

**26th Meeting of the Environmental Task Force
6 December 2023, Webex (online)**

Summary notes and Conclusions

D R A F T

The meeting was chaired by the representatives of the Energy Community Secretariat.

The ECS welcomed the participants and thanked representatives of the Contracting Parties present for ensuring their participation in the meeting. The agenda of the meeting was presented and adopted.

Potential new acquis – state of play

DG Environment provided an update on the status of potential new acquis earmarked for integration into the Energy Community's environmental acquis. Notably, it was underscored at the outset that, given the currently all Contracting Parties are considered candidate countries, except for Kosovo*, the discourse on potential new acquis seamlessly aligns with the ongoing accession process. This interconnectedness emphasizes the parallel nature of discussions and accession procedures within the Energy Community framework.

With regard to the **Air Quality Directive**, the undergoing revision process was presented. Currently, the Commission supports the common position of the co-legislators and adoption is expected in the first quarter of 2024. On the **National Emission Ceilings Directive**, there are currently no plans for revision. According to the generic approach of DG ENV, the clean air acquis should be introduced once the new rules at EU level are adopted, and decisions could therefore be foreseen for the 2025 Ministerial Council.

In the field of **industrial emissions**, a similar approach is suggested given the ongoing revision process that is at the final stages of adoption and in the case of which also expected adoption is Q1 2024. It was mentioned that in that domain, some parts of the acquis are already incorporated (Chapter III and Annex V of the Industrial Emissions Directive) and the requirement of the best available techniques for large combustion plants would come as complementary to the existing acquis. As for Chapters II and IV of the Directive (which are covered by a Recommendation at Energy Community level since 2018), it was mentioned that the BAT conclusions for waste incineration could be considered immediate inclusion into the Energy Community acquis on environment. The Secretariat suggested that a Recommendation on the Medium Combustion Plants Directive, adopted in the EU already in 2015 should be considered to avoid a widening gap between the Contracting Parties and the rest of the EU.

As regards **water protection**, a summary of the requirements of Directive 2000/60/EC (Water Framework Directive) was presented and it was emphasised that significant preparatory work is necessary such as the characterisation of water bodies, assessing the current state and the pressure of the impacts of water bodies and set objectives. To achieve a high ecological status, setting up monitoring systems, programmes and measures to achieve good status, permitting conditions setting e-flows should be established. It was indicated that the provisions on the chemical status of the water bodies would not be considered for the time being in the context of the Energy Community.

In the area of **nature protection**, the conservation of natural habitats (Habitats and Birds Directives) is of prime importance. The relevant provisions of both directives need to be implemented in parallel with the Annexes of the Directives and it should be done in conjunction with other relevant international obligations (Bern Convention, Emerald Network). A greater coherence between Natura 2000 and broader networks, noting that nature has a strong transboundary component, and it would be needed to align to the specific scope of the Energy Community Treaty. The proposal should be tailored to the specific context, focusing on the birds and habitat considerations that are pertinent to the Energy Community.

As regards the timeframe for the new acquis, DG Environment is of the view that in the cases of air quality and industrial emissions, it would be more beneficial to aim for the 2025 Ministerial Council, while for the nature-related directives and the Water Framework Directive, decisions at the 2024 meeting would be possible, provided that work commences shortly.

The Secretariat expressed its readiness to support the process. Additionally, it emphasized that the integration of essential elements from the Water Framework Directive and nature directives into the proceedings would enhance and complete the existing assessment and permitting legislation. This comprehensive approach ensures a thorough examination of projects and plans from all pertinent perspectives. Furthermore, all Contracting Parties (except Kosovo*) are also parties to the Bern Convention and have developed their candidate Emerald site, that will be integrated in the future NATURA2000 sites upon accession in the EU. The Secretariat has fostered collaboration with the Bern Convention Secretariat, holding observer status in the Standing Committee and relevant working expert groups. This established foundation provides a solid groundwork that can be effectively utilized in this context.

