

6th Energy and Climate Committee

Energy Community Secretariat, Am Hof 4, 1010 Vienna – via WEBEX (virtual meeting)

Monday, 22 February 2021, 10.00 -13.40

Login opens at 9.45

Welcome remarks	10.00-10.30	Connie Hedegaard, Co-Chair of the Energy and Climate Committee Janez Kopac, Director, EnCS
Election of new Co-Chair		
Adoption of 2021-2022 Work Plan		

1. 2030 ENERGY AND CLIMATE TARGETS AND INTEGRATED NATIONAL ENERGY AND CLIMATE PLANS FOR THE ENERGY COMMUNITY CONTRACTING PARTIES -

Chaired by Connie Hedegaard, Co-Chair of the Energy and Climate Committee

The 2018 General Policy Guidelines represents the political consensus reached at the Ministerial Council on the adoption of 2030 energy and climate targets for the Contracting Parties of the Energy Community. Three distinct targets should be established: a target for energy efficiency improvement, a target for the increased contribution of renewable energy sources, and a greenhouse gas emission reduction target. These targets should be in line with the updated EU targets for 2030 and take into account relevant socio-economic differences, technological developments and the Paris Agreement. The European Commission in January 2021 launched the study “*Extension of the EU energy and climate modelling capacity to include the Energy Community and its nine Contracting Parties*”, which is expected to provide robust data allowing to propose ambitious targets.

In addition to this, setting ambitious 2030 targets, along with clear policies and measures, should pave the way towards achieving climate neutrality to 2050, as for the 2020 Sofia Declaration, where parties committed to develop and implement NECPs, the drafting of which has already being developed by most Contracting Parties.

- ❖ How does the Commission study fits into the ongoing process of designing draft NECPs and updated Nationally Determined Contributions? How can harmonization be ensured?
- ❖ What is the latest state-of-play on NECPs?
- ❖ What are the next steps for adopting the Governance Regulation?

EU perspective	10.30-11.00	Cristina Lobillo Borrero, Director, Energy Policy, Strategy and Coordination, European Commission (ENER) EnCS
Debate	11.00-11.45	All Contracting Parties Observers and participants

Break – 11.45-12.00

2. A DECARBONIZATION ROADMAP FOR THE ENERGY COMMUNITY – *Chaired by Connie Hedegaard, Co-Chair of the Energy and Climate Committee*

Contracting Parties are invited to reflect on the accompanying one-pager, which aims to facilitate a dialogue on a Decarbonization Roadmap.

The European Green Deal makes it clear that the global challenges of climate change and environmental degradation requires a global response. This message has been recently reinforced also by the 2021 Council Conclusions on Climate and Energy Diplomacy, the Sofia Declaration on the Green Agenda for the Western Balkans, and the Joint Communication Eastern Partnership policy beyond 2020. In the move towards decarbonization, the EU and partner countries have the joint responsibility to modernize and decarbonize their economies, also by way of i) submitting ambitious Nationally Determined Contributions (NDCs) to achieve the long-term temperature goal of the Paris Agreement; ii) eliminating fossil fuel subsidies; and iii) redirecting investments away from high-emitting technologies.

As reflected in the Conclusions of the 18th Ministerial Council of the Energy Community, the European Commission, in cooperation with the Secretariat, will launch preparatory work on developing a *Decarbonization Roadmap for the Energy Community until 2030 and beyond*, in the framework of the Energy and Climate Committee and its Technical Working Group.

- ❖ What will be the process and timeframe for developing a Decarbonization Roadmap? Will the Roadmap be tailored to individual Contracting Parties or to the overall Energy Community?
- ❖ How to ensure that the Decarbonization Roadmap is consistent with NDC2 ambition and mitigation targets as well as different policies in the Contracting Parties, including their coal sectors?
- ❖ How to secure that the principles of a Just Transition are reflected in the document?

EU perspective	12.00-12.15	Elina Bardram, Acting Director, International, Mainstreaming and Policy Coordination, European Commission (CLIMA) EnCS
Debate	12.15-12.45	All Contracting Parties Observers and participants

3. PUTTING A PRICE ON CARBON – *Chaired by Olha Stefanishyna, Deputy Prime Minister for European and Euro-Atlantic Integration*

As emerging from the Carbon Pricing Study commissioned by the Secretariat, the analysis finds that gradual carbon pricing is an optimal policy option to drive coal phase-out within a reasonable timeframe, without disproportionately affecting less flexible Contracting Parties of the Energy Community. The gradual introduction of

carbon pricing in integrated markets turns out as effective, cost-efficient and reliable, enabling to diversify power mix and bringing emissions down fast, without compromising security of supply.

The study finds that carbon pricing would also help relaxing system constraints while enabling the increased penetration of variable RES. It is expected to generate an important stream of public revenues as soon as auctioning is in place, in some parties exceeding 1% of GDP. These funds could be used to mitigate risks and social costs in the affected areas and compensate other associated costs of transition.

- ❖ What could be the envisaged timeframe and actions for implementing the proposed carbon-pricing policy option of the study?
- ❖ Which pieces of legislation shall be transposed in the Energy Community Contracting Parties to implement the EU ETS?
- ❖ How can the Energy and Climate Committee effectively support this process?

EU perspective	12.45-13.00	Elina Bardram, Acting Director International, Mainstreaming and Policy Coordination, European Commission (CLIMA) EnCS
Debate	13.00-13.30	All Contracting Parties Observers and participants

4. *Conclusions*

Summary: main messages	13.30-13.40	Chairs
Follow-up actions & AoB		EnCS