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TEPSA – Trans European Policy Studies Association

PONT Working Europe Seminar II

27-31 March 2017, Brussels

Report

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Preface by Jaap de Zwaan, Seminar leader



One of the most pressing challenges we face today is climate change, the threats to our environment and the necessary transition to a cleaner energy production and consumption. On a policy level, environment and energy issues present policymakers with a truly complex mix of competing interests and views. For these reasons, the Trans European Policy Studies Association organised a five-day seminar on EU climate, energy and environmental policy, designed specifically for students, at the heart of EU politics in Brussels.

Seventeen participants joined the second edition of the PONT Working Europe Seminar. I was very impressed by their energy and motivations for joining the seminar. We discussed a series of issues ranging from climate diplomacy and energy security to emission trading and local energy, and the variety of the participants' backgrounds enlightened the discussions with diverse and sometimes conflicting perspectives.

Facing the intertwined policy agenda of climate, energy, and environment is a daunting task. This certainly was not a new realisation for our talented participants. However, by engaging students with the views of stakeholders from across the policy arena – EU institutions, think-tanks, NGOs, the private sector – the seminar provided students with a good overview of the complexity of the issues at stake. My hope is that the takeaways provide the participants with a better understanding of the playing field and a fresh motivation to make a positive impact on policy as they set out to launch their careers.

Jaap de Zwaan is an Emeritus Professor of European Union Law at the Erasmus University in Rotterdam and former Lector in European Integration at The Hague University for Applied Sciences.



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Overview

On 27-31 March 2017, the Trans European Policy Studies Association organised its second Working Europe Seminar, a five-day seminar on EU climate, energy and environment policy for European students, in the framework of the PONT – Professional Training on EU Affairs project, co-funded by the ERASMUS+/Jean Monnet programme of the European Union. Seventeen outstanding students were selected to participate in the training in Brussels with diverse backgrounds ranging from European studies and international relations to sustainable development, energy economics and environmental sciences.

Participants attended a series of high-level lectures and panel discussions, gaining first-hand insights from researchers, EU policymakers and officials, NGO activists and business representatives on the current top priorities and trends of EU policy and politics in the fields of climate, energy and the environment, with speakers from Brussels think-tank Bruegel, the European Commission, the Committee of the Regions, the Council of European Energy Regulators, Business Europe and Greenpeace, among others. The seminar also included visits to the Council, the European Parliament and the European Commission's DG for Climate Action, with the Commission's head of negotiations for COP 21.

All participants were required to write a short policy brief in preparation of the training, and to prepare for a simulation of European Council negotiations in an energy crisis situation. They all drafted a position paper based on specific negotiation guidelines for each country, and after more than two hours of negotiations, drafted Council conclusions on the resolution of the crisis.

In their written evaluations, the participants unanimously considered that the seminar was useful to them and effectively organised. All participants declared they would recommend attending it.

TEPSA would like to warmly thank all speakers who gave their time for the students, as well as all participants who took part in this stimulating and challenging week. TEPSA also wishes all participants well in their future careers, and keeps its doors open to them in Brussels!

The next PONT training will take place in September 2017 and will focus on communication skills and media literacy for young researchers. The next Working Europe Seminar is planned for March-April 2018.

More information on PONT and TEPSA is available at www.tepsa.eu.



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Seminar programme

Monday 27 March 2017: Introduction

Venue: Fondation Universitaire, Rue d'Egmont 11, 1000 Brussels, Room Francqui

- 14:00 - 15:00 Welcome and introduction to the seminar
by the TEPSA team and Jaap de Zwaan, Secretary General of TEPSA and Professor of EU Law at the Erasmus University Rotterdam
- 15:30 - 17:00 Latest state of play on EU energy, climate and environment policy
by Simone Tagliapietra, Bruegel, Research Fellow and Fondazione Eni Enrico Mattei, Senior Researcher
- 17:00 - 18:00 Q&A on EU energy, environment and climate policy
with Simone Tagliapietra
- 18:00 Informal get-together

Tuesday 28 March 2017: EU internal policy – towards a green revolution?

