

Energy Dialogue of the Regions 2017

Challenges for the Energy Union



Industrie- und Handelskammern
in Bayern

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Preface

A year ago, the European Commission has submitted an extensive legislative package that gave new impetus to the implementation of the European Energy Union. The 'Clean Energy for all Europeans' package does contain significant measures to strengthen the single European market for energy, to become energy efficient and to further improve the use of renewable energy sources in order to reach the European climate and energy targets set for 2030. While those measures affect all European economies, the impact differs from region to region.

Initiated by the Bavarian Chambers of Commerce and Industry (BIHK) in 2015, the Energy dialogue has the objective to facilitate an in-depth dialogue between representatives from several Business associations and political institutions. Over the years, bilateral exchanges have been conducted with representatives of regional economies in Austria, Czech Republic, Flanders and Sweden. Due to the high-level of industrialization in those countries and regions, the transformation of energy markets is of enormous significance for them. While industry and manufacturing face similar challenges in adapting to an increasingly decentralized and fluctuating energy production, the energy transition offers new opportunities at the same time.

The proposed package does contain regulation for cross-border cooperation ensuring not only a secure energy supply, but establishing a more flexible, market-based energy market. Eventually, this will support all regional economies by providing lower prices and stable framework conditions. Although a lot has already been achieved to improve cross-border cooperation, it is still questionable if the ambitious EU climate and energy targets can be reached with the heterogeneous national objectives in place.

By providing a platform for discussions and exchange, the Energy Dialogue enables the participating countries and regions to find common and economically viable solutions that will improve the European Energy Union.

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Regional challenges of the Clean Energy Package

At a glance



The vision for a complete and efficient Internal Energy Market set by the ambitious European Energy Union has become more tangible by the Clean Energy Package. It contains measures targeting three major objectives: For EU member states to become energy efficient, to become a leading force in the area of renewable energies and to provide clean and affordable energy for all Europeans.

The majority of the measures suggested by the Clean Energy Package provide manageable solutions in order to achieve cleaner energy systems by 2030. However, depending on the elements of the package, some regions see the need to revise or further improve proposed designs. While the Bavarian Chambers of Commerce and Industry (BIHK) are mainly demanding a robust electricity grid across borders to guarantee secure energy supply at an optimal cost, the Austrian Wirtschaftskammer Österreich (WKÖ) calls for a fundamental improvement of the Energy Efficiency Directive that ensures clear and investment-friendly transition arrangements. As longtime proponent of regional cooperation of national transmission system operators, the Confederation of Industry of the Czech Republic (SPCR) does pay attention to adapting the rules for access to cross-border transfer capacities. Positive developments in the use of sustainable bioenergy in Scandinavia are the main reason why the Confederation of Swedish Enterprises (Svenskt Näringsliv) highlights the integration from bioenergy. The Flanders Chamber of Commerce and Industry (VOKA) is pointing towards a common European scheme for capacity remuneration markets.

Seen from those varied perspectives, the Energy Dialogue of the regions offers remarkable perspectives on how key aspects of the Clean Energy Package have to be adapted in order to get the design of the Internal Energy Market right.

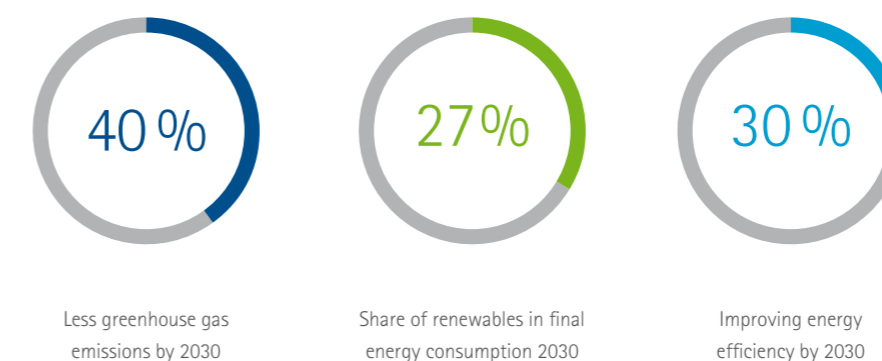
Key objectives of the Clean Energy Package:

- **Power grid:** Transmission System Operators (TSO) are supposed to strengthen their regional cooperation. Most TSOs have already set up Regional Security Coordinators voluntarily, however the European commission is planning to set up formalized and legally-binding Regional Operation Centre's (ROC's).
- **Energy efficiency:** Efficiency first – as a leading principle proclaimed by the European Commission. By 2030, more than 30 percent in energy savings have been set as the indicative target. Annual savings of 1.5 percent by energy providers and transmission operators are likewise prolonged until 2030.
- **Renewable Energies:** A cost-effective and market-based approach in line with the principles of the Energy Union shall be realized to support the growth of renewable energies. Those principles are support schemes open across borders, non-retroactivity and long-term visibility of support. Moreover, the package does provide support schemes for renewable heat and alternative energies in transportation.
- **Bio energy:** The proposed regulation does contain four requirements after 2020: Bio fuels have to emit less than 70 percent greenhouse gases compared to conventional fuels; a sustainability-criterion to set limits for logging; a saving target for heat- and electricity production from bio mass and bio gas; electricity from bio mass has to be generated by highly-efficient combined heat and power facilities.
- **Market design:** In order to cope with the growing share of renewable energy, the European Commission wants to allow short-term trading with very short time limits. Markets shall become more flexible and consumers stimulated to get involved as prosumers.

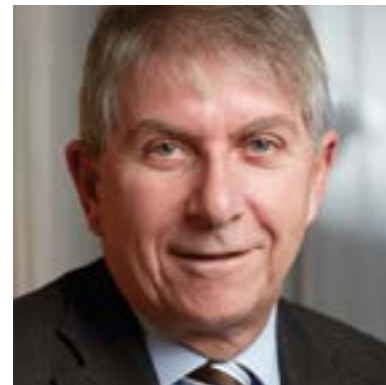
The Energy Dialogue of the regions 2017 does focus on selected issues of the Clean Energy Package in greater detail. While an open discussion shall be facilitated, guiding questions had been defined beforehand:

- **Regional Operation Centre's (ROC's):**
Regional cooperation of transmission grid operators is essential for a reliable power supply, 24 hours, 7 days a week. How shall it be organized?
- **Expansion of the European power grid:**
Clean power generation from renewable sources requires an extended European power grid. But many projects are not progressing. What can be done?
- **Energy efficiency:**
A comprehensive view taking energy and climate policy as well as the efficient use of existing potentials into account is of pivotal importance. How must the Energy Efficiency Directive post 2020 look like?
- **Capacity remuneration mechanisms:**
Support schemes for investments in base load capable power generation differ widely between member states. How could a common European scheme look like?
- **Integration of energy from bioenergy:**
Energy from bio mass does play a crucial role in many regions. How can EU-regulation support this even better?

Overall objectives of the European Energy Union:



1. Bavaria: BIHK – Association of the Bavarian Chambers of Commerce and Industry



Dipl.-Ing., Dipl. industrial engineer
August Wagner, Managing Director, J. G. Knopf's Sohn GmbH & Co. KG

is an active member of numerous boards and commissions:

- Chairman of the Association of Energy Consumers, VEA
- Chairman of the Prevention Committee Textile at BG ETEM
- Deputy chairman of the DIHK Committee for Environment and Energy
- Chairman of the Committee for Energy and Environment of IHK Upper Franconia Bayreuth
- Member of Plenary Assembly of IHK Upper Franconia Bayreuth