North Macedonia emphasized the need for robust discussions, stressing the need for advance communication of the proposal and implementation timeframe. This proactive approach allows for internal consultations with other pertinent departments and experts dedicated to specific topics. Georgia expressed its support for this perspective.

The Secretariat explained that currently, there are no proposals on the table and the present discussion is only for information on the state of play of the environmental acquis at EU level. The Commission has the right of initiative to table any proposal and if that will be the case, members of the Task Force will be immediately informed, along with a request for internal consultations. At the same time, Task Force members were invited to share the information presented at today's meeting with their relevant colleagues responsible for the above fields.

Partnership of accelerating renewable energy projects

Following the recent signing of a Memorandum of Understanding between The Secretariat and The Nature Conservancy, both institutions presented upcoming project activities on smart siting for renewables, with a specific focus on brownfields.

The presentation shed light on critical aspects of project permit bottlenecks, highlighting key challenges. One notable issue identified is the quality of documents submitted to the authorities, presenting a substantial hurdle in the permitting process. Another significant concern revolves around the voluminous documentation required for permit acquisition, leading to consistent dissatisfaction among investors. These challenges underscore the need for strategic interventions to improve the overall efficiency of the permitting process, ensuring that documentation quality and

quantity align with stakeholders' expectations and contribute to a more streamlined and satisfactory experience for all parties involved.

Numerous efforts have been made to address and streamline the challenges associated with the permitting process however, within the RePowerEU initiative EU introduced a distinctive timeframe and scope, deviating from previous approaches. The EU's RESsimplify assessment successfully pinpointed bottlenecks, a process mirrored in the Energy Community through the creation of Policy Guidelines. Despite these commendable efforts, the unavailability of certain information in the Contracting Parties on the spatial planning poses a challenge. Consequently, replicating the same legislation in an identical format may encounter limitations. This underscores the need for adaptable approaches and innovative solutions to address information discrepancies and ensure a comprehensive and effective evaluation across diverse contexts.

The primary objective of this partnership is utilising smart siting approach in the deployment of renewable energy projects. The smart siting methodology uses a range of energy, environmental, and socio-cultural datasets to identify priority locations for renewable energy. Developed in consultation with local experts and communities, the analysis can be used to help decision makers see where development could take place without affecting areas that are important for biodiversity or the quality of life for the people nearby.

Smart siting analysis has already begun in several Energy Community countries with encouraging results. In Serbia, TNC researchers and local experts have identified 100 locations where solar energy could be developed to meet 10% of household energy consumption while benefiting nature and local communities.

North Macedonia has proven to be a particularly interesting example for the rest of Europe. The Western Balkan country, which has historically been dependent on lignite coal mining for around 30% and gas imports for an additional 15% of its electricity production, has committed to a coal phase-out by 2027.

North Macedonia emphasized the significance of renewable development, highlighting brownfield development as a valuable strategy. However, the country also underscored the substantial challenge posed by historic soil contamination, particularly in the Western Balkans. It was emphasized that soil contamination assessments are basic input for such conversion, recognizing the importance of balancing renewable energy growth with proactive measures to mitigate historical soil contamination concerns in the region.

Emissions into the air

The European Environment Agency presented the current state of play and update of the 2023 LCP reporting cycle. clarification requests were made to the Contracting Parties, and two resubmissions (Serbia and Kosovo*) occurred. It's noteworthy that the amendments made were minor in nature, resulting in no significant alterations to the overall trends identified in the reporting cycle.

In general, there was a decline in the emissions profile of the Energy Community if all Contracting Parties are considered, but this is misleading as unfortunately it is very much related to the situation in Ukraine and not to the effects of emission abatement.

SO₂ emissions are rather stable, albeit with certain increasing trends (e.g. North Macedonia) where clarifications are underway.

For NO_x, the variations are small and all Contracting Parties show a relatively static profile. While dust emission factors have experienced slight increases, they mostly hover around the same levels observed since 2018 when the Large Combustion Plants Directive came into effect in the Energy Community.

