SOUNDBITES AND QUESTIONS AND ANSWERS - ENERGY FOR COMMISSIONER-DESIGNATE HEARING

This document provides an overview of topics and questions which could be asked during the EP hearing to the Commissioner-designate. This is based on current intelligence from the political groups and may require targeted updates as we get closer to the hearings.



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FUTURE PRIORITIES

Soundbite

Energy is central for tackling the main challenges faced by the EU: the cost of living, the competitiveness of European businesses and jobs for Europe's workers, security geopolitical threats, and of course mitigating climate change by reducing greenhouse gas emissions.

My key objective is to help bring affordable clean energy for European households and businesses, enhance energy security, and a just transition towards the European Green Deal for climate neutrality by 2050.

This will be my line of action throughout my mandate, in initiatives such as the Clean Industrial Deal, the Action Plan on Affordable Energy Prices, making sure that the energy transition is fair and socially just, building a stronger Energy Union with a robust Governance together with the 27 Member States. To achieve these objectives, I will also put forward an Electrification Action Plan, a roadmap to ending Russian energy imports; a Clean Energy Investment strategy to boost renewables and energy ifrastructure; and the extension of demand aggregation to hydrogen and critical materials for the EU clean tech sectors.

1. PRIORITY 1 - CLEAN INDUSTRIAL DEAL AND COMPETITIVENESS

SIMPLIFICATION

Soundbite

- Simplification and reduction of administrative barriers are key to deliver on the energy transition.
- The **Commission's rationalisation plan**, based on an in-depth screening of all the energy and climate acquis, already put forward a **number of rationalisation actions**, presenting a mix of legislative actions, evaluations, guidance, and digitalisation efforts, aiming to **simplify a large number of the reporting obligations** in the energy acquis.
- I will proactively identify further options for simplification. Notably, the revision of the
 Governance Regulation may aim to put in place a sound governance mechanism with
 National Energy and Climate Plans as central for a simplified and streamlined delivery.
 As per the Draghi Report, these might then be integrated into a potential
 Competitiveness Coordination Tool.

1. Will you hold back on new proposals before those already adopted are properly implemented in MS?

- I. The EU has adopted a significant number of new laws in over the last five years. Our collective focus should now be on **implementing the agreed legal framework for 2030**.
- II. While new legislative proposals may be necessary to complement and deal with new challenges, we need to carefully consider the impact on citizens and businesses. We need to make life easier businesses in Europe and avoid overloading them with ever new rules.
- III. Upcoming reviews of legislation should be conducted in the simplest, fairest, and most cost-efficient way, and in dialogue with industry, social partners, and all stakeholders.

PRICES

Soundbite

- A competitive **industry** is **vital** for **European prosperity** and **ensuring** a **just transition**. But our industry is facing enormous challenges. Industrial retail prices for electricity are far higher than our main competitors, such as US and China
- As announced by President von der Leyen, we will propose a Clean Industrial Deal for competitive industries and quality jobs. It will aim to unlock investment, create lead markets for manufacturing and clean tech and put in place conditions for companies to grow and compete, notably by ensuring access to lower cost, sustainable and secure energy supplies, raw materials and skilled workers.
- As part of the Clean Industrial Deal, I will put forward an Action Plan on Affordable
 Energy Prices to help bring down prices for households and businesses and support
 industries through the transition.