About BIHK



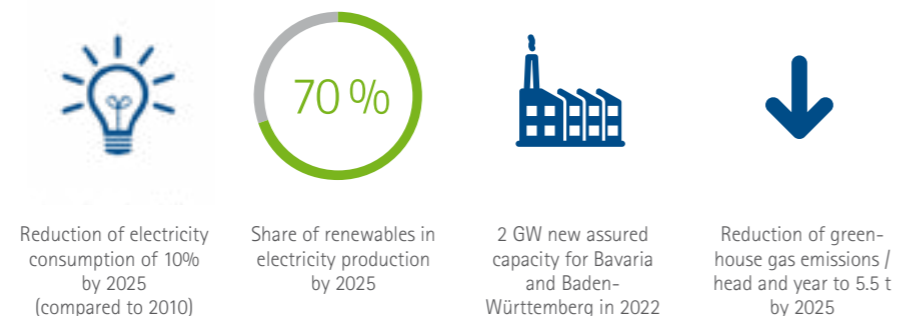
The Association of the Bavarian Chambers of Commerce and Industry represents around 973,000 companies of all sizes and from all industries in Bavaria. It is the umbrella organization of nine Chambers of Commerce and Industry (IHKs). The Bavarian IHKs represent the overall interests for all industry-related legislative projects and political decisions from municipal to EU level. At the same time, policymakers also consult with the IHKs in their role as independent and objective advisors. The Bavarian IHKs furthermore support the self-organization of industry, offer services to companies and advocate fair play and sustainability in business.

The German Energiewende does contain enormous challenges for future energy supply in Bavaria. Primarily due to the phase-out of nuclear power plants by 2022, Bavaria will soon become a net importer of electricity. Approximately half of its base-loadable power plants will have to be displaced. In the meantime, Northern Germany has become a net exporter of electricity produced by windmills, making new transmission grids from the North to the South a necessity. As a result, in 2015 Bavaria has set-up a new energy program introducing four major measurements to accommodate the needs of its industrial and manufacturing companies.

Core objectives of the Energy program for a secure, affordable and environmentally sound supply are:

- **Extension of renewables:** Bavaria will further increase its share of renewables in electricity production. The aim is to reach a production of 70 % in gross electricity generation by 2025, compared to 36 % in 2015. Today, Bavaria is the leading German region in electricity production from hydropower as well as solar and geothermal energy, second place in producing electricity from bio mass. Although wind power generation does suffer from unfavorable wind conditions, Bavaria comes sixth in a nation-wide Länder comparison. Furthermore, the share in final energy consumption covered by renewable energy resources is set to be 20 % by 2025.
- **Reduction of electricity consumption:** By 2025, Bavaria targets to reduce primary energy consumption by 10 %, compared to the 2010 level. Important programs to reach this target are the Energy Efficiency Action plan and the 10.000 houses-program. Both measures contain support schemes for the energetic renovation of buildings and modernization of energy systems.
- **Reduction of greenhouse gas emissions:** Emissions in Bavaria shall be reduced from currently 6,1 tons per capita to 5,5 tons per capita by 2025. Compared across the German Länder, Bavaria is in the lead with these ambitious reductions.
- **Power grid expansion:** In order to transport electricity produced by wind turbines in northern Germany to Bavaria, the expansion of both transmission and distribution grids have become indispensable. Moreover, the security of energy supply shall be secured by a strengthened interconnection of the Bavarian grid with the European internal energy market.

Bavarian Energy Targets



The main challenges for Bavaria

Since Bavaria's population and economy is growing steadily, reducing energy consumption is a real challenge. At the same time, withdrawing from essentially CO₂-free nuclear power makes it hard to lower CO₂-emissions. With a growing power generation from decentralized renewable sources and rising dependency on neighboring countries, adjusting the existing power grid becomes inevitable. All power sources in the region have to be connected via a smart grid. Moreover, a closely interconnected European electricity grid is vital to safeguard Bavaria's energy security. However, it can be seen during recent years that cross-border transport capacity projects are delayed.

The Bavarian power grid covers a length of 325.500km, including all voltage levels. In order to adjust to the on-going shift of power generation from the South to the North in Germany, the transmission power grid in Bavaria has to be optimized and reinforced on about 1.000 km. Most importantly two major projects, Süd-Ost- and SuedLink, are supposed to deliver electricity produced by wind mills at the northern shores to Bavaria. After several consultations, both projects had been assessed as inevitable for a consistent level of energy security and are supposedly realized by 2025. Nevertheless, some citizens and entrepreneurs still have doubts about the necessity of both projects.

