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(Resolutions, recommendations and opinions)

RESOLUTIONS

COMMITTEE OF THE REGIONS

153RD COR PLENARY SESSION, 8.2.2023–9.2.2023

Resolution of the European Committee of the Regions on the Cities and Regions responding to the energy crisis: towards a real European Energy Union

(2023/C 157/01)

THE EUROPEAN COMMITTEE OF THE REGIONS (CoR),

— having regard to the European Commission REPowerEU Plan of 18 May 2022 ([1]);

— having regard to the Regulation of the European Parliament and of the Council (EU) 2022/1032 of 29 June 2022 amending Regulations (EU) 2017/1938 and (EC) No 715/2009 with regard to gas storage ([2]);

— having regard to the Council Regulation (EU) 2022/1369 of 5 August 2022 on coordinated demand-reduction measures for gas ([3]);

— having regard to the Proposal for a Council Regulation on an emergency intervention to address high energy prices ([4]);

— having regard to the Proposal for a Council Regulation on enhancing solidarity through better coordination of gas purchases, exchanges of gas across borders and reliable price benchmarks ([5]);

— having regard to the conclusions adopted by the European Council on 15 December 2022 ([6]);

— having regard to the Council Regulation (EU) 2022/2577 of 22 December 2022 laying down a framework to accelerate the deployment of renewable energy ([7]);

— having regard to the Council Regulation (EU) 2022/2578 of 22 December 2022 establishing a market correction mechanism to protect citizens and the economy against excessively high prices ([8]);

— having regard to the European Parliament's Resolution of 5 October 2022 on the EU response to the increase in energy prices in Europe ([9]).

([1]) COM(2022) 230 final.
([2]) OJ L 173, 30.6.2022, p. 17.
([3]) OJ L 206, 8.8.2022, p. 1.
([4]) COM (2022) 473 final.
([5]) COM (2022) 549 final.
([6]) https://www.consilium.europa.eu/media/60872/2022-12-15-euco-conclusions-en.pdf
([7]) OJ L 335, 29.12.2022, p. 36.
([8]) OJ L 335, 29.12.2022, p. 45.
([9]) https://www.europarl.europa.eu/doceo/document/TA-9-2022-0347_EN.html

EU cities and regions protagonists of the energy crisis

1. Underlines the legal responsibilities and the role played by the 1,2 million EU local and regional leaders from 90 000 towns and villages, 900 cities and 280 regions in addressing the energy crisis by providing economic and social relief to vulnerable households and small and medium-sized enterprises (SMEs). Notwithstanding skyrocketing energy prices and high inflation, local and regional authorities (LRAs) have continued to provide essential services and have taken measures to ensure energy saving, energy business continuity and contingency plans with the aim to strengthen energy resilience;

2. Acknowledges the unprecedented efforts made by the European Commission and the European Parliament (EP) in setting up urgent measures, notes however, that the current initiatives are not providing LRAs with the immediate support needed;

3. Calls on the Swedish Presidency to build on the exemplary efforts of the Czech Presidency and accelerate the adoption of the remaining legislative proposals of the Fit for 55 package and to ensure that EU legislation is fit for purpose to address the energy crisis, taking into account the relevant CoR opinions ([10]);

4. Underlines that many cities and regions have adopted more ambitious targets than their national governments in their national energy and climate plans (NECPs); calls on all Member States to actively involve LRAs in the revision and update of the NECPs in 2023 in compliance with Article 11 of the Governance Regulation ([11]);

5. Calls for the different EU energy and climate initiatives ([12]) to be better harmonised and simplified, and to provide the necessary financial and technical support to LRAs;

Accelerating the clean energy transition in cities and regions in view of a real European Energy Union

6. Is deeply concerned that the outcome of the UNFCCC COP27 falls short of increasing and accelerating the reduction of GHG emissions worldwide and failed to introduce a call to phase down all fossil fuels. Stresses that while it is important to accelerate the clean energy transition and end our dependence on fossil fuels, low-carbon energy sources still help to provide stable and affordable energy, in line with Member States' own energy mix;

7. Calls for an establishment of a real European Energy Union with a fully integrated and well interconnected market across the EU, with a well-functioning governance system at its core. Full integration requires the Member States to shoulder their responsibility for ensuring an adequate and robust energy supply, to avoid a situation where production shortfalls and high prices also impact other Member States;

8. Reiterates the paramount importance of the 'energy efficiency first' principle and welcomes the effort being made to promote energy saving measures at all levels across the EU. Notes that, while some Member States have not yet introduced any measures to reduce gas and electricity consumption in households, businesses or public bodies ([13]), many cities across the EU have joined the Cities Energy Saving Sprint introducing energy saving measures on heating, lighting, mobility, and awareness-raising, among others;

9. Considers that these measures should not be limited to the current crisis and calls on the European Commission to come forward with an energy sufficiency proposal to streamline energy savings across all policy areas; calls for significant behavioural changes to be promoted and adequately rewarded;

([10]) See: the CoR opinions on the revisions of the Energy Efficiency Directive, the Renewable Energy Directive, and the Energy Performance of Buildings Directive and the EU framework to decarbonise gas markets.