2. How will you the benefits of the energy transition reach citizens and businesses?

- Access to affordable energy is central for citizens and businesses, and a core pillar of our industrial strategy to boost EU competitiveness and support jobs. The EU brought impressive results in the energy crisis, limiting the impact of rising energy prices, accelerating the deployment of renewables, and saving energy.
- II. Implementing the **Green Deal will help industries and citizens access cheaper, secure, and clean energy.** Thanks to the co-legislators, we have a solid framework for industries to invest, decarbonise, foster innovation and create jobs. Recent legislation, such as the reform of the Electricity Market Design, include measures to provide **price stability** and predictability for investors, also helping **energy communities** and boosting energy sharing.
- III. Looking forward, supporting citizens and businesses in the transition is a priority for me, by e.g.:
 - a. Reducing administrative burden and simplifying legislation wherever possible.
 - b. Establishing a dedicated Action Plan on Affordable Energy Prices.
 - c. A Clean Energy Investment Strategy for Europe, including de-risking to unlock private capital.
 - d. A Citizens Energy Package so that all citizens benefit from the energy transition, to address energy poverty and support vulnerable groups and regions.
- 3. Clean Industrial Deal vs European Green Deal: How do you deliver on competitiveness in a way that does not dilute the Green Deal?

- I. The European Green Deal (EGD) and Clean Industrial Deal have the same starting point: they are growth strategies. In times of geopolitical turbulence and fierce international competition, we need to use the clean energy transition as an engine for industry and to deliver more affordable energy to our citizens.
- II. With the **EGD**, we have established goals for where we want to be by 2030. Now we need to implement them and support Member States in this journey. The **REPowerEU** plan has accelerated the **EGD** forward, by **energy security**. The **Net Zero Industry Act** and the **Critical Raw Materials Act** are key to strengthening our supply chains. This can benefit all parts of the European Union, including regions economies historically built on fossil fuels.
- III. We need to do more strengthen our competitiveness, starting with implementing the EGD. A secure supply of energy is essential together with electrification and investment in infrastructure. So we need to accerlate the deployment of clean lower-cost energy. The Clean Industrial Deal will build on the solid legislation you (the ITRE committee) established over the last few years. I will present an Action Plan for Affordable Energy prices as a first step towards reducing prices for households and business. Our high prices were driven by dependence on imports of fossil energy and on Russia. I will propose a roadmap to phase out Russian energy supplies for once and for all.

4. Are we going too fast with the Green Deal and the clean energy transition? Shouldn't we slow down to give industry more time to adapt?

- I. It is true that we are called to govern in a time of transition and our societies are already in the middle of the huge, generational task of reaching net zero by mid-century.
- II. During the last mandate, we decided on the European Green Deal as our strategy to reach this target. It is a key driver to grow our economy, strengthen energy security and tackle climate change. These three aspects reinforce each other. By implementing the Green Deal, we can boost EU competitiveness, while ensuring a just and fair transition. For example, the electricity market design will make benefits of cheap renewables more tangible, with tools such as power purchase agreements and contracts for difference.
- III. Looking forward, the Clean Industrial Deal will ensure that our industry and SMEs keep their competitive edge. Affordable energy prices and a just transition will be my key priority. A dedicated Citizens Energy Package can help strengthen the social dimension of the Energy Union for communities in carbon intensive regions.

5. Renewable energy and net-zero industry manufacturing sector needs more public support to compete globally. What will you do promote it?

I. Global competition is, indeed, becoming fiercer. The global playing field is not level and that is threatening our clean technology manufacturing sector.

