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THE ROAD TO KATOWICE: TAKING THE CLEAN ENERGY FILES TO THE NEXT LEVEL

This week, the plenary of the European Parliament is to vote on the provisional deals reached with Member States in June this year on the Commission's clean energy proposals for an amended energy efficiency directive, amended directive on renewable energy sources and a new governance regulation.

Pending formal approval by the Council, this will mark a further milestone in the European clean energy transition and on the path to sustainability for our planet, Europe's citizens and economy just few weeks ahead of the 24th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP24).

Orgalime representing Europe's Technology Industries looks forward to this important step that is not only to amplify Europe's energy efficiency and renewable energy ambition but also to empower consumers and give them the right to self-generate, self-consume, store, manage and sell electricity while optimising their overall carbon footprint and environmental performance.

Preserving the overall coherence and consistency throughout the clean energy package matters, as only coherent and coordinated answers to the many interlinked and mutually dependent issues throughout all clean energy files can provide the urgently needed investment certainty and bring innovation, such as value-cocreation, connectivity or real-time measurements, to European citizens.

We therefore urge regulators to strike a coherent, forward-looking agreement on the proposals for a new electricity market design in the remaining trilogue negotiations that reflects the level of clean energy ambition already agreed in the new energy efficiency, renewables and governance deals. In particular, the following inconsistencies should be removed:

- **Storage:** The definition of "storage" should remain open for all types of technologies, including power-to-x technologies, thermal heat storage and small-scale storage, and the ownership, development, management and operation of storage should be market based.
- **Capacity mechanisms:** These are subsidies, which should be applied only as a last resort specifically in a generation overcapacity situation. Capacity mechanisms need to stop if resource adequacy concerns were addressed. Resource adequacy should be first ensured without additional recourse to capacity mechanisms, via additional renewable energy generation capacity, energy efficiency, demand-side response, storage or interconnection.

Orgalime, the European Technology Industries, speaks for 45 trade federations representing the mechanical, electrical, electronic, metalworking & metal technologies industries of 23 European countries. The industry employs nearly 11 million people in the EU and in 2017 accounted for some €2000 billion of output. The industry represents over a quarter of the output of manufactured products and over a third of the manufactured exports of the European Union.

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- **Distribution grid:** laying the groundwork for Europe to successfully manage the coexistence of centralised and decentralised electricity production will offer the EU a unique opportunity to set a new global standard and be a driver of further innovation and technology development, including in the areas of smart grids, clean transport or sustainable buildings.
- **Interconnectivity:** the definition of “active customer” needs to be sufficiently broad and include individuals as well as small businesses and small industries. The rights of active customers should include the right to store and self-consume.

In this context, reducing the threshold for exemptions from priority dispatch and enforcing balancing requirements would disincentivise investment in renewable energies at the level of industrial and commercial buildings. The Commission’s and EP positions in our view strike a better balance so that centralised and decentralised energy generation can fairly co-exist in Europe.

Also, active Customers should not be subject to double taxation (including double charges and fees) for the electricity stored within their premises and for the electricity fed back into the grid. They should have the right to store and sell their energy to all suitable markets without discrimination or disproportionate burden. A policy framework where storage technologies can achieve their full potential will automatically contribute to a successful and cost-efficient energy transition.

Adopting fair rules that remove barriers for the development of energy communities will further support innovation and sustainable growth and jobs.

Further Orgalime recommendations for finalising the clean energy package are available [here](#).

By adopting the Paris Agreement on climate change and the UN 2030 Agenda for Sustainable Development in 2015, governments from around the world chose a more sustainable path for our planet and our economy. Energy plays a fundamental role in delivering the UN-Sustainable Development Goals and the Paris Agreement.

Finalising the remaining files of the clean energy package in 2018 and with a forward looking, truly sustainable attitude provides Europe with a unique opportunity: creating a fresh boost to local jobs and growth in Europe and a win-win for all stakeholders - the planet, EU citizens and European industry. We urge regulators to carry forward this message to Katowice. European Technology Industries stand ready as a stakeholder to actively contribute to implementing these important actions.



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