

CLEAN (FOURTH) ENERGY PACKAGE

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- *Winter Energy Package, Clean Energy for All Europeans Package (CEP, CE4AE);*
- *Proposed by the European Commission in November 2016., adopted in 2019;*
- *With this package are addressed all 5 dimensions of the Energy Union:*
 - 1) *energy security;*
 - 2) *the internal energy market;*
 - 3) *energy efficiency;*
 - 4) *decarbonisation of the economy; and*
 - 5) *research, innovation and competitiveness.*

Energy Performance in Buildings Directive (EU) 2018/844 – sets specific provisions for better and more energy-efficient buildings. It updates and amends many provisions from the Directive 2010/31/EU.

Renewable Energy Directive (EU) 2018/2001 – sets a binding target of 32% for renewable energy sources (RES) in the EU's energy mix by 2030, with a possible review for an increase in 2023. It also includes provisions for mainstreaming RES in the transport and heating & cooling sectors.

Energy Efficiency Directive (EU) 2018/2002 – sets a target of 32.5% for energy efficiency for 2030, compared to a baseline scenario established in 2007, with a possible upward revision in 2023. It also includes provisions extending energy savings obligation and heat meters remote reading.

Governance of the Energy Union Regulation (EU) 2018/1999 – sets a new governance system for the Energy Union. Each Member State is to establish an integrated 10-year National Energy and Climate Plan (NECP) for 2021 to 2030, with a longer-term view towards 2050. The plan is to outline how the Member State will achieve its respective targets.

Electricity Regulation (EU) 2019/943 – sets principles for the internal EU electricity market. It focuses mainly on the wholesale market as well as network operation (a new bidding zone review process, establishing the regional coordination centers, replacing the regional security coordinators, and complementing the transmission system operators' roles on a regional scope).

Electricity Directive (EU) 2019/944 – sets rules for the generation, transmission, distribution, supply and storage of electricity. It also includes consumer empowerment and protection aspects, sets provisions for distribution system operators' flexibility procurement, introduces the aggregation;

Risk Preparedness Regulation (EU) 2019/941 – requires the Member States to prepare plans on how to deal with potential future electricity crises (common methods and identify the possible electricity crisis scenarios, at both national and regional levels, risk preparedness plans shall be based on these scenarios);

ACER Regulation (EU) 2019/942 – updates the role and functioning of the European Union Agency for the Cooperation of Energy Regulators (ACER), increases the competence of the ACER in cross-border cooperation – it adapts the ACER's tasks, such as for the decision on the system operation regions and the monitoring of regional coordination centres.

CLEAN ENERGY PACKAGE. ENERGY EFFICIENCY

- *Energy efficiency – is the first key objective in the package;*
- *The amending Directive on Energy Efficiency ((EU) 2018/844) has been in place since December 2018 in the EU;*
- *Main Changes:*
 - *Extended energy savings obligations for the next period 2021-2030 and beyond (0.8%/year of total volume sales);*
 - *Strengthened rules on individual metering and billing of thermal energy (better information for consumers);*
 - *A new energy efficiency target for the EU for 2030 of 32.5% reduction of consumption against the baseline, with an upwards revision clause by 2023.*

CLEAN ENERGY PACKAGE. REVIEW OF THE ENERGY PERFORMANCE OF BUILDINGS DIRECTIVE (EPBD)

- Buildings are responsible for approximately 40% of energy consumption and 36% of CO2 emissions in the EU;
- The Energy Performance of Buildings Directive (EU 2018/844) outlines specific measures for the building sector to tackle challenges, updating and amending many provisions from the Directive 2010/31/EU;
- Key elements:
 - *Low and zero emission building stock by 2050 (Article 2a);*
 - *Inspections on heating & air-conditioning systems are updated (Articles 14 and 15) – new provisions on self-regulating devices (Article 8(1));*
 - *Additional provisions to support the deployment of the EU infrastructure for electro-mobility (Article 8);*
 - *Better data for Energy Performance Certificates (Article 10) and Technical Building Systems performance documentation (Article 8(5));*
 - *Mobilises public and private financing and investment.*