- II. With the **Green Deal Industrial Plan**, the Commission laid the ground for maintaining our industries' competitiveness. With the **Net-Zero Industry Act**, the **Wind Power Action Plan** and the **Solar Energy Strategy**, the EU has already action to provide clearer market signals, easier access to financing, ensure a fair international environment and a skilled workforce.
- III. I will double down on the efforts to ensure that Europe keeps its lead in clean technologies. I will work with colleagues responsible for trade and competition to make sure we make best use of our internal market and trade instruments. I will work with national governments to make best use of the tools you have established these past few years. the Net Zero Industry Act targets need to become a reality. And I will make sure that the Clean Industrial Deal and related instruments have both clean energy technologies and energy intensive industries at its heart.
- 6. What concrete measures will you suggest to lower energy prices and prevent volatility? The EU cannot compete with China and the US.
- I. Cheaper energy for the EU is my priority, for companies and households. I will strive to close the price gap with our main trading partners: energy costs in the EU are 2-3 times higher than in the US and China. I can assure you I will act on affordability with all levers at my disposal at EU level and support Member States.
- II. The major cause of the energy crisis was Putin's unjustified war against Ukraine, resulting in higher fossil fuel costs and consequently also higher electricity prices. Under the European Green Deal and REPowerEU, the EU has undertaken actions to enhance energy security, boost homegrown renewables and increase energy savings. It has also conducted an important reform of the electricity market design to decouple electricity bills from volatile fossil fuel prices.
- III. I will present an **Action Plan for Affordable Energy Prices**, focusing on bringing down prices for households and businesses and protecting the energy poor.
 - a. First, we must use fully the tools introduced in recent legislation to decouple electricity prices from high fossil costs. This includes promoting long-term contracts and competitive power purchase agreements and enhance consumer protection and empowerment in retail energy markets.
 - b. supporting secure access to energy and incentivise flexibility and storage to make full use of lower cost renewable electricity. For instance, EU electricity consumers saved EUR 100bn during 2021-2023 thanks to electricity generation from newly installed solar PV and wind capacity.
 - c. **Preventing system costs** (network charges, taxes and levies) and inefficiencies. That requires **investments in infrastructure** for electricity, hydrogen and renewable gases.

7. How would you improve the access to Power Purchase Agreements for industrial users?

- I. Power Purchase Agreements channel private investment towards clean energy while giving consumers direct access to cheap electricity at stable prices. They have become more popular in the EU in the last years, but their potential is far from being fully exploited.
- II. The promotion of long-term contracts, including PPAs, is at the heart of the revision of the Electricity Market Design which recently entered into force through rules to reduce the financial risks, **demand pooling** to facilitate access to smaller players and better match renewable supply and demand or incentives for renewable energy investors to conclude PPAs or standard contracts.
- III. As part of my goal to bring investments to drive down energy prices, I intend to promote the use of PPAs. This is only possible with **robust implementation of EMD provisions** and working with the Member States to remove barriers to PPAs. For industrial users, I will act to enable industrial users to hedge their price risk exposure through forward markets.

8. Faster permitting: How will you ensure faster permitting across the whole energy sector?

- I. Simpler and faster permitting is essential for the whole energy sector and for the clean tech industry. This is a central issue: while we need to more than double the share of renewables in the energy mix by 2030. The time for renewable energy projects to get over permitting hurdles is around 10 years, sometimes more.
- II. A lot of new legislation has been brought forward on this recently and there is a strong focus on implementation. For example, in **infrastructure**, under the **Grids Action Plan** and the Renewable Energy Directive.
- III. But we need to make it happen on the ground, to bring results. This is a priority. So I will work with Member States and provide guidance on dedicated grid areas and renewables. I will enforce the projects of common and mutual interest and the cross-border accelerated permitting rules. Some key measures include reduced permitting time to maximum two years, and establishment of acceleration areas. For the clean tech sector, Net Zero Industry Act implementation is central. I will work closely with the other members of the College on this topic (lead: Séjourné). Finally, I do not forget that for faster permitting we need officials and project managers with the right skills to manage the authorisation procedures.
- 9. High prices in South-East Europe: how are you addressing the situation? Is this connected to exports of electricity to support Ukraine?

- The high prices observed in the South-East Europe region over the summer period are of serious concern in view of their impact on the competitiveness of the economies in the region and their citizens. The situation was triggered by insufficient flexibility in the electricity system in the region, limited cross border-capacities available towards the South-East region and increased demand due to the heatwaves. Trade flows towards Ukraine have not had any meaningful impact on prices.
- II. The Commission is working closely with Member States of the region and neighbouring countries to address this situation. Prices have stabilised but structural challenges remain.
- III. I intend to work closely with countries in the region. Affordable prices and making companies and households feel the benefits of the clean energy transition is a key priority for me. the experience in the region foreshadows some of the challenges we face in the future energy system we need more investments into flexibility (energy storage and demand response), and we need for a better interconnected system with more physical infrastructure and less restrictions on the use of trade. This can only work if we build a strong governance framework for the internal energy market for better planning and coordinated decisions that serve the interest of all parts of Europe.