An improved power grid will nevertheless not be enough to close the power generation gap that is emerging in Bavaria due to the phase-out of all nuclear power plants by 2022. In order to obtain its objectives, Bavaria has to apply several far-reaching measurements:

- Although not sufficient to fill the gap, the potential of renewable power sources is not yet fully utilized in the region. Power generation from renewable energies can still be expanded.
- New power plants, capable of base load, will be necessary in Southern Germany to maintain stable energy supply. The energy only market alone is not enough to ensure this.
- Bavarian power supply will increasingly rely on cross-border interconnectors and power exchange with its neighboring countries. Here, the common Austrian-German electricity bidding-zone stands out as a successfully integrated electricity market, providing secure power and lower prices on both sides.

What has to be done?

- Security of energy supply has to remain top priority. The irreplaceable competitive advantage of energy supply 24/7 has to be maintained and even improved for businesses in all European member states.
- Support for grid expansion projects across borders should be continued by the European Commission.
- Increasing the acceptance for energy infrastructure projects amongst politicians as well as citizens. With the full integration of European energy markets as main target, common approaches appear promising.
- Leveraging the cost reduction potential of the Energy Union is of key importance for the European economy to stay competitive in the global market.



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Andrea Miller took over as head of SWM Group's office in Brussels in February 2016. Before, she held various positions in the European Parliament and in the field of regulatory affairs. She is an active member of numerous commissions in industry associations on both national and European level (BDEW, VKU, CEDEC etc.).

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2. Austria: WKÖ – Austrian Federal Economic Chamber



Road to a sustainable energy system must be paved together with business sector

WKÖ calls for a comprehensive revision of the 'Clean Energy' package

Governments and businesses must work on a sustainable energy system hand in hand. Businesses play an essential role as developers and investors. Therefore climate and energy policy has to be consistent with economic policy. We see still a considerable need for improvements in the "Clean energy" package which is currently under discussion in the European Council and Parliament.

Essential prerequisites for an integrated Energy Union are lacking – WKÖ calls for comprehensive grid expansion and removal of bottlenecks

The proposals for more intensive, cross-border cooperation through better market integration are welcomed. An active cross-border trade as well as declining costs must be the goals. In this context, security of supply must not be neglected, which is crucial for companies and households. Therefore, we definitely need a comprehensive network infrastructure extension. An Energy Union must be characterized by open cross-border energy markets.

Grid expansion is definitely as important as a strengthened coordination and synchronisation between the Member States. Unilateral national action are a step backward and must be avoided. The German-Austrian electricity bidding zone must be seen as a best-practice example of an integrated electricity market, which has to be maintained.

WKÖ calls for an Energy Efficiency Directive that ensures clear and investment-friendly transition arrangements

Improving energy efficiency is one of the keys to meet environmental and energy policy challenges. In line with the conclusions of the European Council of October 2014, a European indicative target of 27% has to be maintained.

Speaking from our own experiences, we oppose the continuation of the energy efficiency obligation schemes proposed in the legislative text. Savings obligation for energy suppliers cause tremendous red tape with no significant additionality of measures being accountable. All major areas for efficiency measures are already occupied by policies. SMEs need encouragement for energy auditing by government supports programs.

On the road to a sustainable energy system there are still investment barriers in several fields:

- Guarantees of origin for renewables lack added value, cause red tape and high costs**
 The possibility to sell guarantees of origin for energy generated from renewable sources separately from the sale of the renewable energy itself must be stopped. An improved system requires a certain volume and ideally a global scope. National solutions are useless for reaching the renewable energy target. The current system misleads consumers which believe that the energy declared as renewable comes from renewable sources which is not the case.
- ETS-dilemma to be solved by a differentiation of ETS sectoral carbon prices**
 We are faced with an EU-ETS dilemma covering one complex system, two different sectors with totally diverse needs and interests. On the one hand power sector needs high(er) carbon prices for stimulating investments in low-carbon technologies. On the other hand there is the energy intensive industry, which needs a low carbon price to stay globally competitive and to reduce the risk of carbon leakage. We call for two simplified systems for these two different sectors with a main differentiation of ETS sectoral carbon prices. We need a high carbon price for the power ('sheltered') sector and a low carbon price for the ETS industrial ('exposed/vulnerable') sector.
- Energy technology industry benefits from international trade agreements**
 Austria's and the EU's environmental technology industry benefit from worldwide open markets for goods and services. 43% of its turnover comes from Asia, 31% from USA and Canada. A segmentation of markets through barriers damages the growth potential of dynamic and innovative export-oriented companies. WKÖ calls for a push of international trade agreements. It is in the interest of our environmental technology companies to have improved access to dynamic growth markets outside the EU, leading to a further expansion.