- 09:00 - 11:00 Visit to the Council of the European Union
Andrés Tobias Y Rubio, Council of the EU, DG Environment, Education Transport and Energy, Environment Unit, Senior Adviser
Meeting point: Council of the European Union, Rue de la Loi 175, 1048 Brussels
- 12:00 - 14:00 Visit to the European Parliament
- *Tessa Geudens, Parliamentary Assistant to Kathleen Van Brempt MEP (chair of the EMIS Committee of Inquiry, member of the ITRE Committee and of the delegation for relations with Canada, and S&D Group Vice Chair)*
- Meeting point: European Parliament, ex Info Point, on the esplanade before the Altiero Spinelli building*
- 16:00 - 18:00 Panel – The ETS: striking a balance between market and environmental interests? [under Chatham House rule]
Moderated by Prof. Jaap de Zwaan
- *Melina Boneva, European Commission, DG Climate Action, ETS Policy Development Unit, Policy Officer*
 - *Suzana Carp, Sandbag, EU Engagement Lead*



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- *Leon De Graaf, BusinessEurope, Energy and Climate section, Adviser*

Venue: Fondation Universitaire, Rue d'Egmont 11, 1000 Brussels, Room Francqui

18:30 - 20:30
(optional)

Event at VUB: The Carbon battle – Global Warming is Coming!
Student debate, panel and reception

- *Jakop Dalunde, MEP (ITRE Committee), Group of the Greens*
- *Christian Holzleitner, European Commission, DG Climate Action, Policy Advisor*
- *Femke de Jong, Carbon Market Watch, EU Policy Director*
- *Marco Mensink, The European Chemical Industry Council (CEFIC), Director General*

Venue: Vrije Universiteit Brussel, Boulevard de la Plaine 5, 1050 Brussels, floor -1, Rome and Lisbon rooms

Wednesday 29 March 2017: The EU in the global arena – leading the way?

09:00 - 11:00

Visit to the European Commission: EU diplomacy in the global fight against climate change
Elina Bardram, European Commission, DG Climate Action, Head of International and Inter Institutional Relations Unit

Meeting point: European Commission, DG Climate Action, Avenue de Beaulieu 24, 1160 Bruxelles

11:30 – 13:30

Preparation time for the simulation game & sandwich lunch at the Fondation Universitaire

Venue: Fondation Universitaire, Rue d'Egmont 11, 1000 Brussels, Room Francqui

13:30 - 15:00

The future of EU-US relations [under Chatham House rule]
Stéphanie Brochard, American Chamber of Commerce to the European Union, Environment Committee and Transport, Energy and Climate Committee, Senior Policy Adviser

15:30 - 17:00

Energy security and diplomacy
Georg Zachmann, Bruegel, Senior Research Fellow

17:00 - 18:00

Analysis and discussion in the group
with Prof. Jaap de Zwaan



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Thursday 30 March 2017: EU policy on the ground – local challenges in implementation

Venue: Fondation Universitaire, Rue d'Egmont 11, 1000 Brussels, Room Francqui

- 09:30 - 11:00 Panel – The role of national and local authorities in implementation
Moderated by Prof. Jaap de Zwaan
- *Ion Codescu, European Commission, DG Environment, Head of the Environmental Implementation Unit*
 - *Radim Dvorak, Committee of the Regions, ENVE Commission secretariat, Policy Officer in charge of the Covenant of Mayors and climate change*
 - *Andrew Ebrill, Council of European Energy Regulators (CEER), Secretary General*
- 11:30 - 13:00 Local energy, cooperatives and citizen energy in conjuncture with the Clean Energy Package
Sebastian Mang, EU Energy and Climate Policy Adviser, Greenpeace
- 14:30 - 15:00 Analysis and discussion in the group
with Prof. Jaap de Zwaan
- 15:30 - 17:30 Feedback on policy briefs and introduction to the simulation game
with Prof. Jaap de Zwaan and Prof. Johannes Pollak, Interim Director and Professor of Political Science at Webster Vienna Private University
- Evening* Preparation time for the simulation game

Friday 31 March 2017: Simulation game

Venue: Fondation Universitaire, Rue d'Egmont 11, 1000 Brussels, Room Francqui

- 09:00 – 12:00 Simulation game: European Council negotiations on EU energy policy
with Prof. Johannes Pollak
- 12:00 Sandwich lunch at the Fondation Universitaire
- 13:30 – 14:30 Evaluation and individual feedback on the simulation game
with Prof. Johannes Pollak
- 14:30 – 15:00 Final discussion
with Prof. Jaap de Zwaan and Prof. Johannes Pollak



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Day-to-day report

Monday, 27 March 2017: Introduction

Introductory lecture: State of play of EU energy, climate and environment policy, by Simone Tagliapietra, Research Fellow at Bruegel

Rapporteurs: Agnese Vitale, Anda Radu

Simone Tagliapietra started his lecture by presenting the history of EU energy and climate policy.

Energy was the milestone of the Treaty of Paris in 1951, giving birth to the European Coal and Steel Community, and of the Treaty of Rome in 1957, which founded the European Atomic Energy Agency. The basic idea of the founding fathers, among which Jean Monnet and Robert Schuman, was based on the functionalist theory according to which European integration should start from material and pragmatic cooperation.