10. Energy taxation / ETD what more can you do to advance?

- I. The Energy Taxation Directive is one of the few files that was not concluded under the European Green Deal. A main reason is that unanimity is required in Council.
- II. As it stands, the Directive covers only a handful of fossil fuels and it could do so much more to support the energy transition. This is especially true for the sectors with big potential, such as housing and transport.
- III. Looking ahead, I will work closely with Commissioner-designate Hoekstra. Under my mandate, I aim to make sure that taxation provides the right signals to attract investments in clean energy and to drive consumers towards the cleanest fuels, together with a level playing field of energy taxes. We need to keep the tax burden put on electricity under control to prevent it from increasing prices and impeding electrification.

11. ETS and CBAM have a negative impact on electricity prices, will you revise them?

Prices are 2-3 times higher in the EU than US and China. We need to urgently close this
gap. But the impact of CBAM and ETS carbon pricing are small when compared to supply
disruption and other price drivers linked to Putin's unjustified aggressions against Ukraine.

If needed on either one:

a) On **CBAM** specifically, it creates a **level playing field** with international competitors and overall empower EU industry hand in hand with the clean energy transition. CBAM covers

- electricity imports to address the risk of carbon leakage due to the difference in carbon costs between the EU and third countries, along increased interconnections the Union's electricity grid with neighbouring countries.
- b) The **ETS** is not the major cause of high prices in Europe (during the energy crisis, the estimated effect of the gas price on the electricity price at best it impacts 10% of the energy prices). ETS contributes to **create incentives** for clean alternatives via market dynamics and ensures that the polluters pay, while supporting modernisation and innovation. Over the first half of 2024, carbon prices fluctuated between 50-80 €/MWh. Currently ETS prices stand at 65 €/MWh.
- II. The EU took actions to enhance energy security, stabilise the energy prices, boost homegrown renewables and energy savings. These are all important elements of the EGD and REPowerEU. The EU proved strong and united in response to such a major threat.
- III. Looking at the future, on the ETS and CBAM I intend to work closely with the responsible Commissioner (Hoekstra). In any case, I don't consider diluting the ETS and CBAM part of the solution. On the contrary, these market tools make sure that polluters pay, provide incentives for innovation and modernisation, for the Social Climate Fund to protect the most vulnerable and empower and protect EU industries in the transition. I will also present an action plan on affordable energy prices for households and companies during the first 100 days as part of the Clean Industrial Deal.

INVESTMENTS

Soundbite

- Annual investment needs in energy (excluding transport) amount to €565 billion until 2030 and €680 billion for 2031-2040, i.e. 1- 2 percentage points of GDP higher than the previous decade 2011-2020.
- Investments are a growth factor for our economy, not a cost. The energy transition
 requires electrification of end-uses, alongside deployment of clean electricity sources,
 mostly new solar and wind power, and efficient energy usage. Their integration will
 require massive investments in grid infrastructure, flexibility, and storage.
- This will further **reduce the EU's dependence on fossil fuel** imports and directly contribute to **phasing out gas imports from Russia**. In the long term, it will shelter the EU from price shocks in fossil fuels.

12. How would you create more incentives to leverage the necessary private investments?

- I. It is true that we need a **step change in level of investment**. Public funds will not be sufficient to achieve the EU's energy objectives, and its use is not always justified. Hence, we must **mobilise private capital** to invest more, and facilitate further participation in the market by citizens and communities.
- II. With legally binding climate and energy targets, the EU offers a **compelling environment for investors** seeking opportunities in the clean energy sector. As part of the Green Deal, the EU has already launched unprecedented support for clean energy.
- III. Moving forward, we must double our efforts to create an even more attractive environment to crowd-in private investors, including small investments by citizens and communities, by reducing the risk and enhancing the returns of potential investments. To this end, I will propose a dedicated clean energy investment strategy for Europe, including a de-risking initiative to unlock private capital. This will be done in close cooperation with the EIB group and national promotional banks and via instruments such as through an EU budgetary guarantee (InvestEU) and aggregate small-scale energy projects to make them bankable for large investors.