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Joined OMV in 2008, held various positions in Corporate Public Affairs and Corporate Strategy. Responsible for OMV's Brussels Representation since Sept. 2017. Studied political science and communications and holds an MBA of Vienna's WU Executive Academy.

About WKÖ



The Austrian Federal Economic Chambers (WKÖ) represents more than 480,000 member companies. As the voice of Austrian business, we are committed to forward-looking policies which benefit the economy e.g. cutting red tape, subsidies.

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3. Czech Republic: SPCR – Confederation of Industry of the Czech Republic



Regional Cooperation of TSOs from the Czech perspective

Czech focus to the Regional cooperation stems from the effort to improve energy market integration and to keep security of supply.

About SPCR



The Czech Confederation of Industry (SPCR) is the largest and most influential independent organisation of employers and entrepreneurs in the Czech Republic and a respected social partner. SPCR acts as an umbrella organisation for 33 member federations and associations and 147 individual member companies, in total representing 11,000 companies and a crucial part of the industry. SPCR promotes the interests of Czech employers and entrepreneurs at national, European and international levels and strives for conditions in which businesses of all sizes and sectors can flourish and stay competitive. In 2018, SPCR will celebrate the 100th Anniversary of the founding of the Central Union of Czechoslovak Industrialists.

For a long time, the Czech Republic has been a respected proponent of a regional cooperation of national transmission system operators (TSOs). The 4M MC project, representing the voluntary cooperation of the Czech Republic, Slovakia, Hungary and Romania, is a well-known proof of Czech activities in this field. Therefore, we have vast experience with integration projects and we have a clear idea about what the outcomes of such integration shall be. Each regional market integration process shall stimulate cross-border electricity trade. In order to make the market conditions better, the integration shall focus on market coupling. That, as a result, would harmonize rules for access to cross-border transfer capacities with the purpose to increase the transfer capacity available to the market. At the end of the day, this would create attractive conditions for market participants. This is the explanation for our desire to save the energy-only-market, which is our top priority. Another goal shall be to create a downward pressure on electricity prices. However, such effort shall not be limited to wholesale electricity prices, but shall include all the components of price of electricity, incl. the supported ones (e.g. RES fees, etc.) that hugely influence the final price for consumers. At the same time, it is necessary to respect and cover the development of the grid vital for further market development and integration.

Essential roles and responsibilities of TSOs in the market

The national TSOs shall remain responsible for controlling their respective area in order to ensure the high standards of operational security for electricity transmission and security of supply. Their role will consist a.o. of guaranteeing the real-time balance between generation and consumption and in the indication of possible breach of power adequacy (and the plans to mitigate such risks). However, their principal and irreplaceable role is to control power flows and frequency and to ensure operational security, safety and reliability of supply. Therefore, excellent adjustment of the cooperation of national TSOs is a key factor for Europe's security of electricity supply.

The questions of today are: How effective is the contemporary coordination structure of TSOs (ENTSO-E)? How effectively will the newly-formed regions cooperate on a pan-EU scale (CCR, RSC and ENTSO-E)? Is it transparent and ready-to-use for further market transformation? What are the criteria for assessing their effectiveness and how can we improve the cooperation?

Current conditions can be evaluated from two different perspectives:

1 Even though the energy market is going through remarkable organizational and technological changes, there have been only little operational troubles for the market players. The operation transmission system is safe and secure and a smooth market integration is ongoing. TSOs are capable of reliable and safe operation of the transmission network despite the running changes. The international cooperation works well both in the daily business and from the long-term perspective, where the projects of common interest are identified. A platform for future pan-European cooperation of TSOs, the ENTSO-E, has been spontaneously created and embedded in the EU legislation. Additionally, TSO's regional coordination initiatives have been set up in regions where the TSOs deemed it necessary to improve operational security.