After this initial impetus, energy disappeared over time from the EU agenda. The successive treaties did not even mention the word “energy”. Finally, in the Lisbon Treaty of 2007, energy was included in the EU shared competences. Nevertheless, at the very basis of the EU’s energy policy fragmentation, there is the reluctance by Member States to give the European Commission clear competence on energy policy due to security concerns (energy is considered as highly strategic for national economic activities and interests), and highly different energy needs and security priorities for Member States.

How can the EU approach this problematic issue? In the past years, the Commission has applied a circumnavigating approach, or an “encirclement strategy”, using competitiveness and environmental policy to address energy issues. As for the first element, the DG for Competition has the power to shape and influence the internal market. Since 1990, a series of directives aimed at liberalizing the electricity and gas markets have been passed. As for the second element, since the 1970s the EU started developing a legal framework in this field, including programmes such as LIFE (stimulating EU companies to adopt more environment-friendly policies), Horizon 2020 (financing research and new technologies) and Natura 2000 (protection of biodiversity and national parks).

Further steps in the integration of energy related matters took place in 2005 at the Hampton Court Summit where EU leaders agreed to create a truly European energy and climate policy. The result of this new leap was the 2006 Green Paper “A European Strategy for Sustainable, Competitive and Secure Energy” and the launch of the Emission Trading System. The new policy included security of supply, competitiveness (Lisbon Agenda) and sustainability (Kyoto Protocol and ETS). This triad is still valid today because each goal cannot be achieved without the other.



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In the 1980s and 90s there were big discussions in the EU about a carbon tax. The problem was that industries would not be competitive on the global market and would suffer from free riding. For this reason, the EU opted for the second-best choice: a cap and trade system. After fixing a cap, which represents a maximum of CO₂ emissions on a given timeframe, industries are given allowances, for free or for auction. A market is then created, where industries can sell and buy their allowances. However, the ETS is currently affected by a major problem: a very allowance low price. This has many causes: firstly, during the crisis economic activity and consumption decreased; and secondly, Member States did not want this programme to become operative immediately and therefore continued to give allowances for free, causing an oversupply of allowances on the market. To give industries a real signal towards decarbonization, a reform is needed which would aim at a minimum carbon price of €60.

The '2020 Energy and Climate Package' is another significant milestone. Its targets are: 20% reduction in greenhouse gas emissions, 20% increase in renewable energy, and 20% increase in efficiency, as compared to 1990 levels, all by 2020. Notably, this package was made binding at national level. All EU Member States are well in line with the targets for renewables because they were significantly subsidized. The efficiency target is less successful. Some instances are eco-labelling and energy certificates, which step towards putting a price on energy efficiency. Nowadays only about 12-15% of the efficiency target has been reached.

In preparation of the Paris agreement, new 2030 targets have been set. But this time, Member States did not decide how to split the bill, meaning dividing the cap among them. One of the key arguments against making the targets binding was that they would make EU industries less competitive. Additionally, one should bear in mind that legally speaking the EU does not have much leverage.

Simone Tagliapietra further listed three ingredients for the future success of EU energy and climate policy: technology, governance and global action. First, in the area of technology, the cost of solar technology decreased and energy systems are increasingly digitalized. Second, a significant debate emerged concerning the governance of the 2030 targets. The key to this issue is in the engagement of local authorities. Third, in terms of global action, the relationship between the EU and China bears a special significance in the context of the Trump presidency.

Simone Tagliapietra then tackled the issue of energy security, explaining how it entered the EU debate in 2005-2006, with the first gas crisis. Since it is pipeline-based, gas is much more geopolitical than oil. The cost of gas is mainly based on transportation costs and not from the commodity costs itself. Therefore, energy security for the EU means almost exclusively gas security. The mantras of energy security at the EU level are: i) increase energy efficiency; ii) diversify supplier countries and routes; iii) complete the internal energy market; iv) build missing infrastructure; v) speak with one voice in external energy policy.

The conclusion of Simone Tagliapietra's presentation was that energy and climate are a clear example of how the EU is better off united. A unique, well-functioning and well-interconnected EU energy market could provide greater flexibility, competitiveness and security for all. EU action is needed to transform the European economy from linear to circular. By acting together, the EU could keep up the global momentum on climate action.



