Dear readers,

We are pleased to bring to you this summer edition.

A hot topic that is noteworthy in these Climate-Uproar times: the urgent need for ambition of the EU 28 (27) to commit to change and to challenge leniency in their own ranks and policies. This just is not happening! Devil may care is on the agenda of many heads of states and governments in the EU. The aim of the last summit of heads of state and government in June 2019 in Brussels was to discuss the “strategic agenda” by 2024. Climate change was also on the agenda. German Chancellor Angela Merkel announced in the run-up to the summit that she would now support the goal of climate neutrality in the EU by 2050 as the underlying backbone for this strategy. In this respect, it could initially be seen as a partial success for climate policy that the number of Member States demanding climate neutrality in the EU by 2050 increased from previously eight to twenty-five after this summit.

Nevertheless, the conclusions adopted by the European Council on 20 June 2019 represent another missed opportunity. The European Council’s strategic orientation for the next five years has failed to commit itself to achieving climate neutrality by 2050. Nor does the text show any other vision of how the requirements of the Paris Convention are to be implemented. Rather, it emphasises, among other things, the right of the Member States to determine their own energy mix.

It is now clear that the EU will miss its climate targets for 2020 by a wide margin. The targets for 2030 are also at risk and emissions in the EU continue to rise. According to the German government’s 2018 climate protection report, Germany will probably emit about 32 percent less greenhouse gases in 2020 than it did in 1990 - but the binding target is a reduction of 40 percent. At the same time, according to the latest IPCC reports and with movements such as “Fridays for Future”, the pressure on politicians to finally prove their ability to act is growing. Despite all this, on June 20 the heads of state and government were not even able to put a political commitment on paper, let alone formulate an effective strategy. Friday for Future is every day in many hearts and minds of the population, at Government’s level it seems that some try to think it a passing fashion. Owners of cars can be grateful to the European Court of Justice in Case C-591/17, that the festival season can start without tolls on German motorways, another blow for the “polluter pays” principle. With the “infrastructure use charge” Germany intended to move in part from a system of financing the road infrastructure by means of taxation to a system of financing based on the “polluter pays” principle. This charge was to be paid by the owner of a vehicle registered in Germany.
and foreign vehicle owner/driver using German motorways. In parallel Germany has provided that, from the revenue from the charge for using the infrastructure, the owners of vehicles registered in Germany will qualify for relief from the motor vehicle tax to an amount that is at least equivalent to the amount of the charge that they will have had to pay. Austria claimed in front of the Court that the combined effect of the infrastructure use charge and the relief from the motor vehicle tax is a discrimination on the grounds of nationality. Despite the Advocate General’s opinion considering that Austria’s view is based on a fundamental misunderstanding of the concept of discrimination, the Court confirmed the indirect discrimination on grounds of nationality and the infringement of the free movement of goods and of the freedom to provide services. The Court adopted a very broad interpretation of the disadvantage of a group compared to another by including the German taxpayers to the German motorway users and did not intend to take into account the fact that the tax relief should have compensate the German taxpayers for having financed the German motorway until now.

Back to this RELP edition: main topic in this summer edition is the expected development of new business models with the so-called “Clean Energy Package” of the European Union. In the Clean Energy Package the fight against energy poverty and the inclusion of low-income households have a prominent place. As already announced in our last edition, Prof. Dr. iur. Jens Lowitzsch and Florian Hanke from the Europa-Universität Viadrina Frankfurt will discuss what business model would facilitate consumer ownership for low-income households and reduce energy poverty in the context of the Clean Energy Package.

The integration of distributed generation and the increased share of renewable generation require more electricity system flexibility. One possibility to increase flexibility is to use the potentials of demand response and so the resources need to be adequately aggregate. The Clean Energy Package foresees that aggregators will be important market actors in the future electricity supply systems. In view of existing business models for aggregators in different Member States, Jana Nysten and Dr. Maximilian Wimmer, Senior Researchers at Stiftung Umweltenergierecht, a German foundation for environmental energy law, will discuss the barriers to the development of aggregation services and the possible solutions to eliminate them.

We will then focus on the development of renewable energy policies in the Member States: Dr. Nikolaos Vasilakos, member of the European Commission Expert Group on Electricity Interconnection Targets, explores key challenges posed on the Greek energy sector by the EU Energy Transition process and the application of the Clean Energy Package provisions and commitments, in the 2020-2030 period.

Finally Pablo del Río from the Institute for Public Policies and Goods will present us the main elements of the design of RES-E auctions in Spain for the 2021-2030 period as announced by the Spanish government and compare it with past auctions in Spain as well as with the international experiences to assess the advantages and drawbacks.

We hope you enjoy this issue of RELP and invite you to share with us your views and comments.

Dr. Dörte Fouquet
Chief Editor