grids for remote and peripheral communities** to unlock their economic potential as 'clean energy' exporters; (iii) **addressing energy poverty** that affects many communities, including peripheral, outlying and island communities
6. Underlines the **central role of regions in engaging citizens, businesses, interest groups and civil society in energy transition**: (i) through setting a regional strategic framework for climate protection (ii) by facilitating, coordinating and driving action on the ground; and (iii) by measuring, reporting and verifying progress towards climate targets;
7. Calls, therefore, for **regions to be formally recognised in the governance structures of the Clean Energy Package and the Energy Union**, for example through the creation of multi-level dialogue platforms;
8. Calls for **more ambitious and binding targets** for Member States that take into account the situations and potential of the regions, given the urgency of the climate protection agenda;
9. Reiterates that delivering coordinated action and results on the ground is the true measure of success, and underlines the **need for policy tools at EU, national and regional level to support the implementation agenda**, including support for structured cooperation and exchanges between regions to share best practice;
10. Underlines the **value of EU level initiatives such as the "Clean Energy for EU Islands"** as an example of such an initiative; which will explore a diversity of situations, solutions and models that will be transposed to other peripheral territories
11. Calls for **a raft of support measures to be developed ranging from small-scale projects/investments to largescale investments at the macro-regional level**, and underlines the key role for EU funding in contributing to this.

1. Welcome and support for Commission's proposals

The CPMR welcomes the Energy Package “Clean Energy for all Europeans”, published by the European Commission at the end of 2016.

As we have stated in [our position on adaptation](#) **an integrated approach to climate action is essential in Europe's response to climate change**, where mitigation and adaptation are two sides of the same coin. This means helping Europe's communities to adjust to the new realities of global warming, to prepare for further short to medium-term changes and through mitigation measures to work towards making Europe a more sustainable and climate-friendly place.

European leadership in climate mitigation is more relevant than ever given the retrograde shift in the US position under President Trump. Such a leadership effort would address many of the challenges that are currently faced by Europe: it should lead to growth and innovation, create jobs, lower energy dependence, benefit the environment and the climate, and democratise the energy sector.

It is also crucial that **citizens are placed at the heart of energy transition**, and we welcome the European Commission's emphasis on this in the Clean Energy Package. Mobilising public initiative and support for transformational change is essential, and regions are pivotal in making this happen.

The Clean Energy Package and the review of the Adaptation Strategy need to be ambitious, bold and driven, and the CPMR underlines that it will be a strong and committed partner in delivering this agenda for change.

2. Delivering on Europe's ambitions

Climate change is only going to become more acute in the years to come. Therefore, the EU, as well as all its United Nations Framework Convention on Climate Change (UNFCCC) signing partners of the 2015 Paris Agreement, must take action now in order to contain global warming at an average of 2 degrees Celsius and to deliver a fully decarbonised European Energy Supply by the year 2050.

Therefore, **the CPMR welcomes and supports ambitious and binding targets to drive the agenda.** The CPMR believes binding targets give a clear signal to governments, businesses, innovators, researchers and investors that the EU is serious about delivering this transformational change.

We support the following changes to the Commission's proposals:

- **Renewable Energy share: to be increased to 40% of all energy production.** The Commission target is 27%.
- **Energy Savings: to be increased to 40%.** The Commission's target is 30%.

Primary production from renewables in the EU28 has increased by 72.5% in the decade between 2003-2014, and the cost of many renewable energy technologies is also falling. **Higher targets would send a clear commitment to investors and innovators about the political intent of the EU**, and should help to create a conducive environment for further investment in new and innovative technologies, including within the marine renewable energy sector.

The CPMR believes the European Commission is right to place a high priority on energy efficiency: saving energy, in particular fossil energy, is far cheaper than supplying it, and it also highlights the important need for behavioural changes in our efforts to mitigate climate change, and that we can't rely exclusively on technological solutions. **There is significant employment potential from energy efficiency: with an estimated three million new jobs that could be created.** We would also expect the European Commission's update of its impact assessment, which had initially used cost assumption data from 2014, to show a much higher potential for growth than the original modelling. Therefore, we agree with the [Committee of the Regions'](#) proposed increase in the target for energy savings.