([11]) Article 11 of the Governance Regulation states that each Member State shall establish a multilevel climate and energy dialogue, in which local authorities and other relevant stakeholders can engage and discuss the achievement of the Union's climate-neutrality objective set out in Article 2 of the Regulation.

([12]) Such as the Covenant of Mayors for Climate and Energy, the European Missions on 'Climate Neutral and Smart Cities' and 'Adaptation to Climate Change', the European Climate Pact, the Clean Energy for EU Islands, and others.

([13]) Saving-Energy-for-Europe-Ex.Summary.pdf (eeb.org).

10. Reiterates its call on the European Commission and Member States to support the creation of one-stop-shops at regional and local levels to accelerate investments in energy-efficient construction, retrofitting of buildings and energy saving projects taking into account the New European Bauhaus principles. Calls on the Member States to dedicate REPowerEU funds to this purpose, and implement them in cooperation with the European Investment Bank;

11. Welcomes the agreement on faster permitting procedures for renewable energy projects and calls on Members States to fully engage with LRAs and local communities in order to ensure the protection of the environment and to foster social acceptance. Notes the urgent need to develop rapid administrative procedures and eliminate bureaucratic obstacles to the installation of renewables in rural homes. Underlines that rural areas hold great potential for renewable energy production, including the sustainable use of forest biomass as renewable energy, and can gain from increased connectivity to the grid and new employment opportunities, especially for younger people and women;

12. Welcomes the agreement for a ban on fossil fuel internal combustion engines for new passenger cars and vans as of 2035. Underlines the need for alternative, affordable and accessible fuels and the corresponding refuelling and recharging stations across all EU regions. Stresses the CoR's Automotive Regions Alliance demand for a just transition mechanism to support the socioeconomic fabric of regions with strong presence of automotive and automotive supply industry;

13. Urges the European Commission and the Member States to facilitate the development of international and interregional electricity transmission infrastructure, making it possible to share the electricity generated from various renewable resources, which are concentrated in different regions due to their climate and characteristics. When electricity available in remote areas can be transmitted from one area to another, it reduces periods of unavailability and makes it easier to manage electricity systems, paving the way for 100 % renewable electricity generation;

14. Recalls the urgent need to develop and decarbonise urban and rural mobility and calls for strong measures to promote safe infrastructure and reallocation of public space in urban areas; underlines that regions and cities need a flexible framework, particularly concerning the revision of the public service obligation guidelines;

15. In this context, calls on the European Commission to launch a joint public procurement pilot project to provide a number of EU cities and their surroundings with hydrogen buses, to be further expanded in a second phase, to other cities and regions across the EU;

16. Underlines how clean energy solutions are often still expensive and that investment procedures for clean energy projects are often time-consuming and very bureaucratic. Calls for more ambitious proposals to make renewable energy solutions the easiest and cheapest options on the market and therefore accessible also to low-income households;

17. Calls on the European Commission and the Member States to dedicate part of the REPowerEU funds to develop support facilities on the model of the European City Facility (EUCF) ([14]), to provide direct funds for LRAs to develop market-proof investment plans especially small and medium-sized ones and those that face structural barriers to their energy transition and support energy-efficient construction and housing renovation especially in rural areas. Calls also for generous grants for vulnerable households that cannot cover up-front costs;

18. Warns against further proposals to transfer resources from the ESIF to the Recovery and Resilience Facility (RRF) to finance the REPowerEU plan, and objects to any attempt to take resources away from regions as this goes against the EU's principles, notably that of active subsidiarity, and the agreements in place on shared management;

19. Calls for LRAs to be involved in the drafting of the new REPowerEU chapters of the RRF plans to ensure that these new chapters finance strategic projects developed by and with LRAs, as well as new cross-border infrastructures;

20. Acknowledges the first immediate positive impact that the energy solidarity measures have had on energy prices, and expresses its support to strengthening the EU Energy Platform;

([14]) EUCF — Home (eucityfacility.eu).

21. Looks forward to the revision of the directive on the electricity market design, and expects it to contain the measures to reduce the link between gas and electricity prices to a level proportionate to the extent to which gas is used in electricity generation;

22. Invites the European Commission to recognise the right for energy communities, prosumers and local authorities to engage in local renewable electricity supply without becoming a fully-regulated retail supplier, and to ensure that these non-professional market actors have equal access rights to the grid;

23. Stresses that any short-term actions, such as increased LNG imports, must be temporary and should not create additional lock-in situations. Underlines that infrastructural investments should be 'green gas ready', to prepare for climate neutrality with renewable hydrogen and other renewable fuels;

24. Reiterates its call on the European Commission and co-legislators to increase investments in research and innovation including in climate-neutral solutions in the upcoming revision of the multi annual financial framework, such as the EU Missions on 'Climate-Neutral and Smart Cities' and 'Adaptation to Climate Change' and the Partnerships for Regional Innovation, and to develop new funding lines to facilitate public-private consortia for buildings and district level climate-neutral solutions, according to the New European Bauhaus principles;