2 On the other hand, although the TSOs are capable of reliable and safe operation of the transmission system – there are specific bodies (institutions) for international cooperation of TSOs – the overall structure of several network codes and various platforms for cooperation is difficult to understand even for stakeholders. There is the specific role of the ACER with no clear sharing of responsibilities with TSOs. The national-specific approach prevails that, consequently, negatively influences the transmission network operation and decreases the cross-border capacity available to the market.

A fair and objective assessment might be in between these two positions. A very important conclusion from this is the fact that TSOs perform their duties pretty well and international cooperation already works satisfyingly. Nonetheless, we should ask, how the effectiveness of international cooperation (and therefore market integration) can be improved.

The ways to make the cooperation of TSOs better

In order to make the international cooperation of TSOs better, the European Commission proposed the establishment of so-called Regional Operational Centres (ROC) that deserve our close attention. Namely, ROCs would constitute a multinational body with competences that have serious consequences for national transmission systems. However, the responsibility for safe running of the system would remain with national TSOs. As a consequence, ROCs would limit the sovereignty of Member States in relation to the supply security by transferring the decision-making from the national level (TSO) to the regional level (ROC) without corresponding transfer of responsibility. We oppose such a risky division of competences and responsibilities.

As a supporter of regional cooperation in energy we are in favour of any reasonable, fact-based, efficient and balanced progress in regional cooperation. We need to improve the coordination and integration process, however, these efforts have to be accompanied by a sensitive approach towards accountabilities and competences. The international cooperation needs to have a clear and transparent form of a body that all market participants can understand and benefit from. That benefit is, of course, more cross-border capacity available to the market while ensuring the current high level of operational security and security of supply.

We need a knowledge-based coordination platform that will not limit the national TSOs in their competences. Shall the so-called Regional Security Coordinators have these features, then, they might be the right step forward. However, there should be a close attention paid to the organizational relations with other TSO's entities mainly with ENTSO-E, in order to prevent potential dysfunctions and collisions in rights and duties of several bodies. The final goal shall be the simplification of current conditions and establishing a clear and unified national (TSO) – regional (RSC) – European (ENTSO-E) structure.

Recommendation on further steps

Our suggestion – based on above-mentioned experience – is to focus on the coordination of specific national approaches that might influence the overall settings in the neighbouring countries / transmission systems. Such coordination shall be done in the most transparent and smart manner possible. The rules shall be simple and clear and these principles shall be valid also for network codes and CEP. New rules must be implemented step by step, with detailed impact assessment, clear effects and a simple aim: "Keeping the lights on"

* As proposed by the revised Directive on common rules for the internal market in electricity as a part of the Clean Energy Package



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4. Sweden: Svenskt Näringsliv – Confederation of Swedish Enterprise



Swedish Enterprise priorities for the Clean Energy Package

National competence, sovereignty and regional cooperation

The sovereignty of member states and power over decision making in certain areas are fundamental in the EU cooperation. The Clean Energy Package goes into areas that today are national competences, for instance energy mix, security of supply and forest policy. This is a principal discussion that needs to be handled in a wider context than in discussions on very detailed proposals. National competences and subsidiarity needs to be respected.

Several proposals in the Clean Energy Package requires member states to cooperate with each other, preferably at regional level, and cooperation together with dialogue is essential in the development of the EU energy markets. However the roles and relations between member states are unclear, for example regarding who has the final say where member states have different views. The form of cooperation should not be determined in detail in EU legislation, but developed through dialogue between the member states concerned. In this regard, the Nordic market can serve as a good example, showing that cooperation can be developed at regional level without intervention or regulation at EU level.

