



**A fully booked autumn energy & climate agenda**

European institutions reconvene in September with a full agenda promising an autumn of intense political and technical negotiations across the Energy and Climate Agenda. Key legislative proposals will see important steps forward which will set the scene for final deals to be expected in the course of 2018.

**Revision of the Emissions Trading Scheme Directive.**

After three trilogues and several technical meetings, the negotiations on the key legislative act implementing the -40% emission reduction target for 2030 has made slow progress so far but will pick up speed from September. A number of highly sensitive political issues are yet to be agreed, such as the split between auctioning and industry emissions quotas, carbon leakage criteria, the withdrawal of surplus quotas from the CO2 market and the functioning of the Modernization and Innovation Funds. The Estonian Presidency has asked Member States a new mandate, which will be discussed in COREPER on 8 September. The fourth trilogue is set on 13 September. As things stand so far, a deal is not likely to be reached until the beginning of 2018.

**Clean Energy for All Europeans Package (CEP).**

The eight legislative proposals are moving forward at sustained pace. The CEP is key for implementing the 2030 renewable energy and energy efficiency targets and is focused on facilitating the transition towards a market with very significant amounts of renewables, as well as empowering consumers to take part in the energy market. The Council reached a General Approach in June on the Energy Efficiency (EED) and the Energy Performance of Buildings Directives (EPBD) and began discussions before the summer break on the revised Renewable Energy Directive (RED II), the Regulation on the Governance for the Energy Union and the Electricity Market Design proposals (Directive and Regulation), though with limited progress. The Estonian Presidency aims to reach an agreement on Electricity Market Design at the December Energy Council, though this seems highly ambitious as things stand. On the Parliament side, before the summer break Committees have been busy tabling amendments to the EED, the EPBD, the RED II and the Governance. The deadline for tabling amendments on the Electricity Market Design proposals in ITRE is set for 15 September. Discussions on Compromise Amendments between rapporteurs and shadows are already well under way and will see substantial progress in Strasbourg, where the Parliament will gather from 11 to 14 September.

The EPBD will be voted on first, both in ENVI and ITRE, already on 7 September, while votes on the EED, RED II and Governance have been postponed to 28<sup>th</sup> November (see attached agenda). The Parliament is confronted with a number of challenges, the most important being that of coordinating the rapporteurs’ work on the different proposals and ensure consistency in the overall Package, through the key role of Claude Turmes on the governance proposal and his shadow role on the other key files (renewables and electricity market rules). While the Parliament is likely to come up with a more ambitious position on energy targets and the governance framework, intense negotiations are ongoing on the level of ambition of the targets and a number of considerably divisive issues across all the eight proposals, such as Capacity Mechanisms, Emissions Performance Standards, the role of transport in the decarbonisation, electrification vs alternative fuels, Guarantees of Origin for renewable energy, the “gap-filler” measures, the role of TSOs vs regional cooperation to name a few. When negotiations move into the trilogue stage, we can expect highly politicized disagreements between Parliament and Council on targets in particular.

**Council Agenda**

Meetings of the Council of ministers	Meeting of the Working parties
<b>19-21 Sept. 17:</b> Informal meeting of the ministers (energy)	<b>Energy</b>
<b>13 Oct. 17:</b> Environment Council	<b>Sept.:</b> 07, 12 (Electricity Market design), 14, 26 and 28. <b>Oct.:</b> 3, 5 and 10 (more to come)
<b>24 Oct. 17:</b> Meeting of the Telecommunications, Transports and Energy Council (TTE)	<b>Environment</b>
<b>04-05 Dec. 17:</b> Meeting of the TTE Council	<b>Sept.:</b> 05, 07, 11 and 12 (more to come)