CLEAN ENERGY PACKAGE. RENEWABLES

- EU has set a binding target of at least 32% of renewable energy sources in final energy consumption by 2030 with a review for increasing this figure in 2023;
- Renewable Energy Directive (2018/2001/EU) introduces the concepts of:
 - *renewables self-consumers providing a legal basis to the final customer to generate renewable energy, for their own consumption, store and sell their excess production of renewable electricity;*
 - *renewable energy communities will be more and more active, storage will play important role;*
 - *new or reformulated sustainability and greenhouse gas emissions saving criteria for biofuels, bioliquids and biomass fuels.*

CLEAN ENERGY PACKAGE. GOVERNANCE REGULATION

- Governance Regulation (2018/1999) is in force since December 2018;
- The goals of the regulation are:
 - *to implement policies and measures consistent with the EU's 2030 energy and climate targets, and the long-term commitments of the Paris Agreement;*
 - *to stimulate cooperation between MSs/CPs;*
 - *to promote long-term certainty and predictability for investors;*
 - *to reduce administrative burdens, in line with the principle of better regulation;*
 - *to ensure consistent reporting under the UNFCCC and the Paris Agreement from 2021 onwards.*
- Each MS is required to establish integrated National Energy and Climate Plans (NECPs) for 2021 to 2030, including a longer-term view toward 2050.
- The national plans outline how the countries intend to address: energy efficiency; renewables; greenhouse gas; emissions reductions; interconnections; research and innovation.

CLEAN ENERGY PACKAGE. ELECTRICITY

- Share of electricity produced by renewable energy sources is expected to grow from 25% to more than 50% by 2030;
- electricity must also be produced and delivered in sufficient quantities when there is no wind or sun –> security of supply, risk preparedness;
- market have to meet the needs of renewable energies and attract investment in resources that can compensate for variable energy production (like energy storage);
- market have to provide the right incentives for consumers to become more active and to contribute to keeping the electricity system stable.

ENERGY COMMUNITY. THE PATH TOWARDS THE CLEAN ENERGY PACKAGE

- **30 November 2021:** The Ministerial Council adopted the Clean Energy package, covering legislation in the area of energy efficiency, renewables, governance, electricity market design and electricity security of supply rules.
- **Spring 2022:** Completion of the European Commission's study on 'Extension of the EU energy and climate modelling capacity to include the Energy Community and its nine Contracting Parties'. Its findings formed the basis for negotiations with the Contracting Parties on the energy and climate targets.
- **15 December 2022:**
 - The Ministerial Council adopts the energy and climate targets;
 - Electricity integration package incorporated into the acquis.

CLEAN ENERGY PACKAGE. 2030 ENERGY AND CLIMATE TARGETS FOR ENERGY COMMUNITY

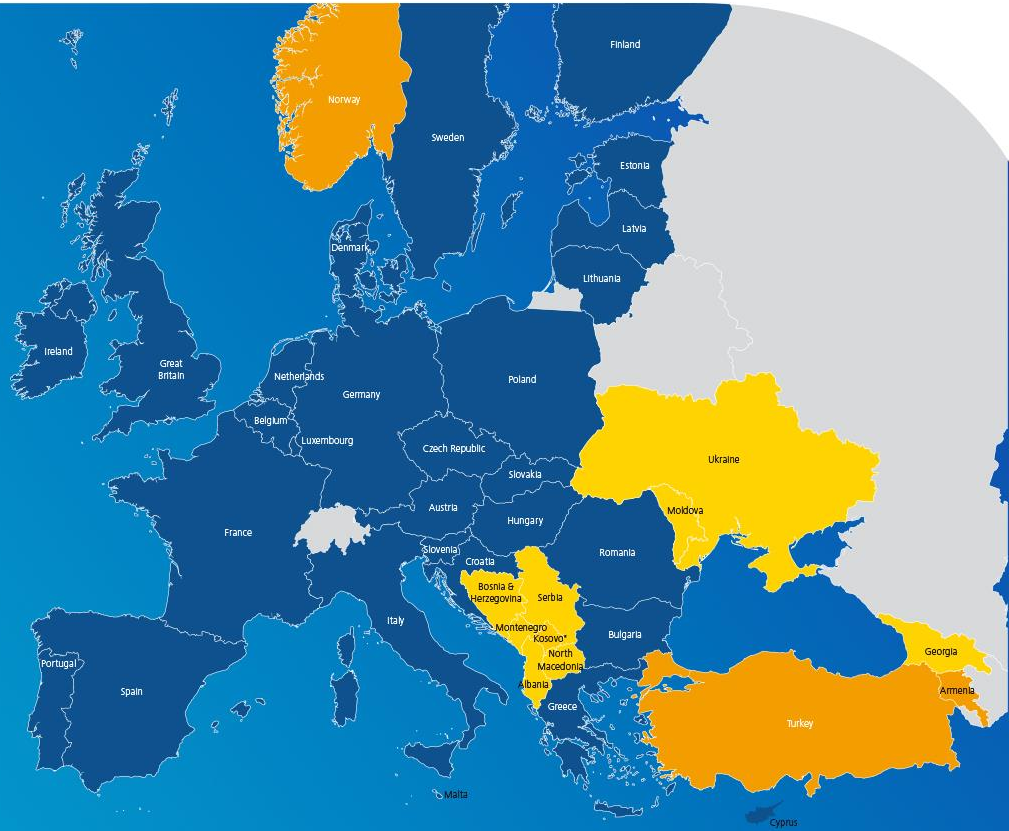
- Adopted by the [Decision 2022/02/MC-EnC](#)
- Greenhouse gas emissions
 - overall Energy Community - decrease of 60.9% below 1990 CO₂ levels
 - Ukraine – decrease of 65% (309,00 MtCO₂eq)
- Renewable energy
 - overall Energy Community: 31.0% share of final energy consumption
 - Ukraine – 27%

