

Climate Alliance views on the Energy Union Governance



Climate Alliance

22 April 2016

1. Introduction and main recommendations

Climate Alliance considers the Energy Union Governance as a key debate that has a potential of looking at the EU and national planning and reporting requirements from a broader perspective highlighting the need for a much more collaborative approach in planning. The planning processes need to reflect the opportunities arising with the changes that the European energy system is currently undergoing. These changes prompt a variety of new actors to be included into the planning processes, and thus both in the development and implementation of the national energy and climate plans.

The 1700 members of Climate Alliance are committed to reducing their CO₂ emissions 10 % every 5 years and many are implementing ambitious, long term climate strategies with an objective of becoming carbon neutral. At the same time, the signatories of the Covenant of Mayors initiative have committed to reduce their greenhouse gas emissions on average by almost 30% by 2020 and some 5000 Sustainable Energy Action Plans are being implemented throughout Europe. On their territories, these local authorities make sure that energy is saved and remaining needs are covered by renewable sources, by planning for and investing in energy efficiency, renewable energy and sustainable transport. They are also facilitating and encouraging civil society and private sector initiatives to fulfil their goals.

Therefore our main recommendations include:

- The Energy Union to include a dedicated chapter on multi-level cooperation in planning and reporting with a strong focus on the role of cities
- Ensuring an adequate and enabling EU and national frameworks for the design and implementation of subnational plans
- Co-design of the National Energy and Climate Plans with national, local and regional governments in collaboration with other stakeholders
- Integration of local and subnational plans and reporting frameworks into the National Energy and Climate Plans and reports

2. Coherent and multi-level planning and reporting

Energy transition sets new requirements for energy and climate planning at all levels. The changing energy system provides new opportunities and involving new and different actors into both development and implementation of the energy and climate plans becomes a necessity. All government levels will need to step up their cooperation efforts, and also facilitate cooperation with all the different stakeholders.

Streamlining of existing planning and reporting requirements should be done to certain degree. There are overlapping requirements in the different directives and it is important to make sure that all “demands” fit together. In particular the time lines, trajectories used, as well as sector based requirements needs to be aligned. This will support also more coherent planning at the member state level.

However, streamlining should not mean less planning and reporting, but better planning and reporting. Therefore the Commission should streamline with caution. The planning should be more holistic, linking the different sectors - that in the past were developed in silos - together. At the same time better vertical integration is needed. In particular the planning done at different levels of government must be better aligned and synergies with the plans already existing in at various levels ensured.

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There are for example some 5000+ Sustainable Energy Action Plans developed in the context of the Covenant of Mayors initiative that are currently being implemented by cities all over Europe. National plans of good quality require cooperation between the different actors and in particular between the different levels of governance. This can only be done when there is a proper understanding of the actions taken at local and regional levels.

Local level can also support the national level and raise the national ambition level. For example in Switzerland almost all bigger cities have developed far more ambitious energy strategies than the national government and share the goal of the 2000 Watt society until 2050. In Denmark the country has pledged to become carbon free by 2050 but the city of Copenhagen has the same target already for 2025.

Our recommendation

→ The Energy Union should include a dedicated chapter on multi-level cooperation. This chapter should give guidance for member states on cooperation with cities and regions to ensure realistic and ambitious national energy and climate plans.

3. Enabling frameworks

At the same time cities are struggling to implement their ambitious climate and energy plans. Much more could be achieved if the EU and national frameworks would be stronger as well as allow cities to have the necessary powers to enforce the legislation correctly.

The city of the Hague has an ambitious climate strategy of becoming carbon free by 2040. However, realising 50% of our target depends on legislation at EU and national levels. In order to fulfil our goals, the city needs a strong EU climate and energy framework and leadership from EU policy makers. At present a municipality in the Netherlands does not have the authority to enforce binding legislation, at least not at a level required. We must therefore instead rely on measures which influence opinion and encourage and facilitate civil-society and private sector initiatives which will take the Hague closer to our target – climate neutrality. Joris Wijsmuller, deputy Mayor, the City of the Hague (NL)

Whilst cooperation and working together is essential for achieving climate and energy objectives, it cannot replace the enabling framework with clear responsibilities and roles of the different actors. Cities as the government closest to the citizen, has a crucial role in defining and implementing series of actions and enforcing regulation in relation to energy.

“Around one third of CO₂ emissions in Ghent come from the transport sector (excluding ETS sector). The city is taking a variety of measures to reduce them, such as extending the car free centre, by promoting bicycles and public transport, and supporting car sharing. However, half of these emissions are due to interregional traffic passing through the city on highways. Transport is highly influenced by policies of higher government levels, such as fiscal regimes (e.g. company cars in Belgium). Without efforts at these levels, it will be difficult to have a profound impact on transport emissions.” Tine Heyse, Deputy Mayor of Ghent (BE), President of Climate Alliance

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Our recommendation

→ The framework needs to be right otherwise the actions of the different government levels will not be effective. The role of cities in the planning and reporting processes should be clearly defined and their efforts supported.