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Q&A with Simone Tagliapietra

Rapporteur: Ana Campos

Q1: *Can carbon tax be a solution to climate change?*

A1: *The carbon tax is the best solution to stop climate change. However, it would lower the competitiveness of our companies. Either it is employed at the global level or it is not possible.*

Q2: *Why were the 2030 targets not binding at the national level as the 2020 targets were?*

A2: *The period between 2005 and 2009 was a strong moment for energy due to the positive economic and political situation in Europe. In 2007 the EU proposed the 20-20-20 targets and they were made binding at the national level. However, in 2014, when the EU Council endorsed the new “2030 Climate and Energy Policy Framework”, the member States did not want to establish new national targets because of the economic crisis. They did not want to commit with new efforts.*

Q3: *Beyond what happens at the institutional level, what is the importance of Member States to empower local authorities?*

A3: *There are challenges and political barriers at the European level because of the different interests of each country, but some issues can be implemented successfully at the national level. All we can do at European level is coming up with ideas and trying to persuade others, but it is Member States that are the bridge between citizens and the EU. They are the ones that can empower local governments. However, this ambition is so far failing.*

Q4: *Why are there still no advancements in the Midcat gas pipeline project?*

A4: *Despite the Midcat project being a “Project of Common Interest”, there are too many divergent interests of member states. France strongly opposes this project, because it would bring in new competitors on its own market.*

Q5: *Why is gas so geopolitical?*

A5: *Gas is very geopolitical, more than oil. It needs infrastructures. It requires big investments. To build a pipeline is very expensive and it is therefore is a “contract with the future”, it is like a “marriage”. These strong links make gas less flexible, so it is more geopolitical. This is why Russia has such an important role.*



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Tuesday, 28 March 2017: EU internal policy – towards a green revolution?

Presentation at the Council, with Andrès Tobias y Rubio, Senior Adviser for the Environment and International Affairs, Council

Rapporteur: Bára Veselà

This excursion was a very effective kick-off of the visits to the EU institutions. We began with a small tour of the Council's building, and visited a meeting room of the European Council. Then, we met our speaker, Andrés Tobías Y Rubio, a Senior Advisor at the Council regarding the environment and international affairs. Mr Rubio's presentation was very informative; he gave us a detailed introduction to the Council's workings - its purpose, organization, and proceedings. While the other excursions and lectures were rather focused on the EU's environmental and energy security policies, Mr Rubio mainly spoke about the Council itself, explaining its complexities in detail. At the same time, particularly during the Q&A section, he was very open to answer our questions regarding the EU's environmental policies, from the perspective of the Council.

This excursion was one of the most fascinating and informative ones of the entire week. I suggest TEPSA includes it again for another seminar!





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Discussion at the European parliament, with Tessa Geudens, Parliamentary Assistant to Kathleen Van Brempt MEP (S&D, ITRE Committee)

Rapporteur: Berit Paus

The visit to the European Parliament and the discussion with Tessa Geudens, Parliamentary Assistant to Kathleen Van Brempt, focused on how legislation is amended by the various parliamentary committees, the influence the European Parliament is able to exert within the so-called “trialogue” and the particular importance of rapporteurs during these processes.

Ms. Geudens particularly explained how the general public, industry and interest groups are able to lobby for their interests and how amendments are finally concluded. She particularly underlined the importance of national constituencies and party voting.





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Panel discussion – The ETS: striking a balance between market and environmental interests?

Rapporteur: Elizabeth Dirth

- *Melina Boneva, Policy Officer at the ETS Policy Development Unit of the European Commission (DG Climate Action)*
- *Suzana Carp, EU Engagement Lead at Sandbag*
- *Leon De Graaf, Adviser at BusinessEurope (Energy and Climate section)*

The session gave three perspectives on the EU ETS and its progress in balancing market and environmental issues. The discussion featured an overview of the past decades' work on this initiative by the Commission, an outline of how businesses engage with it, and a critical review from an NGO focussed on climate change mitigation. There was general consensus on the theory of an Emissions Trading System as an effective climate change mitigation technique for incentivizing the private sector and that it needs some improvements to be more effective at doing this, however, views diverged on which direction to go from here and how the current system can be improved.

The Commission representative highlighted current “teething problems” such as balancing encouraging innovation and being flexible with having an adequately high carbon price floor, managing carbon leakage and collecting accurate data. Suzana Carp from Sandbag began by outlining how an ETS should work before elaborating on the weaknesses of the EU ETS, the most significant being a carbon floor that is too low and too many allowances flooding the market with surplus credits which distorts the principles of the mechanism. Leon de Graaf from BusinessEurope emphasized the need for greater incentives for innovation, as this is often the driver behind the private sector’s transition to low carbon, and a more “meaningful” carbon price which sends a long term market signal about where to invest.

Each panellist agreed on the need for reform and the reality that the EU ETS cannot claim any specific emissions reductions as these align too closely with other factors to have certainty about causality. Finally, the urgency of the climate change mitigation challenge was a concluding note for all, reaffirming the importance of improving a system such as the existing ETS.