A brief analysis of the state of play of opt-out was presented. In that context, the Secretariat also reported on the status of the ongoing dispute settlement procedures. The case of TPP Pljevlja (Montenegro) was submitted to the Ministerial Council for decision in July and the Advisory Committee held a public hearing on 14 November. The case addressing TPPs Tuzla 4 and Kakanj 5 was opened in 2022 and the one regarding TPP Morava in October 2023. Furthermore, three cases addressing the breach of the ceilings with the National Emission Reduction Plan of Bosnia and Herzegovina, Kosovo* and North Macedonia are also submitted to the Ministerial Council. The Secretariat presented to the Task Force the second phase of the Clean Air Regions Initiative (CARI) which also intends to tackle the air pollution issue at local level. In the coming years, the Task Force should also focus on streamlining efforts both at central and local level, as reflected also in the new work programme the outline of which is to be presented later.

Assessment of planning and permit-granting procedures for energy projects

The Secretariat presented an overview on the current state of play of the assessment that started with a survey for each stakeholder group, coupled with desktop analysis and civil society feedback. One concise, large assessment report is expected per Contracting Party, covering all aspects starting from permit granting procedures, spatial planning and grid connection.

Several notable observations emerge at this stage of the assessment. Firstly, electronic tools are underutilized, despite the recognition that they are not a panacea. Secondly, there is ambiguity regarding the authorities required to participate in decision-making processes and the extent to which their opinions carry binding implications. The primary factors contributing to delays in decision-making include the absence of baseline data, suboptimal quality of Environmental Impact Assessment (EIA) reports, and a shortage of human resources within the relevant authorities. Addressing these challenges is crucial for enhancing the efficiency of decision-making processes in the environmental assessment realm. Parallel observations are noted in the project permitting processes. In the domain of spatial planning, a distinctive challenge arises from the prevalent absence of comprehensive spatial plans or the outdated nature of the majority of existing plans. Addressing these issues is essential to ensure that project permitting aligns with contemporary spatial considerations and supports sustainable development practices.

The Secretariat has announced that, following the assessment, a set of Policy Guidelines will be crafted. These guidelines will also encompass best practices in the planning and permitting of energy projects. The document will undergo a consultation process with members of the Environmental Task Force to ensure a collaborative and informed approach in developing comprehensive and effective policies for energy project planning and permitting.

Georgia requested clarification on electronic documentation and whether the removal of the requirements of hard copies enough. The Secretariat clarified that electronic communication is important in terms of the interlinkages, so that e.g. not hard copies of decisions from different institutions are issued.

Work Programme for 2024-2026

The draft work programme was presented by the Secretariat. Most importantly, as of 1 January 2024, the work of the Task Force shall be split into two work streams, addressing issues related to:

- Permitting and planning (Subgroup A)
- Emissions and air quality (Subgroup B)

The activities of the Task Force shall be related to one of these work streams. Contracting Parties are invited to submit comments to the draft work programme, if any, until 22 December 2023 cob.

AOB, wrap-up and next steps

The Secretariat informed that the Task Force that the re-certification of its Eco-Management and Audit Scheme (EMAS) took place in September 2023. Since EMAS is a voluntary initiative and the Secretariat has gained extensive experience on its application in the past two years, Task Force members were invited to get in touch in case they would be interested in related activities within their own institutions.

The next meetings of the Task Force (both subgroups) will be held in Q1-Q2 2024.

Conclusions:

- 1. Starting on 1 January 2024, the work Environmental Task Force will be split into two work streams: 1) environmental assessments, permitting and planning, and 2) emissions measuring, reporting, reduction and air quality. The activities of the Task Force shall be related to one of these work streams.**
- 2. The Task Force adopts its Work Programme for 2024-2026, subject to the comments received by Contracting Parties by 22 December 2022.**
- 3. The Task Force will consider proposals of the European Commission on new and updated acquis whenever drafts are available.**