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1. Energy: Deals on Efficiency Targets and Governance

Deals have been struck on two important elements of the Clean Energy Package presented by the Commission in November 2016, the Energy Efficiency Directive (EED) and the Regulation on the Governance of the European Union (RGEU). On 19 June a political agreement was reached between the Commission, the European Parliament and the Council on the text of the EED, making it the third of eight legislative proposals in the Clean Energy Package to be agreed (the first two being the Energy Efficiency Directive and the Renewable Energy Directive).

The main elements of the revised EED include:

- A new energy efficiency target for the EU for 2030 of 32.5%, with an upwards revision clause by 2023.
- Extending the annual energy saving obligation beyond 2020, to attract private investment and support the emergence of new market actors. Member States will have to increase their annual savings by 0.8% every year for the period 2021-2030.
- Stronger rules on individual metering and billing of thermal energy giving consumers (especially those in multi-apartment buildings with collective heating systems) clearer rights to receive more frequent and more useful information on their energy consumption.
- Requirements for Member States to have in place transparent, publicly available national rules on the allocation of the cost of heating, cooling and hot water consumption in multi-apartment and multi-purpose buildings with collective systems for such services.
- Tackling existing market, behavioural and regulatory barriers in order to increase security of supply, competitiveness of EU industries and reduce energy bills.

The RGEU is the “umbrella” piece of legislation which aims to ensure that the EU’s energy and climate targets – reduction of 40% of greenhouse gas emissions, a minimum of 32% renewables in the EU energy mix, and the 32.5% goal of energy efficiency savings – are achieved. It defines how Member States and the Commission will work together to reach clean energy goals. On 20 June a political agreement was reached on its text between the Commission, the European Parliament and the Council, thus making it the fourth of the legislative proposals in the Clean Energy Package to be agreed.

The main elements of the RGEU include:

- Each Member State will need to submit draft national energy and climate plans to the Commission by 31 December 2018. The Commission will assess these plans and issue its recommendations by 30 June 2019 at the latest. The deadline for the submission of the final national energy and climate plans is 31 December 2019.
- The first biennial progress report on the implementation of the national energy and climate plans is due on 15 March 2023.
- In order to reach its overall renewable energy target of 32% by 2030, the EU needs to have met 18% of the target by 2022, 43% by 2025, and 65% by 2027. It was also agreed to set three reference years for energy efficiency (2022, 2025 and 2027).
- If there is a gap at EU level (for renewable energy) those Member States which fall below their reference points will have to cover the gap by implementing measures at national level.
- Long-term strategies for the EU and Member States, with a timetable.
- A regulatory framework for dialogue with civil society in EU matters and to enhance regional cooperation.

Both texts will now have to be formally approved by the European Parliament and Council. In the meantime the revised Energy Performance of Buildings Directive, which has already been approved, came into force on 9 July 2018.

2. European Parliament Hearing on EU Consumer Rules

On 11 July the Internal Market and Consumer Protection (IMCO) Committee of the European Parliament held a public hearing on the better enforcement and modernisation of EU consumer rules. This concerned the Commission's proposal on the revision of consumer law published in April (see the New Deal for Consumers CEPI.eu#140). The hearing will also provide input for an IMCO implementation report on the same topic due to be published later this year. The expert panel included speakers from an academic, Member State consumer and SME perspective. The main focuses of the discussion were the rebalancing of the right of withdrawal for consumers from distance contracts and free digital services.

From an academic point of view Dr. Verena Klappstein of the Universiteit Passau saw little evidence of a need for a change in the rules concerning the right of withdrawal from contracts for the sale of goods. She also identified concerns about conflict of interest between traders and consumers and likely increases in costs. Ms Petra Pišová, of the Slovak Trade Inspection Ministry gave a Member State perspective on the proposed changes. She expressed concern about the burden of proof on the consumer and also problems with doorstep selling: unsolicited visits in consumers' homes which the proposals give Member States the discretion to ban. She welcomed greater transparency in online trading and the fact that the online marketplace must state clearly whether the consumer buys the products from a professional or a consumer.

Ms Ursula Pacht, Deputy Director General of BEUC the European consumer's organisation was concerned about a lack of transparency for consumers and long-standing problems with enforcement and redress. She supported higher penalties and stricter sanctions in the proposals but felt that the money raised could be used to serve consumer's interests. However she was opposed to the proposed changes on the right of withdrawal. The position of SMEs was presented by Mr Luc Hendrickx, Director Enterprise Policy and External Relations, UEAPME. He felt that there was too much emphasis on enforcement with the risk for SMEs of unintentional infringement of the rules which he argued should be simplified. He also felt that non-compliance was largely an issue for specific sectors but that the focus should be on prevention.

The rapporteur for IMCO, Dan Dalton (UK, ECR) confirmed that his draft report will be available shortly with the deadline for amendments likely to be in September. He expressed concern about the changes to the right of withdrawal. He also expressed concern about the possibility for Member States to ban doorstep selling and the effect this could have on the single market. A representative of the Commission stressed that the objectives of the proposal are: better enforcement; modernisation, reduction of burdens for business; and clarification of existing rules.

All presentations and a recording of the hearing are available from the link shown below.

3. Austrian Presidency Priorities

Austria took over the Presidency of the Council of the EU from 1 July 2018 for the second half of the year. The motto of the presidency is "A Europe that protects". The Austrian presidency will focus on security and the fight against illegal migration, securing prosperity and competitiveness through digitalisation, and stability in the European neighbourhood. It will prioritise action in three priority areas:

- Security and the fight against illegal migration.
- Securing prosperity and competitiveness through digitalisation.
- Stability in the European neighbourhood – EU perspective of the Western Balkans/South Eastern Europe.

Austria's approach will be based on enhancing the principle of subsidiarity. In the course of its Presidency, Austria will hold a high-level conference on subsidiarity and citizens' consultations will be organised throughout the Member States to discuss the future development of the EU. The Austrian presidency will see critical negotiations on Brexit and the EU's post 2020 budget. It will continue efforts to implement the Digital Market Strategy. It will also do its best to finalise all pieces of legislation within the Clean Energy Package.

Between 9 and 12 July hearings were held with the different committees at the European Parliament to present and discuss the priorities of the Austrian presidency. The New Deal for Consumers, the proposal for a regulation setting new standards on transparency and fairness for online platforms, the ongoing negotiations on digital contracts and on the European Accessibility Act

were among the topics discussed during the hearing with the IMCO Committee. MEPs in the IMCO Committee asked the Austrian presidency to concentrate in particular on the internal market, SMEs and start-ups.

Please note that as work in Brussels slows down for the summer there will be no policy newsletter in August. We wish all CEPI members a happy and relaxing summer break.

Useful links

www.cepi.eu

Energy: Deals on Energy Efficiency and Governance

<http://www.europarl.europa.eu/news/en/press-room/20180619IPR06146/energy-union-deals-on-efficiency-targets-and-governance>

IMCO Hearing on Better Enforcement and Modernisation of EU Consumer Laws

<http://www.europarl.europa.eu/committees/en/imco/events-hearings.html?id=20180706CHE04661>

Austrian Presidency of the Council of the EU

<https://www.eu2018.at/>