Many CPMR regions have set far more ambitious targets than those proposed by the EU, and some are already over-fulfilling them. For example, Västra Götaland target to be 100% fossil fuel free by 2030 and in 2016 renewable fuels represented 90% of energy used in public transport in 2016, whilst the region achieved 95% renewable energy in public buildings in 2016, and 870 of 1000 cars used by the Regional Council used renewable fuels in 2016.

Some CPMR regions, for example the Agder region in Norway already produce a large surplus of renewable energy. It is therefore important that such regions act as "green batteries" and contribute to the greening of Europe as a whole.

Central Denmark in 2007 set a target of 50% for renewable energy as a proportion of energy production in the region by 2025 and is on target to achieve this goal, whilst it has set a target of 100% renewable energy by 2050, a target also shared by Catalunya. Gävelborg in Sweden also has a target of 100% fossil fuel free public transport. South West Finland aims to be a carbon neutral region by 2050, with its main city – Turku – aiming to be CO₂ neutral by 2040, and there are five municipalities in the region that have made a commitment to make CO₂ emission reductions of 80% by 2030 compared to 2007 levels.

However, we also need to be mindful in a very pragmatic way of the differences that exist between regions, which determines the potential and ability to contribute to the EU's overall climate targets.

Cities, with high and densely populated communities, face different challenges from more remote and sparsely populated rural communities.

We believe that the Greenhouse Gas emissions target of 40% reduction on 1990 levels will be challenging in itself, so we have not proposed an increase in the Commission's level. However, there must be concerted effort to make a step shift by 2030, so that Europe's ambitions for 2050 on Greenhouse Gas emission can be delivered.

We agree with and welcome the discussion on the Clean Energy Package in the Council on ensuring that the right mix of policy tools is in place to deliver change and believe that the EU Emission Trading System (ETS) should remain a cornerstone to promote a green transition.

We underline the importance of policy tools at each governance level - EU, national and sub-national level and the importance of coordination between these to ensure that action is delivered on the ground.

3. CPMR regions contribution to this ambitious agenda

The CPMR membership covers all of Europe's main seas and oceans: the Atlantic, Baltic Sea, Black Sea, Mediterranean, and North Sea. As such, the energy transition agenda is hugely important to CPMR regions, being located in maritime areas, peripheral and outlying parts of Europe. They have a strong interest and contribution to make in unlocking the enormous opportunities offered by clean and renewable energies, including marine renewable energies. *Annex 1* provides some further background on the potential for renewable energies in the CPMR's Geographical Commissions, including examples of projects that CPMR regions are involved in.

Regional institutions have a central role to play in implementing climate protection policies and are a key strategic level for climate action. Regions occupy a unique position between the national (state) level and local (municipality) level, providing a more 'local' understanding perspective whilst at the same time being able to provide a strategic overview of their territories. This enables regions to plan at a strategic level, looking for synergies between cities and municipalities, and to fulfil a neutral and informed role in which to engage key stakeholders.

Regions have a detailed knowledge of their own territory, which means they are ideally placed to organise and prioritise the different components of the energy transition, whether they may concern land use or renewable energy production management and transport. Energy grids need to be planned at a supra-urban level, and an articulate vision of production, management and distribution systems needs to be look upon from a wider perspective. This is also the case for deployment of electric vehicle recharging stations, where planning at the regional level is essential.

The shift towards renewable energies and away from traditional carbon-based energy sources will have an economic impact for CPMR regions' economies. Reforming traditional energy-related sectors, will inevitably result in job losses in the regions where they are situated, as we have seen in other parts of Europe where traditional carbon based industries have declined (for example the south Wales valleys). Nevertheless, **the economic opportunities that emerge from the transition are even bigger than the threats.**

One policy goal should, therefore, be to develop new innovative clean energy businesses in areas where traditional energy production currently provides high levels of employment so as to minimise negative impacts on local communities from energy transition, A second policy goal will be to **unlock the huge potential for coastal and island communities to develop new economic activities in clean and renewable marine energies**, as part of the wider [EU Blue Growth Strategy](#).

The CPMR welcomes the Commission's Clean Energy for EU Islands initiative, launched during the Maltese EU Presidency in May 2017 and [the Pact of Islands](#), which was recently adopted by the European Parliament in parallel to the Covenant of Mayors initiative.

The CPMR supports the EU's adoption of an integrated [EU approach to the Arctic Region](#), which prioritises addressing climate challenges, renewable energies (the importance of international cooperation) and the need for continuous support for research and sustainable regional development in the European Arctic.