Energy efficiency

- Energy Community headline target: 79,06 max. share of final energy consumption
- Ukraine – 50,45 (Mtoe)

Regional cooperation in the Energy Community needed to achieve:

- ☀️ **Decarbonisation**
 - Phasing out of coal
 - Scaling up RES
- ☀️ **Market integration**
 - Boosting competition
 - Price signal for investments
 - Affordable energy supply
- ☀️ **Security of supply**
 - Strengthening security of supply cooperation
 - Ensuring stable and continuous supply



ELECTRICITY INTEGRATION PACKAGE

2021

[Decision 2021/13/MC-EnC](#)

[Directive \(EU\) 2019/944
\(Electricity Directive\)](#)

[Regulation \(EU\) 2019/941
\(Risk Preparedness\)](#)

2022

[Decision 2022/03/MC-EnC](#)

[Procedural Act 2022/01/MC-EnC on Regional
Market Integration](#)

[Regulation \(EU\) 2019/943 \(Electricity
Regulation\)](#)

[Regulation \(EU\) 2019/942 \(ACER Regulation\)](#)

[Regulation \(EU\) 2016/1719 \(FCA\)](#)

[Regulation \(EU\) 2015/1222 \(CACM\)](#)

[Regulation \(EU\) 2017/2195 \(EB GL\)](#)

[Regulation \(EU\) 2017/1485 \(SO GL\)](#)

[Regulation \(EU\) 2017/2196 \(E&R NC\)](#)

[Energy Community Acquis in force](#)

NEW ENC ELECTRICITY PACKAGE. MAIN FEATURES (I)



Full market integration of EnC CPs into the EU internal electricity market enabled

- Reciprocity between EnC CPs and neighbouring EU MSs ensured
- ACER mandated to take decisions on interconnections between EU MSs and EnC CPs
- Scope: binding on CPs and EU MSs defined in Article 27 of the Energy Community Treaty (CPs and neighboring EU MSs)
- Deadline for transposition of the new package: 31 December 2023
- Implementation in parallel (some deadlines are due even before 31 December 2023)

NEW ENC ELECTRICITY PACKAGE. MAIN FEATURES (II)

- Procedural Act on Regional Market Integration accompanies adoption (already in force):
 - Level-playing field by reciprocity of rights/obligations for stakeholders for CPs and EU MSs
 - Cross-border cooperation among regulatory authorities
 - ACER to take decisions on issues concerning both CPs and EU MSs
 - ENTSO-E to assume similar role for CPs as in EU MSs to ensure coherence and consistency
- Regulation (EU) 2019/943 on the internal market for electricity sets
 - fundamental principles for well-functioning, integrated electricity markets
 - defining basic requirements for different market segments which are complemented by more detailed Network Codes and Guidelines → EB GL, CACM, etc.
- Annexes of Electricity Regulation and CACM define CCRs, SORs and RCCs, and the possibilities for them to be changed