25. Highlights that the current energy crisis also represents an opportunity to significantly increase electrification and the production of renewable hydrogen as well as to further support the development of innovative technologies such as CCUS as clean solutions to decarbonise our economy; calls on the European Commission to support LRAs' investments in renewable hydrogen infrastructures via the upcoming hydrogen bank, capitalising on existing best practices at regional and local level and by promoting their replication across the EU;

26. Points out that investments in skills development and upskilling of LRAs' staff are essential to accelerate the green and digital transitions; calls on the European Commission and the Member States to launch a specific initiative with this scope in the frame of the European Year of Skills 2023;

Tackling energy and mobility poverty without leaving any region, any city and any citizen behind

27. Deplores the social impacts of the energy and food crises on citizens and SMEs. Calls on all Member States to set a clear objective for energy poverty reduction in their NECP. Invites the Member States to develop integrated measures across energy and social policies to tackle energy poverty and eradicate it, also building on the experience gathered with the EU Energy Poverty Observatory and the Energy Poverty Advisory Hub;

28. Calls on the European Commission and co-legislators to ensure that new and existing policy instruments are accompanied by a robust social package and fair redistribution measures to lay the ground for a just energy transition, especially for vulnerable households and young people. The implementation of energy transition policies, such as energy efficient renovations or the deployment of renewable energies, shall be accompanied by adequately targeted financial, technical and social assistance to facilitate the inclusivity of these measures;

29. Underlines that the energy crisis has a proportionally higher impact on women and calls on the European Commission to gender-proof its support mechanisms to ensure that they do not lead to further gender inequality;

30. Welcomes in this regard the establishment of temporary solidarity contributions to redistribute the energy sector's surplus revenues to final customers and calls on Member States to provide targeted funds to LRAs to address energy and mobility poverty at the local level;

31. Underlines that the energy crisis has a proportionally higher impact on low-income households in rural areas that need to use their cars to access essential services; highlights that public transport developments should decrease spatial inequalities and mobility poverty;

32. Calls on the European Commission to offer urgent solutions to LRAs in case of insufficient support from national governments and urges for the exemption of targeted investments related to the energy crisis from the calculation of the deficit within the fiscal rules;

33. Calls on the European Commission to weaken the ties between energy and agriculture markets in order to reduce the energy intensity of agricultural production; calls on the European Commission to carry out a deep and structural overhaul of the food system that stops speculation on international markets, increases regulation and further protects the farmers' revenues;

34. Calls on the European Commission to promote composting as the preferred use of biomass in order to produce organic fertiliser and thus reduce dependence on synthetic fertilisers from natural gas and oil, provided that the technology chosen does not have a negative impact on air quality. Urges the European Commission to promote production models that are more energy efficient, such as sustainable conservation agriculture, while highlighting the dual role of biomass producers as potential biomass users who can meet their own energy needs;

35. Highlights that greater demand for biofuels may aggravate the food crisis; therefore, encourages the European Commission and the Member States to prioritise food use of agricultural products;

36. Believes that the Union's existing financial instruments and practices should be further developed and adapted to different situations, so that synergies between the different programmes can be found ([15]). In this regard draws attention to the particular challenges faced by rural regions and regions with geographical handicaps;

37. Welcomes the EC proposal made in the context of the Green Deal Industry Plan to transform the State Aid Temporary Crisis Framework into a Temporary Crisis and Transition Framework, which would boost investments for a faster roll-out of renewable energies. This would include incentivising investments leading to a significant reduction of emissions by foreseeing higher aid ceilings and simplified aid calculations, as well as to support the decarbonisation of the industry and the production of equipment necessary to reach climate neutrality by 2050. The CoR generally supports the approach to give Member States and subnational authorities more flexibility to support measures in key sectors for the transition to a decarbonised economy, such as renewable hydrogen, energy performance of buildings, carbon capture and storage and zero-emission vehicles;

38. Highlights, however, that distortions caused by relaxed state aid rules must be avoided as much as possible and that the European Commission must endeavour to balance out the different demands from Member States. Otherwise, the Single Market could suffer from further fragmentation, due to Member States' differing financial capacity to support their businesses, so further exacerbating territorial differences;

39. Stands ready to continue supporting the dissemination and replication of best practices and the implementation of energy measures through the CoR Green Deal Going Local initiative and in particular through the continuous development of Green Deal Going Local Handbooks;

40. Commits to reinforce cooperation on energy security and affordability with its neighbours at the local and regional level;

41. Reiterates its call on the Commission to include the CoR as institutional partner within the Energy Poverty and Vulnerable Consumers Coordination Group and stands ready to contribute to this interinstitutional cooperation through its Working Group Green Deal Going Local;

42. Instructs its President to forward this resolution to the European Commission, the European Parliament, the Swedish and Spanish Presidencies of the Council of the EU and the President of the European Council.

Brussels, 9 February 2023.

The President
of the European Committee of the Regions

Vasco ALVES CORDEIRO

([15]) See: CoR opinion *Just and Sustainable Transition in the context of the coal and energy intensive regions* (OJ C 498, 30.12.2022, p. 36).