4. Multi-level governance

Despite the key role played by regional authorities across Europe in the implementation of climate protection policies, [the Commission's proposals on Governance of the Energy Union](#) focus **exclusively on Member States and national reporting on the implementation of the 2030 energy and climate targets.**

The Energy Union Governance Directive is an opportunity to **finally push for a bottom up approach with the objective of mobilising all key energy transition stakeholders in order to reach the EU level targets.**

The CPMR calls for the role and involvement of local and regional authorities in preparing **integrated national energy and climate plans** to be set out firmly as a fundamental requirement in best practice. The CPMR supports the proposed amendments by the [European Parliament rapporteurs](#) and also suggested by the [Committee of the Regions](#) for **permanent structures for dialogue involving local and regional authorities, civil society and the business community.** Such "Multi level dialogue platforms" would facilitate discussion between all layers of governance in shaping future energy and climate plans at national level.

Such a multi-level governance approach would also improve the implementation and the territorial impact of the EU directives on Energy Efficiency (2012/27/EU) and Energy Performance of Buildings (2010/31/EU), moving towards a more effective long-term renovation strategy in EU buildings. It would enable a real coordination between national and regional strategies, which should lead to better implementation measures and investment schemes.

5. Energy democratisation and decentralisation

The Clean Energy Package has brought new elements of the energy value chain to the core of the debate on European energy policies for the first time: aggregators, prosumers and demand-response, local energy communities. **Decentralisation and democratisation of energy production have become a reality in the market, as more and more initiatives have developed at grassroots level.** We believe this trend will continue and deepen, and we very much welcome this development.

We agree with the European Commission that the Clean Energy Package presents a huge opportunity to **provide both citizens and communities with a new framework supporting their active and key presence in the future European energy system.** For these reasons, softening or weakening of the initial Commission proposals must be absolutely avoided.

Whilst we support the efforts to democratise and decentralise, we also underline the importance of connectivity to grids and energy infrastructure for outlying and remote areas. In many cases, such as the Orkney Islands, there is potential to generate economic benefits and value to local communities through export of surplus renewable energy generation that go beyond the energy demands of these communities. For this to be possible, **connection to national (and potentially European) grids is a key priority,** contributing to the empowerment of local communities in many parts of Europe.

In order to foster and encourage the future establishment of energy communities and to make sure that they will be on the same playing level field within the energy system, it is very important to have an **appropriate legal framework to set clear rules for the activities of the communities on the energy market** and therefore provisions under Article 16 of the [Internal Market in Electricity Directive](#) should be further clarified.

Social acceptance is crucial in reaching the goals of the Energy Package. There is clear evidence of widespread support from citizens at the overall EU level for energy transition. This is why involvement of local people, buy-in to projects through ownership which sees energy resources as assets of the community rather than impositions, is so critical. Local and regional authorities have crucial role to play in facilitating and supporting such developments.

Addressing energy poverty is also a key priority. Local ownership of energy assets can help to address energy poverty by creating community assets, where energy becomes an economic resource to be shared by communities, including the potential for energy exports as has already been noted. Many remote communities already face surcharges for electricity because of their remoteness which further contributes to energy poverty in communities.

6. Cooperation across national boundaries

We agree with the European Commission that there is a need to address energy production, supply and consumption beyond national level, and strengthen cross-border cooperation and partnership frameworks, including by establish dedicated financial platforms. **The CPMR argues strongly that transnational cooperation on energy must involve regional level partnerships – and mustn't be restricted to state-level cooperation.**

Macro regions provide an excellent framework for such cooperation, bringing together the different governance levels of the macro region, with the European Commission providing a steering/coordinating role. The challenges of renewable energy deployment, scale, costs of investment, technological barriers, could be overcome through structured planning, coordination and cooperation across boundaries.

7. Financing climate action

The Clean Energy Package is not enough in itself for the EU to meet its 2030 targets and deliver on the Paris Agreement. **The EU will have to radically transform its way of producing and consuming energy, which means investments in smart and innovative energy transportation and management systems,** from the private sector as well as from public sector, including all governance levels: local, regional, national and the European level.