ONGOING ACTIVITIES, TECHNICAL ASSISTANCE

- Transposition of the new package: EU4Energy for GE, MD and UA throughout this year
 - Covers capacity building and overview of the draft legal acts
 - Several draft laws were submitted for review
- EnCS support in parallel and several workshops were organized in 2023, e.g.
 - 16 May 2023: Market coupling/CACM
 - 06 July 2023: SORs, RCCs
 - 20 Sept 2023: Electricity Balancing
- EnCS prepared a set of roadmaps indicating the most important milestones (one general overview and specific roadmaps for each legal act)
- EnCS to facilitate, and coordinate with PHLG members as well as monitor and report on transposition and implementation

ELECTRICITY PACKAGE ROADMAPS (EXAMPLE)

		2023														
		1	2	3	4	5	6	7	8	9	10	11	12	1	2	
<i>Please note: This roadmap only reflects main (selected) milestones with specific deadlines and high importance in the next years.</i>																
Capacity Allocation and Congestion Management (CACM)																
Art. 4	CPs to ensure designation of at least one NEMO						■									
Art. 5	CPs to inform EnCS in case of monopoly for day-ahead and intraday trading services (NEMO)		■													
Art. 7	NEMOs of EU MSs and CPs to develop MCO integration plan															
Art. 9	NEMOs and TSOs to apply pan-EU TCMs for SDAC and SIDC (majority)															
Art. 20	TSOs to submit methodology for calculating cross-zonal capacity for day-ahead and intraday (regional TCM)						■									
Art. 35	TSOs to submit methodology for coordinated RD/CT (regional TCM)															
Art. 35	TSOs to report on progressive coordination and harmonisation per CCR															
Art. 44	TSOs to submit methodology for fallback (regional TCM)															
Art. 74	TSOs to submit methodology for RD/CT cost sharing (regional TCM)															
Annex I	TSOs to conclude cooperation agreements with neighbouring EU TSOs per CCR						■									
Electricity Balancing (EB)																
Art. 5	TSOs to apply pan-EU TCMs (majority)														■	
Art. 18	TSOs to submit national terms and conditions related to balancing						■									
Art. 19	TSOs to adhere to TERRE (if applicable)														■	
Art. 20	TSOs to adhere to MARI (if applicable)														■	
Art. 21	TSOs to adhere to PICASSO (if applicable)														■	
Art. 22	TSOs to adhere to IN (if applicable)														■	
Art. 37	TSOs to submit methodology for calculating cross-zonal capacity (regional TCM)															
System Operations (SO)																
Art. 6	TSOs to apply pan-EU TCMs							■							■	
Art. 6	TSOs to apply key organisational requirements, roles and responsibilities in relation to data exchange							■								
Art. 6	TSOs to submit regional TCMs				■										■	

UKRAINIAN ELECTRICITY MARKET – CHALLENGES AHEAD (FROM LEGAL POINT OF VIEW)

Main challenges:

- Lack of legal certainties and transparency on the electricity market during the Martial Law
- Incomplete Ukrenergo unbundling and a lack of its financial viability
- Non market-based interventions in the wholesale market
- Excessive Public Service Obligations (PSOs)
- Lack of joint capacity auctions
- VAT-related obstacles to the electricity markets integration and market coupling process
- Lack of cost-reflectivity in the retail market and of an efficient scheme for protection of vulnerable customers
- Risk to financial viability of DSOs and of cross subsidization among different categories of customers

Main objectives:

- ✓ ensure systematic and transparent support, oversight and reporting by the Energy Community Secretariat during martial law and in the post-war rebuilding of Ukraine: for stakeholders to know;
- ✓ reviewing and reporting on the “fast” regulatory decisions taken under martial law with regard to their proportionality, compliance with EnC acquis and impact on the energy market reform: for stakeholders to understand;
- ✓ identifying both opportunities and risks: for stakeholders to intensify their efforts;
- ✓ recommendations for Ukraine to stay on the path of energy markets reform and to advance the market integration: for stakeholders to de-risk investments and support
- ✓ feed into EU-UA dialog on post-synchronization electricity market reform

[Ukraine Energy Market Observatory - Energy Community Homepage \(energy-community.org\)](https://energy-community.org)



THANK YOU
FOR YOUR ATTENTION

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