4. Covenant of Mayors - model for multi-level governance

The Covenant of Mayors – the EU flagship initiative for cities – could be used as model, a starting point, for the EU Energy Union Governance.

The Covenant of Mayors initiative was launched by the European Commission in 2008. This initiative revealed to be an extremely powerful movement and a tipping point in integrated climate and energy action at the local level. Today, a staggering number of 6,500 cities in more than 50 countries have committed to reduce their greenhouse gas emissions by at least 20% by 2020 through the implementation of Sustainable Energy Action Plans as well as to report periodically on their greenhouse gas emissions levels and implementation status of their plans.

The Covenant signatories commit to follow three key steps: 1) develop a Sustainable Energy and Climate Action Plan (SECAP), formerly known as a Sustainable Energy Action Plan (SEAP); 2) implement the Action Plan; and 3) monitor and regularly submit implementation reports. Local governments' signature of the Covenant of Mayors and submission of their Action Plan require the approval of their local municipal council in order to ensure political commitment with the actual implementation.

The Covenant focuses on fostering multi-level governance and multi-stakeholder cooperation. The initiative has been successful in involving a myriad of actors from Provinces, Regions, Networks of local authorities, Local and Regional Energy Agencies and Industry Associations. The Covenant counts with more than 300 partners who help signatory cities delivering on their commitments. Other subnational levels of governments have been having a crucial role in the Covenant of Mayors supporting the municipalities within their territory with both technical and financial means to prepare, implement and monitor their action plans.

Regions and provinces also play a key role in supporting municipalities in the planning, implementation and monitoring processes. For instance, the province of Limburg supported the development of SEAPs in 42 municipalities by providing them with data to calculate their Baseline Emission Inventories. The province also developed a 'model SEAP' and provided the municipalities with tools to acquire knowledge on the different measures that can be undertaken in the building sector (e.g. a 'sustainable building scan') or on the renewable energy potential (e.g. a 'renewable energy scan').

Our recommendation

→ Member States could assume a similar supporting role than the Covenant Coordinators at the national level and thus facilitate a much more collaborative planning with a better targeted support



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5. Integration of subnational plans and reporting frameworks in National Energy and Climate Plans

In the context of the Covenant of Mayors initiative, a technically sound methodology for energy planning and a reporting platform has been put in place for some years. Both the methodology and reporting mechanism was prepared in close consultation with practitioners from cities and city networks. Over 5,000 cities have reported in the Covenant of Mayors reporting platform. These cities have accepted that their data is made public and evaluated by a third party, the European Commission's Joint Research Centre, in order to ensure consistency and alignment with the Covenant of Mayors principles. Cities that do not comply with the Covenant commitments accept termination of their involvement in the initiative.

The current Covenant reporting framework, known as the 'SEAP template'¹ contains three parts: the city's overall strategy to reduce its emissions and implement sustainable energy policies (including its target, vision, and organisational capacities), the Baseline Emission Inventory (BEI), and the action plan itself. The Baseline Emission Inventory sets out the final energy consumption and associated CO₂ emissions detailed by energy carrier and by sector. Common indicators to national reporting are for instance the final energy consumption in Households, Services, Transport and Industry. On the basis of the Baseline Emission Inventory, the action plan details the list of key actions that need to be undertaken to implement the overall strategy and meet the targets. For each sector outlined in their action plan, cities report the overall estimated energy savings, the renewable energy produced, and the reduction in CO₂ emissions expected within the scope of the plan (i.e. by 2020 or 2030). In 2015, the Covenant of Mayors adopted a newly integrated approach to climate change mitigation and adaptation. Thus, the current reporting framework for mitigation will include as well a dedicated part for reporting on climate adaptation, namely risks and vulnerability assessment and adaptation actions.

The Covenant stands as a leader of a clear and consistent standard for setting ambitious climate and energy commitments. The Covenant web platform's clear and harmonized requirements for data submission and its verification of Action Plans submitted by cities provide accountability, transparency and credibility of the initiative. By tracking progress both in aggregate and according to each signatory, the platform helps facilitate a clear understanding of both the overall landscape of climate action, and the steps individual signatories are taking to contribute towards it.