The shift towards decentralisation and democratisation of energy production introduced by the Clean Energy Package should provide the necessary legislative framework for the development of small scale mitigation projects and increase the role of prosumers. However, in order for this to happen, **the EU should develop adapted financial tools, and the role of Regions as facilitators to**

grant access to EU funds should be further explored. We underline that this must mean a suite of support that runs from community-level, grassroots initiatives, right through to major investments at the macro-regional level.

The next Multi-annual Financial Framework (MFF) is an opportunity to put in place a series of measures that will help to deliver on the policy ambition for climate change, including the Clean Energy Package. This means support from the European Structural Funds and other financial instruments, including the European Fund for Strategic Investment and other European Investment Bank (EIB) support instruments.

However, **synergies among the different EU funding streams should be improved in the future,** especially between European Structural and Investment Funds and the European Fund for Strategic Investments.

Given the complexity and the difficulty of finding the right financial support, **the Commission should further develop and make more accessible specific technical assistance programmes such as the EIB's JASPERS and ELENA programmes.** These programmes are essential to provide regions and local authorities with the necessary help to secure investments for low carbon programmes.

The deployment of new technologies, processes and services that support energy transition must be a key priority for the EU. Research and innovation (R&I) are therefore key enablers for a fast-paced energy transition and a European leadership in energy technology. The challenge for the EU is to ensure that new technologies are deployed, and that local communities, through a more decentralized approach to energy production and consumption, are able to access and make use of the latest technologies.

For these reasons, the CPMR welcomes the [Commission's Communication on accelerating Clean Energy Innovation](#), which puts particular emphasis on making such technologies accessible and deployable.

Annex

Background information on CPMR Geographical Commissions and Clean Energy

North Sea

The North Sea and its surrounding regions and countries are a hotspot for energy transition. Energy activities are shifting more and more towards the coastal areas, oil and gas platforms in the North Sea are being dismantled and major investments are made in off and on shore wind energy parks, solar and bio-energy and necessary infrastructure. In 2012, 80 % of the EU offshore capacity was installed in the North Sea.

Renewable energy in the North Sea Region plays an essential role in meeting the renewable energy targets of the EU. In its communication “Energy infrastructure priorities for 2020 and beyond”, the European Commission acknowledges the energy production capacities in the Northern Seas. Furthermore, it proposes that an off shore grid in the northern seas with connections to Northern as well as Central Europe is among the priority corridors which will make Europe’s electricity grids fit for 2020. In 2016 a political declaration on energy cooperation between the North Sea’s states was signed.

Atlantic Arc

The highest potential for the development of ocean energy in the EU is on the Atlantic seaboard given its powerful waves and strong tides. On the basis of their industrial heritage, Atlantic regions have built competitive sectors such as the shipbuilding industry and marine research, which enable them to become leaders in marine renewable energies.

With its strong winds, the Atlantic is also an ideal space to develop offshore wind energy. For this reason, the CPMR Atlantic Arc Commission is actively involved in discussions with the CPMR North Sea Commission to exchange expertise between their member regions.

Some project examples:

- [Atlantic Power Cluster](#) (CPMR partner): linked with the Atlantic Area Operational Programme 2007-2013, the project helped the Regions involved to exploit their renewable energy potential (regional benchmarking study on marine energies, identification of market opportunities, definition of a common strategy to adapt the partner region’s workforce etc.)
- [Ocean Energy Forum](#): led by a lobby of industries in the marine sector, this platform organised discussions between regional stakeholders (incl. CPMR) and private actors to establish a strategic roadmap for ocean energy.
- [Mapping of projects](#) (to be updated)
- [SEENEOH](#) (Nouvelle Aquitaine): supported by the Region and the city of Bordeaux (among other partners), the project is currently testing tidal turbines technologies to be built in the Gironde estuary.

Baltic Sea

The Baltic sea regions are endowed with vast natural resources in terms of biomass (Germany, Sweden, Finland), but also wind (Germany, Denmark, Sweden) and hydro power potential (Sweden, Germany, Finland). The exploitation of renewable energies is well advanced in this part of Europe, with more than 100% of Norway’s electricity generated from renewable sources, followed by 62% in Sweden and 48% in Latvia ([source](#), p. 31-34).

The EU strategy for the Baltic Sea Region (EUSBSR) provides incentives at local and regional level for the development of innovative projects in the field of renewable energies.