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Wednesday, 29 March 2017: The EU in the global arena – leading the way?

Visit to the European Commission: EU diplomacy in the global fight against climate change, with Elina Bardram, Head of International and Inter Institutional Relations Unit at the European Commission (DG Climate Action)

Elina Bardram presented the main achievements of the Paris Agreement signed in November 2016 at the COP21, in particular the adoption of the Nationally Determined Contributions to global emissions reduction. She then presented the implementation process that had been discussed at the COP22 in Marrakech, breaking down the new climate regime into eight key elements: adaptation, finance, capacity-building, technology, mitigation, carbon markets, land management and support to science. Ms. Bardram then detailed the shift in approach that the last COPs have completed: a greater role given to practitioners and stakeholders away from intergovernmental technicians.

Two other presentations were given by Ms Anne Bergenfelt (Advisor for climate change diplomacy) on the workings of climate negotiations at the COPs, and by Adalbert Jahnz (Policy Officer for International and Inter-institutional Relations) on the current impact of the new US administration's position on climate negotiations.

The future of EU-US relations, with Stéphanie Brochard, Senior Policy Adviser at the American Chamber of Commerce to the European Union (Environment Committee and Transport, Energy and Climate Committee)

Rapporteur: Caroline Franzen

This lecture focused on the EU-US relationship in climate and energy policy. After addressing the differences in terms of energy policy and consumption between the two partners, we discussed the instruments and programmes that foster cooperation. One important institution covered was the EU-US Energy Council, which notably works on energy security and the harmonisation of standards. The lecture concluded with an outlook on the future of EU-US relations, especially in light of the new US administration's stated objectives regarding energy and climate change.



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Energy security and diplomacy, with Georg Zachmann, Senior Research Fellow at Bruegel

Rapporteur: Geraldine D. Sznek Alvarez

The lecture by Georg Zachmann focused on energy and climate change from a security perspective, particularly on the European Union's gas security. The talk addressed three main topics from an economic and geopolitical point of view: EU fossil fuels imports, the relationship with Ukraine and Nord Stream II.

Firstly, the talk addressed the EU's security of supply and its dependence on Russia. From an economic point of view, the main concern is the flexibility options that the EU has on the long term, and the diversity of sources. The price of Russian gas, which is below that of any other supplier, disincentives the diversification of suppliers. Also, there are other resistances: the French regulatory system prevents France from becoming a transit country using its infrastructure for LNG imports; and the political and economic instability of other suppliers hinder investments in infrastructure, as in the case of Algeria. The recommendation of the lecturer was that EU policies should shift the balance of power from the seller (Russia), to the buyer (the EU), through diversification, taxation and internal strategic market games.

Secondly, Ukraine is the third actor between Russia and the EU. As transit country, it has a second monopoly on gas supply and therefore, the EU has big incentives to discipline Ukraine for guarantees on gas supply. Yet the country faces a huge fiscal deficit and a high level of corruption that threaten to destabilise trading arrangements.

To conclude, the lecturer proposed the audience to think of a scenario where Russia cuts all pipelines except Nordstream I and II. The main result would be that Russia would have control on the gas price in the Eastern region, and could limit supply. The takeaway from this scenario was to point out that the construction of Nordstream II is commercially beneficial but not politically, as it decreases the EU's market leverage. The European Union needs to pursue flexibility of supply, and look for other energy sources.





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Thursday, 30 March 2017: EU policy on the ground – local challenges in implementation

Panel discussion – The role of national and local authorities in implementation

Rapporteur: Kristina Takacsova

Panellists:

- *Mr. Ion Codescu, Head of the Environmental Implementation Unit, European Commission (DG Environment)*
- *Mr. Radim Dvorak, Policy Officer in charge of the Covenant of Mayors and climate change, Committee of the Regions (ENVE Commission)*
- *Mr. Andrew Ebrill, Secretary General of the Council of European Energy Regulators*

The programme on Thursday morning started off with a captivating panel discussion on the role of local authorities in policy implementation. During the panel we had an opportunity to listen to lectures given by three practitioners from the field and engage with them in the Q&A session.

The first lecture was given by Mr Ion Codescu from the European Commission, who provided insights into the work of DG Environment ranging from pollution control, air quality control and the protection of biodiversity to effective waste and water management. That is connected also to the promotion of public participation in environmental decisions. The core of the lecture included an explanation of infringement procedures triggered by complaints from the public or NGOs. The role of the Commission is to explain the problem and find suitable solutions, but also to raise the threat of financial penalties, in order to discourage the Member State to breach the legislation. After the lecture, Mr Codescu answered questions on the cooperation between DG Environment and DG Energy. The cooperation is strong, especially because every energy project requires an environmental impact assessment before it is approved, even for renewables projects.