In October 2015, the Covenant of Mayors became an official data partner of the Non-State Actor Zone for Climate Action (NAZCA)² portal which features commitments to climate action by cities, regions, companies and investors and displays them on the website of the UN Framework Convention on Climate Change (UNFCCC). By registering the CO₂ emission reduction commitments of its signatories, the Covenant of Mayors provided the largest dataset to be integrated into NAZCA so far.

Our recommendations

→ Administrative efforts arising from planning and reporting frameworks should not only be considered as negative. Existing subnational reporting frameworks should be better integrated and used, such as the reporting under the Covenant of Mayors. This exercise has allowed cities to create knowledge and

¹ http://www.eumayors.eu/IMG/pdf/Revised_SEAP_Template.pdf;
http://www.eumayors.eu/IMG/pdf/New_Monitoring_Template.pdf

² <http://climateaction.unfccc.int/>

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capacities in energy and climate planning. Templates are used already by 5000+ cities and municipalities and offer opportunities for synergies

→ National Governments could have access to the data submitted by Covenant signatory cities in their country to support the development of the National Energy and Climate Plan. This data could provide insights on decentralized renewable energy production, final energy consumption and greenhouse gas emissions at local level, but most important on the measures intended to be implemented by local authorities. It can also provide inputs on successful measures and barriers encountered at local level that can be addressed by National Governments. The review of local plans would allow National Governments to become more aware of their municipalities needs and ensure policy coherence across different levels of government. In a dialogue with local governments, this can then be translated into the national plan. This would support the implementation of sustainable energy policies at the local level as well as help National Governments achieve their targets.

→ Participation in the Covenant of Mayors should bring easier access to EU and national funding programmes. The Smart Cities and Communities European Innovation Partnership in Horizon 2020 provides an example. For Covenant coordinators (provinces and regions) structural funds could be allocated to support their activities that enable smaller municipalities to develop and implement their action plans.

→ National Governments have a role in ensuring that the much needed information is available for the planning purposes. Relevant climate and energy related data of municipalities could be made available at a central level. National governments could also ensure that DSOs and TSOs would make data available also for the cities. This would further support regional and local planning practices.

In Germany, the national government has been supporting local authorities through its “National Climate Initiative” (NKI). Since 2008 the NKI has financially supported more than 3,000 projects in more over 1,700 cities across Germany. The initiative aims to mobilize existing reduction potential at the city level and develop innovative pilot projects. It focuses on climate protection concepts for the whole city or for specific sectors such as buildings and transport. The finance is raised via the sale of emission trading certificates. Climate protection concepts should provide measures and requirements for a planning horizon of 10 to 15 years and should contribute to the overall national mitigation targets of 80-95% in 2050. (GIZ, 2013)³

6. Heating and cooling – test case demonstrating the benefits of multi-level planning

Tackling heating has huge potential to take a big step forward in energy transition: Half of the EU final energy consumption is used for heating, and fossil fuels account 75% of the primary energy supply for heating and cooling.

Heating and cooling is by nature local. This creates challenges for designing a European framework, but at the same time it also provides an opportunity to involve cities and regions into a joint planning process. National energy and climate plans should include heating and cooling and this component could serve as a starting point for a more collaborative planning processes, and thus be developed and implemented in close cooperation together with local and regional actors.

³ GIZ, 2013, ‘Sub-national involvement in NAMA development: Current and emerging practice towards vertical integration’.

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For example incentivising the uptake of RES in heat production needs to be much better targeted to cities. Cities are often either the owners or managers of the local heating and cooling networks. Local level, either cities directly or their municipal companies, have a very important role both in implementing and operating district heating systems.

Nantes Metropole (FR) has 6 district heating systems distributing 177 GWh of heat. 40% of the heat is produced by biomass, which comes within 130 km around the Nantes Metropolitan Area. The district heating system brings multiple benefits for the city: using local renewable sources efficiently, creating local jobs as well as stabilising energy costs and increase long term competitiveness.

Our recommendations

→ The Energy Union Governance should tackle the Heating and Cooling sector as a first step in creating more collaborative planning processes with an aim of reaching a holistic and jointly designed climate and energy plan.

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ABOUT [Climate Alliance](#)

For more than 25 years, Climate Alliance member municipalities have been acting in partnership with indigenous rainforest peoples for the benefit of the global climate. With some 1,700 members spread across 26 European countries, Climate Alliance is the world's largest city network dedicated to climate action and the only one to set tangible targets: each member city, town and district has committed itself to reducing greenhouse gas emissions by 10 percent every 5 years. Recognising the impact our lifestyles can have on the world's most vulnerable people and places, Climate Alliance pairs local action with global responsibility. The network fosters cooperation with indigenous peoples, runs awareness raising campaigns and develops tools for climate action planning. It provides ample opportunity for participation and exchange while representing member interests at the national, European and international levels.