- Project examples (CPMR BSC not involved in any projects regarding renewable energy but member regions are):
 - [Bioenergy Promotion 2](#): financed by the Interreg BSR Programme (2012-2014), this transnational project aimed at promoting the sustainable use of bioenergy (for instance through public procurement) and facilitating information and knowledge exchange between partners. It helped regional and local authorities to develop bioenergy strategies and action plans.
 - Under the [Baltic Climate Project](#), the “Baltic Climate Toolkit” supports knowledge transfer at local and regional scales, helping local authorities to take ownership of EU and national climate change strategies

Mediterranean basin

The development of renewable energies is an opportunity for Mediterranean regions to reduce their energy dependency (in particular islands) and modernise existing energy networks which are often obsolete and under-equipped to respond to peak energy consumption times during the tourist season.

A large variety of renewable energy sources are already exploited, to different degrees across countries: sun (Spain, Italy, Greece), wind (Spain, Italy, Greece), geothermal (Italy), hydro (Italy, Slovenia) and biomass (Slovenia).

The “Water and Energy” working group of the CPMR Intermediterranean Commission is actively involved in promoting renewable energies and energy efficiency in the Mediterranean regions. It facilitates interregional dialogue, the exchange of experiences and best practices, and supports regional initiatives and projects.

Project examples (consortium of Mediterranean Member Regions and the IMC):

- [ENERMED](#) : improving the quality of regional policies in support of renewable energies and assessing the economic, social, environmental impact of projects related to renewable energies.
- Projects to improve energy efficiency in buildings (ELIHMED, MARIE, SURE etc) – specific Task force coordinated by the Regional Government of Catalonia.

Islands and Outermost regions

Making a better use of their own renewable energy sources is of the utmost importance for island territories to reduce their dependency on energy imports (especially diesel fuel and oil) and their energy costs. Their unique and fragile ecosystems and their vulnerability to climate change also require EU islands to develop clean energy solutions.

These maritime and ocean regions are thus well placed to exploit alternative energies such as marine renewable energies, solar energy or wind power.

Project examples:

Greek island CPMR member (Tilos) will soon become the first Mediterranean island to be 100% energy self-sufficient (based on solar energy and a wind turbine). H2020 supported with €15 million ([source](#))

Black Sea/Balkans

The Balkans and Black Sea area is a strategic energy-producing region (oil and gas) and a transport corridor for conventional hydrocarbons. However, the development of low-carbon and climate-friendly technologies is particularly critical given the environmental degradation affecting the Black Sea.

Marine wind energy, tidal power and biofuels are local resources that could be better exploited, as well as the marine renewable energies sector, which is gaining increased attention.

The European initiative [EU4Energy](#) supports energy policy-making in the Eastern Partnership countries and Central Asian regions. The aim is to tackle issues such as energy dependence, energy consumption and the transition to a low-carbon economy.

The Organization of the Black Sea Economic Cooperation (BSEC), with which the CPMR Balkans and Black Sea Commission regularly works, has a working group on Energy which is currently drafting a Green Energy Strategy Paper.

Project examples

[EaPPlus](#) (Science, Technology and Innovation International Cooperation Network for EaP Countries) (CPMR partner): a cooperation platform between researchers from the EaP countries and EU MS, in particular to enhance their participation in H2020. Areas of cooperation cover energy security and energy efficiency among other issues.

[ARGOS](#), implemented under the cross-border programme “Black Sea Basin 2007-2013”, led to the creation of a joint Master Degree Programme on the management of renewable energy sources, in order to address the skills deficit in this sector in the Black Sea basin.

Cross-cutting

CPMR is also involved in activities across the different sea basins. One such example is:

[CLIPPER](#): Coordinated by the Pays de la Loire region, this project brings together seven regions focusing on developing better public policies to support SMEs working in maritime industries across Europe. In particular, the project is supporting the SMEs to develop innovative business strategies focused on diversification and differentiation that will help them to create jobs and growth in the Blue Growth sector, including in new marine renewable energies.



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The Conference of Peripheral Maritime Regions (CPMR) brings together some 160 Regions from 25 States from the European Union and beyond.

Representing about 200 million people, the CPMR campaigns in favour of a more balanced development of the European territory.

It operates both as a think tank and as a lobby group for Regions. It focuses mainly on social, economic and territorial cohesion, maritime policies and accessibility.

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