Bioenergy

Sweden serves as a good example for the use of sustainable renewable bioenergy used for processing, heating, fuel, and electricity production. A fundamental position for the Confederation of Swedish Enterprise is that positive developments in Sweden, and Scandinavia generally, should not be undermined. Scandinavia already has an energy system that largely meets the comprehensive energy policy objectives of competitiveness, security of supply, good environmental performance, and we have a well-functioning energy market. We see a risk that an excessive EU harmonization will not improve, but adversely undermine these conditions when regulations are adapted for EU countries with less developed markets.

Renewable energy will play an important role in future energy systems. Together with other carbon-free energy sources it will contribute to decarbonizing the energy, transport and industry sectors. Different kinds of renewable energy sources will be needed, why it is important that the revised Renewable Energy Directive and other relevant legislative acts does not counteract certain kinds of renewable energy, like bioenergy. While it is important that bioenergy available on the market is sustainably produced, there is an imminent risk that it is losing competitiveness due to extra administration compared to fossil alternatives where no efficiency requirements or sustainability criteria exist. For that reason, it is very important that a sustainability criteria, if considered necessary, is carefully defined in order to not become a barrier for bioenergy. When deciding these sustainability criteria we also have to make sure that the national competence regarding forestry policy is respected. As long as biofuels are produced sustainably and they result in decreased carbon emissions, the possibility to use them should not be limited. It is therefore unfortunate that the Commission and parts of the European Parliament are skeptical against crop based biofuels in general.

Better regulation and policy overlap

The Clean Energy Package is one of the most extensive energy and climate legislation packages ever presented by the Commission. This alone makes it very difficult to

overlook the whole package. Because of that, and the fact that all parts of the package is closely related to each other, it is highly necessary that the different proposals are treated cohesively in the EU institutions. Otherwise the risk of policy inconsistency and overlap is imminent. The Governance regulation plays a particularly important role in this coordination. In order to create a cost-effective legislative framework where all member states can contribute, EU legislation should be general and leave room for flexibility in the national implementation. Detailed regulation pointing out mandatory measures should be avoided, instead focus should be on creating frameworks that leaves room for national development of efficient policy instruments.

Energy Efficiency Directive

The current target design, which creates a ceiling for energy use in the EU, is very unfortunate and can impede economic growth. An energy intensity target would be preferable since energy efficiency and renewable energy primarily should be seen as measures to reach the climate target, rather than being objectives in themselves.

Renewable Energy Directive

The decarbonisation of the transport sector is a challenge that will require a mix of different solutions and measures. One of the solutions, especially when it comes to heavy transports, will be biofuels. It is positive that the Renewable Energy Directive seeks to promote advanced biofuels. At the same time it is highly concerning that it is done at the expense of first generation biofuels. The Renewable Energy Directive should focus on establishing the right framework in order for the member states to deliver on the 2030 target in a cost-efficient manner with competitiveness at core. Well-functioning markets will provide the investment signals for further development of renewable energy, and all energy sources must participate in the market under the same conditions.

Electricity Market Design

It is very good that the Commission clearly states that the energy-only market should be the foundation for the EU internal energy market and that regulated prices should be phased out. We are however skeptical about mandatory Regional Operational Centres (ROCs.) Cooperation should rather be developed by the member states together with Transmission System Operators (TSOs) concerned and preferably be evolved parallel with market development and integration. The Nordic TSOs already have a good cooperation, and should serve as a good example showing that cooperation can be developed at regional level without intervention or regulation at EU level. National competence, must also be preserved in the area of energy regulation while member states continue to work together on this issue. The Agency for the Cooperation of Energy Regulators (ACER) should stay as a platform for co-operation between authorities in the different member states.

Governance

Designed correctly, the Governance regulation could contribute to better regulation in the energy and climate policy area and ensure that overlapping policies are avoided. However the Clean Energy Package goes into areas that today are national competences. Instead the governance regulation should serve as a framework in which the member states have flexibility to establish national plans that corresponds to the national circumstances, therefore there is no need for detailed specifications of the content. Therefore targets should only be defined in the issue specific directives, not in the Governance Directive and reporting of data should be relevant and fill a purpose. Further, vulnerable and energy poverty should be handled in social regulation, mainly at national level, and not in the energy package regulation.