A second lecture was presented by Mr Radim Dvorak from the Committee of the Regions, who spoke about the role of local authorities in the area of environment and climate action. The Committee of the Regions (CoR), which gathers local and regional leaders since 1994 provides opinions regarding the policies of the EU. In the field of environment and energy, the CoR asserts the cooperation on all levels of governance following the bottoms up initiative. The multilevel cooperation is therefore able to mitigate climate change and combat the energy and environment issues all over the globe. According to Mr. Dvorak, the solution lies with cities, since the majority of environmental law is implemented on the local level and hence they shall be supported to higher extent.

The panel was concluded with the lecture of Mr. Ebrill from the Council of European Energy Regulators, which is responsible for overseeing the liberalisation process and creation



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of rules for investors while giving benefit to consumers. The aim of the Council is to protect the interests of energy consumers and at the same time create a predictable and stable environment for investors as well as to settle possible disputes. Therefore, its main objectives revolve around the security of supply, competitive prices and sustainability. Since some markets are liberalised but some are still regulated, further liberalisation is needed in order to move towards a single EU gas and electricity market.



Rapporteur: Greta Zunino

Ion Codescu, European Commission

Mr Codescu started its lecture with an overview on the main areas of action of DG Environment: air quality, protecting biodiversity, water management, public participation in environmental decisions, waste management, and pollution control of the industrial sector.

Mr Codescu later explained the division of responsibility in terms of implementation: the responsibility of implementation is on Member States, while the Commission is the “guardian” of the treaties and is expected to monitor and to ensure the effectiveness and timeliness implementation.

As of 2 February 2017, 338 infringements were identified: only “structural” ones are actually prosecuted, at the discretion of the DG. In the last two years, €300 million were raised from environment-related penalties.

The infraction procedure can take up to 10 years from the letter of formal notice to the court delivery. Penalties are decided by the Court and are calculated as lump sums according to the economic power of the Member State.



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There are two complementary alternatives to ensure compliance with EU environmental law: through referral to a national court or through the Commission itself. In order to make the process more efficient, training programs on cooperation with national judiciary schools of judiciary are conducted since 2008.

Radim Dvorak, Committee of the Regions

The Committee of Regions was established in 1994 and gathers local and regional political representatives, reflecting the same political groups existing within the EU Parliament. The Committee is the guardian of the principle of subsidiarity and constitutes a connection between the local and the European level. It counts 350 full members and 350 alternate members. Members are replaced when their political mandate is over; they do not receive an extra compensation for covering this role and normally fulfil their role by going to the Committee twice a month. The committee is characterised by a structure similar to that of the Economic & Social Committee. The Committee has no legislative power, but can suggest recommendations and give opinions. In some cases, the EU Parliament and the Commission are obliged to ask the Committee of Regions for an opinion, sometimes it is facultative.

The Covenant of Mayors is a different bottom-up initiative with a climate target that exceeds the EU 2030 objectives. The Covenant is characterized by a complex structure and multilateral governance. 200 members of the Committee of Regions are also members of the Covenant of Mayors. The initiative expanded globally and took the shape of the so-called “Global Covenant of Mayors”. Members share best-practices, information and actions to raise awareness: additionally, each member has to produce a policy document illustrating an action plan to reduce emissions.

Andrew Ebrill, Council of European Energy Regulators (CEER)

Mr. Ebrill illustrated the reasons behind the need for a regulatory authority at EU level: overseeing the liberalisation process; protect consumers’ interests; assure a predictable and stable climate for investors; some ex-post regulation in the form of dispute settlements and action against market abuse.

Local energy, cooperatives and citizen energy in conjuncture with the Clean Energy Package, with Sebastian Mang, Policy Advisor at Greenpeace EU

Rapporteur: Marzio Rotondó

Bring the European citizens at the heart of the energy production was the idea presented by Sebastian Mang, EU Energy and climate policy adviser at Greenpeace European Unit. In Brussels, this well-known NGO tries to influence the decision-making process of the European institutions.

As Greenpeace affirms, one in two people in Europe could produce their own energy. By 2050, 256 million people representing 45% of the energy consumption could be both



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producers and consumers, or “prosumers”. The weight of citizens in the energy transition could be huge, and it is up to the public authorities to incentivize and empower people to make their contribution.

