Energy Cities Briefing on the Role of Local Actors in the Governance of the Energy Union

The proposed regulation on the Governance of the Energy Union in the framework of the Clean Energy for all Europeans package aims in its essence to provide a technical and administrative framework for Member States to report on the implementation of the 2030 energy and climate targets across the 5 pillars of the Energy Union: (1) Decarbonisation, 2) Energy Security 3) Internal Market 4) Research & Development 5) Energy Efficiency. The successful implementation of ambitious NECPs are paramount for the EU to become fully decarbonized by 2050, in line with its commitments under the Paris Agreement. The national level won't be able to achieve this crucial goal on its own: it will require a mutually reinforcing partnership between all energy transition stakeholders – on local, regional and national level – in order to get there. In other words, Member States will benefit from sharing the driving seat in order to achieve their climate and energy objectives, as well as those of the EU.

What needs to be done

The Energy Union Governance cannot be merely a burdensome, administrative reporting process for Member States towards the EU Commission. Instead, it should serve as a key mobilizing and co-designing process, involving all energy transition stakeholders, in order to decarbonize the EU by 2050.

Cities can make a key contribution to this undertaking. As the Covenant of Mayors for Climate & Energy has shown over the last 10 years, local authorities have implemented ambitious energy and climate policies through their participatory and integrated Sustainable Energy and Climate Action Plans (SECAPs), in order to help the EU and its Member States achieve common climate and energy objectives. Cities are also the governance level closest to the citizens. However, they are still put into the NGO category in the Commission's Energy Union Governance proposal, only considered as side stakeholders via public consultations. To address this problem, the European Parliament suggests (p.54, art. 10) that Member States should set up permanent structures of dialogue involving local authorities, civil society and the business community. This "Multi-Level Energy Dialogue Platform" should discuss the various scenarios and options of a country's short, medium and long-term energy future, based on cost-benefit analyses.

A shared governance between cities and national authorities around strategic energy planning is beneficial for Member States. Unleashing the full local potential for climate and energy action can collectively help the nation to meet and even increase its overall climate and energy ambitions. But oftentimes, there is a strong disconnection between the national and local level: ministries in Member States are not aware of actions and potential of the local level in terms of climate and energy action when drawing up long-term national plans. In addition, in the same way that large energy operators and utilities have influenced energy policy making over the last decades - given the technical expertise they could share with decision makers - local and regional authorities need to be involved in long-term energy planning at national level, in view of the strategic role they now play in disrupting traditional energy cycles.

The "Multi-Level Energy Dialogue Platform" is a key instrument to overcome this disconnection. Furthermore, national reporting systems for local climate and energy action – be they legally binding or voluntary - are a complementary way forward. Through such a framework, the national level can firstly have a full picture of the climate and energy policies ongoing at local level and to map the local energy resources. Secondly, this improved flow of communication between the national and local

level can enable ministries to identify bottlenecks (i.e. financial, legal, administrative) to harnessing the full potential for local energy and climate action, and work together with cities on how to best overcome them. As a result of this collaborative process, Member States can develop and implement in partnership with cities a cost-effective, efficient and ambitious NECP, where climate and energy efforts are fairly shared between all governance levels.

1) TOP-DOWN - Support to local planning and implementation
Good practices from 3 EU Member States

Ireland

In Ireland, the Sustainable Energy Authority has recognized the importance of integrated spatial planning. Coordination with local authorities is emphasized in order to avoid the risk of "stranded assets" and "lock ins". The Sustainable Energy Authority of Ireland (SEAI) has thus developed spatial planning instruments to assist local authorities in defining the energy landscape of the future. The tool consists of a methodology and template aimed at guiding them in preparing more holistic renewable energy strategies. The SEAI also provides financial support for Covenant signatory cities to develop their action plans. In addition to this, the SEAI also extended a grant to the local authority to map the energy demand of its territory and link the plan with local development and spatial planning concerns. To encourage local optimisation of resource and demand-driven energy planning, the SEAI has furthermore developed "resource atlases" showing the availability of renewable energy options. The atlases will be complemented by energy demand and efficiency datasets – including national heat demand mapping – to best assist local authorities in their planning needs.

Luxembourg

In 2012, Luxembourg established a law on creating a Climate Pact with municipalities. This is essentially an agreement between the national government and municipalities, which they can voluntarily join. The municipalities commit to taking coherent action on climate action, and the national government in its turn commits to supporting those efforts with both finance and technical assistance. This has been a success story and at this moment, all but one municipality (104 out of 105) in Luxembourg is taking part in the climate pact. It has created a win-win situation between the two government levels: municipalities are eager to reduce their CO_2 emissions, and the national government can be sure that the municipalities are doing their share of reducing emissions and thus allow the country to reach its emission reduction targets.

Croatia

According to the Croatian Energy Efficiency Act, energy efficiency planning and reporting is obligatory for 20 Croatian counties and 17 cities (>35000 inhabitants). This way, local and regional governments are encouraged to systematically manage their energy efficiency policies and provide feedback to the national level. Plans are made on a three-year and annual basis. In June 2014, the web application of SMIV (system for measuring and verifying energy savings) was put into operation, created by the Centre for Monitoring Business Activities in the Energy Sector and Investments in cooperation with the German *GIZ*. The Croatian Energy Efficiency Act (Official Gazette 127/14) defines SMIV as the national tool for calculation and verification of energy savings on national, regional and local level.

2) BOTTOM UP - When local considerations influence national decisions

Although numerous Member States have managed to provide top-down support to the design and implementations of local energy action plans - providing the necessary framework, technical and financing tools - very few of them have managed to engage in genuine policy making dialogues,

paving the way for local and regional authorities to themselves support the national level in planning and designing their energy and climate actions plans.

France
In 2012, France initiated an extensive debate process of three years that led to the adoption in 2015 of the Energy Transition Law for Green Growth. Thanks to this unprecedented exercise of participative governance, civil society representatives but also local and regional authorities have been allowed to voice their observations and know-how into what has become a very ambitious roadmap for the country's energy future, including sound policy instruments to support all energy stakeholders and government levels in delivering the 2050 decarbonisation objective.

Netherlands
In the Netherlands, the Energy Agreement for Sustainable Growth has been adopted as the result of a large-scale exchange process between the national government, local and regional authorities but also trade unions, environmental organisations and industry representatives.

While both processes have shown an initial willingness to draft long-term plans based on large-scale public involvement and support, the next challenge looking ahead will be to ensure that such endeavours don't remain a one-off exercise, but are based on permanent dialogue structures, institutionalised into mainstream policy making, so as to ensure iterative feedback on the evolution of the national plan.

Further material

➔ Energy Cities policy brief, June 2017: "National reporting systems for local climate and energy action in the EU", available by request at david.donnerer@energy-cities.eu

➔ Energy Cities publication, February 2017: "Local State of the Energy Union: Beyond cables and pipelines - A brighter state of the Energy Union", available here: http://www.energy-cities.eu/IMG/pdf/local_state_of_the_energyunion.pdf

➔ Energy Cities, CLER & RAC France publication, November 2016: "Cities heading towards 100% Renewable Energy by controlling their consumption – Food for Thought and Action", available here: http://www.energy-cities.eu/IMG/pdf/publi_100pourcent_final-web_en.pdf

➔ Energy Cities position paper, June 2016: "Think local first: From Pipe Dreams to Local Means – A Guidance Paper to Assist Member States within the Energy Union Governance Process", available here: http://www.energy-cities.eu/IMG/pdf/guidance_paper_to_ms_energy_union_governance_final_draft.pdf