



SENATE
OF THE PARLIAMENT OF THE CZECH REPUBLIC
13TH TERM

337TH

RESOLUTION OF THE SENATE

Delivered on the 17th session held on 5th of November 2021

Fit for 55 package – promotion of energy from renewable sources and energy efficiency

Proposal for a Directive of the European Parliament and of the Council amending Directive (EU) 2018/2001 of the European Parliament and of the Council, Regulation (EU) 2018/1999 of the European Parliament and of the Council and Directive 98/70/EC of the European Parliament and of the Council as regards the promotion of energy from renewable sources, and repealing Council Directive (EU) 2015/652 /Senate Print no. N 068/13, COM(2021) 557/

Proposal for a Directive of the European Parliament and of the Council on energy efficiency (recast) /Senate Print no. N 069/13, COM(2021) 558/

The Senate

I.

1. Has come to the conclusion

that the Proposal for a Directive of the European Parliament and of the Council on energy efficiency does not comply with the principle of subsidiarity according to Article 5(3) of the Treaty on European Union for the following reasons:

- the Commission has not submitted impact assessments in relation to individual Member States, despite the fact that it has been invited to do so several times in the past, thus preventing National Parliaments from fully assessing all the implications of the Proposal, including for compliance with the principle of subsidiarity;
- as a result of the above-mentioned, the Commission has not proven that the proposed targets are realistically achievable with reasonable cost for the individual Member States, and thus has failed to demonstrate the real added value of the chosen approach at the EU level;
- the Proposal for a Directive sets the specific energy savings targets for the Member States according to a formula in Annex I without taking into account the share of industry in a Member State's GDP and related higher energy intensity; therefore, it does not take into account the relevant differences between the Member States,

Courtesy translation

which questions the Commission's conclusion on the added value of the chosen approach compared to its potential negative impacts due to the loss of Member States' competences to set energy efficiency targets according to their conditions and capabilities;

- the Proposal excludes cost-effective solutions, which questions its contribution to achieving the EU's energy and climate policy targets; in particular, the Proposal does so by (i) excluding the possibility to count energy savings related to the replacement of solid fuel boilers by gas boilers (Annex V), which is not even consistent with planning of the EU Structural Funds; (ii) introducing a definition of efficient district heating, which is not technology-neutral, as it ignores the possibility of producing heat from fossil fuels by carbon storage or producing heat from nuclear energy, thus preventing Member States from deciding how to decarbonise the heating industry;

2. Adopts

therefore a **Reasoned Opinion** on the incompatibility of the Proposal for a Directive on energy efficiency with the principle of subsidiarity in accordance with Article 6 of the Protocol on the Application of the Principles of Subsidiarity and Proportionality attached to the Treaties;

II.

1. Is of the longstanding opinion

that the national targets in the field of renewable energy sources (RES) must be based on geographical, economical, and social conditions, and should not exceed the economically acceptable level of costs for each Member State;

2. Asks

the European Commission to prepare an impact study describing the specific feasibility of the proposed measures and quantifying the effects of the planned changes, especially the costs and benefits for the Czech Republic;

3. Acknowledges

that in order to fulfil the climate ambitions, the Czech Republic will have to gradually increase the share of RES in its energy mix; however, the Senate is of the opinion that with regard to the geographical location of the Czech Republic, the role of RES will be limited, and therefore the Czech Republic will have to rely primarily on nuclear energy;

4. Considers

therefore that it is important to classify nuclear energy in the EU taxonomy as a sustainable energy source;

5. Emphasizes

that for a certain transitional period, natural gas will also play an important role in the energy mix of the Czech Republic, as it will enable rapid reduction of CO₂ emissions for example in the heating sector; it is therefore important not to stop the support of the projects using this energy source for the time being;

6. Points out

that the Proposal for a Directive on energy efficiency lacks a transitional period for application of the new limit for direct emissions from high-efficiency cogeneration of power and heat and it does not respect the existing operating aid schemes;

7. Recommends

to include the proposed share of RES in the buildings sector rather into the forthcoming revision of the Directive on the energy performance of buildings which should be presented by the Commission at the end of 2021;

8. Believes

that Member States should not be obliged to establish at least one joint project with one or more other Member States for the production of renewable energy by the end of 2025; the Senate is of the opinion that, in order to ensure the security of energy supplies, it is more appropriate to have resources on its own territory and therefore the cross-border projects should remain on a voluntary basis;

9. Refuses

in case of the proposed revision of the Directive on energy efficiency:

- the increase in EU's energy efficiency target, according to which the Member States should jointly reach a binding 9% reduction in energy consumption by 2030 compared to projections in the 2020 Reference Scenario;
- the significant increase of ambitions for mandatory energy savings from 2024 as it considers that the proposed value of mandatory annual energy savings of 1.5% is not necessary for achieving the objectives of the Fit for 55 package and will also be very difficult to achieve for many Member States;

10. Points out

that taking into account the principle of "Energy Efficiency First" in decision-making about planning, policies and major investments concerning both energy systems and non-energy sectors is not always cost-effective solution, and therefore this principle should not be considered as a dogma;

11. Does not support

the extension of the obligation to take energy efficiency into account by public procurement to sectoral contracting authorities;

12. Considers

important that the revised definition of an efficient district heating and cooling system does not apply to the already existing systems, but only to new or fundamentally reconstructed systems;

13. Supports

in general the need to tackle the issue of energy poverty, however, is of the opinion that this issue should be addressed within Member State's social policy, and not within energy policy;

14. Notes

that the adoption of such an ambitious plan (European Green Deal) is irresponsible when the way of substitution of existing sources of energy remains unknown;

III.

1. Requests

the Government to provide the Senate by 31st March 2022

- with information about the way this Resolution was taken into account, and about the further development of negotiations;
- with a detailed analysis on which the Government based its conclusion on the cost inefficiency of the proposed increase of mandatory energy savings from 2024 for the Czech Republic in comparison with the Government's preferred more cost-effective alternatives that the Proposal of a Directive does not allow to include in meeting this target;
- with a comparison of the cost-effectiveness of the proposed sectoral national targets in the field of renewable energy sources with the Government's preferred option for the Czech Republic;

2. Authorises

the President of the Senate to forward this Reasoned Opinion to the Presidents of the European Commission, the European Parliament and the Council.

Miloš Vystrčil
sign manual
President of the Senate

Josef Bazala
sign manual
Senate Verifier