

Given the nature of these concerns, the IAB requests DG CLIMA and DG ENER to submit a revised version of the IA report on which it will issue a new opinion.

(C) Main recommendations for improvements

(1) Better define the scope and the context of the initiative. The report should more clearly explain the scope of this initiative in particular by identifying what decisions are to be taken now (e.g. setting new targets, their nature - for GHG, renewables and/or energy efficiency- and their level of ambition) and what aspects can be developed later (and will be supported by separate impact assessments). It should clarify the aim of the proposal (e.g. to have a negotiating position for the EU) and should explain how this initiative relates to previous Commission initiatives concerning the future climate energy framework, such as the Roadmaps which set a vision for 2050. It should clarify upfront that the EU is already committed to contribute to the 80-95% emissions reduction goal and explain how this affects the policy options, taking into account commitments (existing or not) from the other main international actors.

(2) Better present the problems and improve the coherence between the sections of the report. The report should explain if the problems arise for instance from unsatisfactory implementation, regulatory failures or the changing context. It should clarify how the results of the previous experiences were taken into account in this initiative and to what extent it contributed to the reduction of GHG emissions. The report should more clearly explain what has worked, what has not worked and what can be improved. It should clarify the linkages between problems e.g. the challenge of ensuring coherence between policy measures such as binding targets for renewables and/or energy efficiency and how these interact with the ETS structural reform initiative as well as the challenges related to competitiveness and the possible need for dual targets to cover international developments. The report should more clearly present the flow throughout the text between the problems, the objectives and the options (i.e. the intervention logic). For instance, the foreseen increasing energy prices are mentioned as a considerable challenge, but do not seem to be addressed in the options. The objectives should focus on the decisions to be made under this initiative.

(3) Clarify the assumptions under the baseline scenario and the options. The report should summarize and clarify upfront the main assumptions in the reference scenario. In particular the report should discuss the extent to which the assumption that all existing policies will be fully implemented is realistic in light of existing experience and clearly mention what the assumptions for renewables, energy efficiency and other policies such as CO2 for cars and vans are. It should consider carrying out a sensitivity analysis for the baseline scenario, relaxing certain assumptions (e.g. on the extent of auctioning across sectors, the exclusion of auctioning payments from total energy system costs) and consider alternative scenarios for recycling of auctioning revenues (e.g. to reduce public debts). The report should provide more information regarding the expected impacts of the baseline (e.g. regarding GDP, investment needs, energy price differentials with non-EU countries, competitiveness of energy-intensive industries, employment) in order to set the scene, while presenting clearly the limitations of the modelling approach. It should also better describe the content of the options, clearly mentioning the assumptions and the difference between them. For instance, it should clarify what the enabling conditions are, what is their role (e.g. concerning the electrification of transport), to what extent they will require additional actions in future, and what is the difference between the options on energy efficiency (moderate, ambitious and very ambitious). It should also discuss the relation

between the main tools to achieve the target(s) and the enabling conditions.

(4) Better present the impacts and the trade-offs between the options. The report should present the impacts more clearly, distinguishing between the presentation of results of the modelling (which should be done in an Annex) and their interpretation. It should present the benefits and downsides of continuing with binding renewables targets after 2020 and assess in a qualitative way what types of renewables should be part of the energy mix. The report should explain the additional costs and benefits under different options (compared to the cost-effective achievement of climate and energy objective/s) of taking into account the affordability of energy, competitiveness, addressing carbon leakage, and whether these also take account of the different capacities and circumstances of Member States (e.g. diverse energy mix). It should clarify the consequences of the different options as far as carbon leakage is concerned. The report should better present the impacts on Member States and sectors, including explanations of the various distributional impacts, and explain how the measures would address the divergent effects. The comparative analysis should (i) discuss how the different scenarios perform in meeting the objectives, (ii) include an in-depth analysis of the trade-offs that occur between the different policies and targets (e.g. between higher shares of renewables and ETS carbon prices) and (iii) explain how coherence can be assured. It should discuss what conclusions can be drawn concerning the choice of the overall most cost-efficient policy scenario. It should also explain to what extent binding targets can be considered proportionate in light of the incremental costs. Finally, it should better explain the rationale for the ambition levels analysed regarding a conditional target in case of concerted international efforts.

Some more technical comments have been transmitted directly to the author DG and are expected to be incorporated in the final version of the impact assessment report.

(D) Procedure and presentation

Stakeholders' views should also be included in the main report, in particular in the problem definition, the options and potential impacts and trade-offs. The report should be significantly shortened in order to serve as a clear basis for discussion for decision-makers. In particular, (i) the problem definition should be restructured to present the issues more clearly, focusing on the core points for which a decision is to be taken now; (ii) the key modelling assumptions for the different scenarios should be clearly presented in the main text, including for the baseline scenario, and more detailed background information shifted to the annexes; (iii) the detailed modelling results should be moved to the annexes. The main messages of each major section should be clearly presented (possibly in boxes). The report should include a glossary presenting the technical terms and the abbreviations. A problem tree showing the linkage between the different sections could be included.

(E) IAB scrutiny process

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