The situation is still very different across European countries. In Spain, a tax is set on self-consumption of renewable energy, even if not fed into the grid, whilst in Germany a regulatory framework allows for citizens to benefit from energy consumption themselves. In general, European citizens are paying for the energy transition on their energy bill.

For Greenpeace, local production of energy has multiple benefits. It is good for the consumers by reducing the cost of energy, improving energy efficiency which is not promoted by traditional utilities. It is good for the local economy because, for example, a wind project is eight times more valuable locally than an oil project. It is good for Europe, by showing that citizens can benefit from programmes promoted by the EU. Overall, it is good for the planet, because renewable energy production on a local level can have a significant impact on discussions about how to tackle the negative effects of climate change.

In Brussels, negotiations on local energy production are taking place. Greenpeace is working on the Renewable energy directive, pushing for the rights of citizens across Europe to produce their own energy, and for special treatment of cooperatives to access subsidies and face less administrative procedures. The directive has great potential, and the Commission’s proposal sends positive signals towards this energy transition; however some countries like Poland and Spain could oppose the position in the Council.

The interests against the transition are still strong, and local energy is not on the top of the agenda. Energy utilities lobbies are slowing the process, preferring to centralize the production instead of having millions of new producers on the market. Gas, coal, and nuclear are not phasing out as the current prices are dropping, providing cheap energy and high capacity. Energy is a political market: local people need to take a share of the market to engage a transition towards renewable energy, abandon fossil fuels and succeed on tackling climate change.



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Friday, 31 March 2017: Simulation game

Simulation Game: European Council meeting, with Prof Johannes Pollak, Interim Director and Professor of Political Science at Webster Vienna Private University

Rapporteur: Laurin Wünnenberg

The participants represented EU Member States at a European Council meeting, with diverging interests, which were, in most instances, driven by national interests and concerns. The key objective for the participants, therefore, was to achieve an outcome that satisfied national interests.

Almost all participants agreed to apply the solidarity principle. However, the concrete operationalisation of this principle was hardly addressed.

Energy security was a key concern and climate change mitigation targets were of less priority to almost all Member States (Denmark was an exception and raised the importance of renewable energies several times). However, investment in renewable energies and carbon emission reductions was encouraged in the final conclusions of the meeting. Still, this was not phrased in a mandatory fashion.

In line with prioritizing energy security, several Member States (including Germany, Poland and Bulgaria) emphasized the ability to utilize their own coal resources. This corresponds well to economic realities in these countries and the resulting delay of coal phase-out (which will likely be further delayed if energy crisis situations similar to the





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simulation game emerge).

It is common that package deals are agreed upon in those meetings (as a measure to achieve compromises concerning major objectives) even if components of such package deals do not correspond to each other or address diverging policy fields. The Netherlands tried to achieve that through asking for funds to re-skill employees currently employed in the gas industry. However, this request was not successful.

Southern Member States (especially Spain) proposed to utilize LNG even though there is no viable transport infrastructure in place, neither to import more LNG (due to a lack of ships), nor to transport LNG inwards to other EU Member States due to the lack of pipeline systems (especially opposed by France).

However, Algeria is considered as a potential (long-term) gas supplier from North Africa – other countries in that region were not considered stable partners due to political turmoil. The dilemma to depend on states characterised by political turmoil, no or questionable democratic institutions and human rights violations will continue to challenge the EU as long as it remains a major energy importer.

Only existing pipeline infrastructure from Russia can be considered viable to increase external gas supply.

Despite technical realities concerning the utilization of gas infrastructure, participants agreed without exception to keep sanctions in place against Russia, to decrease dependence on Russia and to strengthen the EU negotiation position towards Russia. Despite this being a key concern for many Member States, this subject was only addressed by a short note within the conclusions (point 7), being a strategic move to not communicate this concern externally (to the media) and hence avoid triggering disadvantageous, strategic reactions from Russia.

Most of the opposition against a powerful EU and emphasis on national sovereignty was expressed by Hungary and Poland.

It was helpful to have small working groups (bilateral negotiations) during the break to resolve conflicts (that only concerned a few Member States) and to find comparatively quick agreements for formulating the final proposal.

Some Member States, such as Finland, were not affected by the gas supply crisis and successfully negotiated so that no additional funding mechanisms would be used for addressing the crisis. In addition, no new budget provisions by Member States were necessary.

In the European Council meeting, technical issues were only touched upon slightly and often, after an issue was raised, there was no detailed discussion on how to address this issue. This correspond well to reality as European Council members lack time and have no technical expertise which is why the discussion of technical solutions will be handled by the Commission.

As a conclusion, the Commission can be considered as a beneficiary of the European Council's conclusions since they are written in a very diplomatic language and no concrete measures and next steps were decided upon. Consequently, decisions will be made in the Commission, which corresponds well to reality.