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Linda Flink is an expert on Swedish and EU energy and climate policies at the Confederation of Swedish Enterprise since 2014. She is responsible for the coordination of the Energy Union within the Confederation, with special focus on the Clean Energy Package and EU ETS. She has a Master of Science degree in Sustainable Energy Systems. The Confederation of Swedish Enterprise is Sweden's largest and most influential business federation representing 50 member organizations, and 60.000 member companies with over 1.6 million employees.

About Svenskt Näringsliv



The Confederation of Swedish Enterprise (Svenskt Näringsliv) is Sweden's largest and most influential business federation representing 49 member organizations and 60 000 member companies with over 1.6 million employees. It was founded in 2001 through the merger between the Swedish Employers' Confederation and the Federation of Swedish Industry.

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5. Flanders: Voka – Flanders Chamber of Commerce and Industry



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He is responsible for following up all retail and wholesale market developments in the energy sector and representing EDF Luminus in multilateral negotiations and contacts with Belgian and European governments, Regulators and Administrations. Since his graduation in 1998 as civil engineer in electro-mechanics, he is active in the energy sector, as R&D engineer, commercial engineer and even as regulator. In this almost 20 year period he experienced many energy market challenges: from the market liberalization and European energy market coupling, over smart meters and smart grids to even financial regulation.

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Voka pledges for an integrated, competitive, flexible and supply secure energy system based on competition, cost effectiveness and a durable use of energy resources within a credible regulatory framework.

To achieve this, the EU should be further encouraged to come up with good and sound proposals concerning the realisation of the EU Energy Union, while national policymakers should be urged to devise policies that fit within a wider EU strategy. The EU should not only focus on sustainable energy initiatives but should also define EU wide goals concerning innovation, security of supply and competitiveness. The proposed governance system in the Clean Energy Package is therefore a step in the right direction.

Within this EU Energy Union:

- Market distorting measures should be avoided as much as possible.
- The short term markets should be integrated as much as possible in light of the opportunities this will offer to both energy transmission companies and market players.
- A level playing field for participants to the electricity market should be created through equal access to market instruments and a European harmonised tariffication system.

The Central West European electricity market can serve as a first, facilitating step towards a pan-European electricity market. This facilitating step seems desirable as further expansion of energy infrastructure is required besides a better linking of the markets, particularly the spot markets. A European regulator is also a necessity.

Flanders should further secure its position as key player in energy transportation within Europe. Further initiatives for an expansion of the electricity transportation grid should lead to competitive prices and should guarantee Belgian supply security at an optimal cost. A robust electricity grid is moreover crucial to optimally integrate renewable energy capacity at the local and regional level.

Flanders should furthermore strive to become frontrunner in energy efficiency within the EU. It is densely populated and has many aged buildings. As a result, there are many opportunities to make buildings more energy efficient. A big share of the Belgian vehicle fleet are leased, company cars and is hence renewed on average every four years. The Belgian vehicle fleet could also rapidly be electrically transformed, further contributing to achieving the EU-targets within the Clean Energy Package.

About VOKA

Voka, Flanders' Chamber of Commerce and Industry, is the most representative employers' organization in Flanders. It represents over 18,000 companies in Flanders and Brussels, representing some 65% of the private employment and 66% of the added value in Flanders. Voka 1) offers a wide range of quality trainings to its members on a wide range of business related issues; 2) organises both formal & informal networking events among entrepreneurs and with policymakers, and 3) defends the interests of Flemish entrepreneurs with Flemish, Belgian and European policymakers.

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The CCIs in Bavaria

The Association of the Bavarian Chambers of Commerce and Industry is the umbrella organisation for the nine Bavarian Chambers of Commerce and Industry (CCIs). All Bavarian firms – excepting those in the craft trades, the liberal professions and agriculture – are compulsory members of a chamber of commerce and industry. The Association of Bavarian Chambers of Commerce and Industry therefore represents over 973,000 enterprises of all sizes and across all industries, from global corporate groups to owner-operated SMEs. The Association is therefore not beholden to a specific group of businesses, instead acting on behalf of the overall interests of the commercial sector in Bavaria. Since its inception in 1909, the Association has been the largest business organization in the Free State of Bavaria.