

COMMUNICATION

**from the European Affairs Committee of the Federal Council
to the European Parliament, the Council and the European Commission
pursuant to Article 23f paragraph 4 of the Federal Constitutional Act
4 November 2020**

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**Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions
Powering a climate-neutral economy: An EU Strategy for Energy System Integration**

On 8 July 2020, the European Commission presented the Strategy for Energy System Integration as part of the European Green Deal. By way of this Strategy, the European Commission (EC) aims to integrate multiple energy carriers, infrastructures and consumption sectors (industry, transport, buildings) more closely in order to cost-effectively achieve climate neutrality by 2050.

To implement the strategy, the Commission outlines a number of concrete policy measures: Stepping up the use of renewable energy sources for electricity supply is part of the strategy, as is faster electrification of energy consumption. According to the EC, the accelerated construction of offshore plants for electricity generation from renewable sources (above all wind power) offers huge potential to cover the growing future demand for electricity. In buildings, electrification is to play a similarly important role in space heating and cooling. As regards the decarbonisation of transport, the EC intends to focus increasingly on electric mobility. The envisaged policy measures are to be translated into concrete legislative proposals.

The Federal Council welcomes the Communication from the European Commission on a strategy for smart sector integration. Measures promoting sector integration are indispensable if climate neutrality is to be achieved in the long term. In order to transform our energy system in a cost effective manner, existing and new technologies as well as existing and, if need be, new infrastructures have to be utilized in combination to the best possible economic and ecological effect. To this end, appropriate mechanisms and prerequisites are essential to ensure fair competition for all energy sources and carriers and to encourage trade within the EU.

The use of energy resources, the choice of energy sources and the general structure of energy

supply are matters that should be left for the Member States to decide. Moreover, pursuant to Article 5 of the Treaty on European Union, the Member States are to be allowed a sufficiently wide legal scope in the redesign of their national energy and climate policies, enabling them to determine their own national energy system integration strategies.

Given the variety of geographic conditions in the European Union, a national strategy for energy system integration is necessary, as an increased focus on offshore electricity generation, as provided for the EC's strategy, would be no feasible option for a land-locked country like Austria. Moreover, the necessary refurbishment of small and medium-sized hydro power plants in the coming ten years will be extremely costly in Austria, since legal provisions on river basin management have become much stricter as a result of European legislation. Here, too, a Member State must be allowed sufficient legal scope to elaborate its own national strategy, for example a strategy for the revitalisation of small and medium-sized hydro power plants. In the field of transport, the EC's strategy focuses primarily on electric vehicles for private individuals instead of considering other options for decarbonisation and the reduction of environmental pollution, such as a modal shift to public transport. The decision as to which technology to use for space heating and cooling must also remain within the Member States' competence.

Hydrogen has the potential to play a key role on the way towards an integrated energy system. The development of renewable hydrogen is a priority objective pursued by the EC. Europe is to become the global leader in the development and introduction of a value chain for clean hydrogen. In the interest of expeditious project implementation, Brussels intends to cooperate with the newly established "European Clean Hydrogen Alliance". This broad-based stakeholder forum is to draw up a list of concrete projects.