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Rapporteur: Maryia Huscha

The seminar concluded with a simulation game that gave us an opportunity to use in practice the knowledge we gained during the week and to step in the shoes of the EU Member States' chancellors, presidents and prime-ministers and try to reproduce how negotiations in the European Council look like in reality. Reconciling national interests, especially in a crisis situation that we had to deal with was not an easy task. However, after three hours of heated debate we eventually managed to achieve an agreement. As in real life, it was not perfect, but this is probably the most important lesson I learnt during the game: successful cooperation requires not only a similar approach to the issue, but also willingness to make sacrifices for the common good.

For me the simulation of the European Council's work was a very useful exercise, as it summed up all five days of the Working Europe Seminar. During the game, we touched upon numerous topics, ranging from energy security and diversification of EU gas supply to the use of renewable energy and Europe's global climate change commitments. The negotiations were quite tough and many Member States did not want to give up any of their positions. The European Council's President had to silence or even 'lecture' some of them on the rules of procedure and the time limits allocated for statements.

All in all, I very much enjoyed this game, as well as the rest of the seminar. Arguing and negotiating with other 'representatives' was also very useful in terms of discovering and learning from my peers' deep understanding of energy problems, and to benefit from their diplomatic attitude, strong argumentation and speaking skills.





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Evaluation and feedback

The Working Europe Seminar was evaluated in writing by 16 of its participants, following a scale from -- (not useful) to ++ (very useful) applied to a series of categories and criteria.

Overall, the participants were satisfied with the seminar. Ten considered it very useful, while six found it useful. All participants considered that they better understood EU climate/energy policy and decision-making processes in Brussels after the seminar. The participants unanimously considered that the organisation of the seminar was effective and that the programme was appropriate. Out of the 16 responding participants, 15 declared that they would absolutely recommend attending this seminar.

Feedback session

Rapporteur: Tobias Salfellner

The following suggestions for improvement were made during the feedback session:

- *include a presentation by professionals who worked on the gas security stress tests, ENTSOG/ACER,*
- *closer integration of the simulation game into the presentations,*
- *a shorter reading list,*
- *a second introductory round of participants' backgrounds later on during the workshop,*
- *more economic theory and background information to improve the simulation game,*
- *more information on energy market liberalization – there was a lot of information on secure/sustainable energy, but not much on competitive prices,*
- *write policy briefs after the workshop – or hand them in for a second round of corrections,*
- *include sessions to reflect on how institutions could change instead of just characterizing the status quo,*
- *include a session that would address participants' career perspectives in the field.*

*For more information,
visit www.tepsa.eu*



Annex
Simulation game: European Council
conclusions



Brussels, October 2017

COVER NOTE

From: General Secretariat of the Council

To: Delegations

Subject: European Council meeting (October 2017)

- Conclusions

Delegations will find attached the conclusions adopted by the European Council at the above meeting.

1. The European Council believes that making a united decision and upholding the principle of solidarity and unity is the best course of action in this time of crisis.
2. All countries with additional power capacities, be it gas extraction, coal plants, renewable energy plants, should increase to maximum production to overcome the needs of this crisis. It is encouraged that Member States use the extra income from the addition of high-pollutant energy production to invest in furthering their energy union progress and carbon emissions reductions. The European Council also calls on the European Investment Bank to support investment in renewables in reaction to this crisis.
3. The European Council calls on member states additional infrastructure to transfer this energy to other member states where possible based on the principle of solidarity.
4. Member states with gas reserves are specifically encouraged to use the internal market to distribute gas reserves to those who need them.
5. Spain, Italy and France are committed to increasing gas supply from North Africa (Algeria) and commit themselves to further develop infrastructure to support the region (specifically through existing EU mechanism: European Investment Bank, Project of Common Interests, European Neighbourhood Policy Instrument).
6. In order to prevent human casualties (and other negative ramifications on the well-being of citizens in Europe), the European council reaffirms the importance of Emergency Support Funds (EU Solidarity Fund; Emergency Aid Reserve) and supports the Commission in releasing this if necessary.
7. The European Council supports that the European Commission maintains its role in ensuring coherence among the Member States with regard to keeping sanctions towards Russia.
8. The European Council seeks to address the immediate risk of this crisis to the well-being of its citizens, and will develop further proposals for longer term protection against future similar challenges to our energy supply.
9. Member States that are able and willing to provide technical assistance to Norway are encouraged to do so.
10. No new additional funding mechanism is required for dealing with this crisis.
12. The European Council demands proposals from the European Commission within the next 48 hours for further expert detail on these conclusions.