13. Next MFF – how to secure appropriate budget for energy?

(SG instructions: no Commissioner-designate to commit to anything during the hearings)

- I. The revision of the Multiannual Financial Framework is very important. While it is too early to talk about future details, it is clear that energy investments need to be considered.
- II. Just to give you some examples, the existing energy envelope under the Connecting Europe Facility is relative small when compared to the overall investments needed for energy infrastructure with cross-border relevance.
- III. You can expect that I will advocate for and work with colleagues (Budget Commissioner Serafin) to make best use of EU funds for the clean energy transition. In the Clean Energy Investment Strategy, I will put forward a comprehensive approach to maximise the use of EU funds to leverage private investments including through blended finance, financial instruments, de-risking instruments and technical assistance. I will work closely with the EIB and national promotional banks to deliver on such financial products where there is a market need for them, while building on tested EU funds.

14. What role for energy in the new European Competitiveness Fund?

- I. Sustainable competitiveness is a major challenge for energy policy as outlined in the political guidelines.
- II. Current support to energy under the MFF is provided through various instruments and programmes. They have contributed to achieving the objectives of the green transition, even though some streamlining could help avoid overlaps and possible inconsistencies.

III. The new **Competitiveness Fund** is an opportunity to explore the synergies of different funding instruments. **I will work closely with the responsible Commissioner.** As the energy crisis has shown, affordable and secure energy is an important competitiveness factor and therefore energy must play a central role in the European Competitiveness Fund. A successful energy transition will **lower energy prices**. For the energy transition to be successful, the necessary technologies need to be available, which makes support to clean technology manufacturers and resilient supply chains imperative.

15. How to combine the need to support renewable energy manufacturing (e.g. with the new NZIA rules on non-price criteria in auctions) with the objective to keep prices under control and not slowing down deployment?

- I. It is essential to combine our efforts to **create resilient supply chains** to achieve our renewable targets and avoid overdependencies which might compromise this objective.
- II. The Net Zero Industry Act (NZIA) rules on non-price criteria in auctions are crucial to strengthen resilience of our renewables manufacturing while keeping costs in check.
- III. I believe the NZIA strikes a good balance between renewables deployment and industry support. But these rules are only as good as their implementation and results. I will work with Member States to identify best practices and guidance on auction design to strengthen European competitiveness.

16. The taxonomy should be reviewed, nuclear and natural gas should be out. What are your views on the matter?

- I. The Taxonomy's goal is to increase **transparency in financial markets** and **guide private investments** towards projects achieving our climate and environmental objectives.
- II. Currently, certain nuclear and natural gas related activities are included in the Taxonomy but only under strict conditions:
 - a. only insofar as they **contribute to accelerating the transition** away from more polluting sources like coal or heavy fuel oil towards a predominantly renewables-based system.
 - b. these are classified as **transition activities**, can qualify only for a limited period and under clear and tight conditions to ensure that they are used in line with our climate targets and do not cause harm to other environmental objectives.
- III. The Regulation mandates the Commission to regularly review the Taxonomy based on a scientific analysis and any decision taken will be based on solid evidence. I will work closely with Commissioner-designate Albuquerque responsible for financial markets to ensure that the EU Taxonomy is fit-for-purpose. But stability and predictability for investors is key.

- 17. How big of a role should state aid and EU funding (joint funding) play in increasing the competitive edge of Europe's industries (e.g. decreasing cost of energy through reducing taxes, tariffs, supporting grid and renewable projects) while taking into account the integrity of the internal market and maintaining a level playing field?
- I. State aid can be important tool for member States where markets fail. That is clearly the case in some of the investments needed for the energy transition and to lower energy prices, for example investments needed in energy intensive industries for energy efficient processes through electrification.
- II. EU State aid rules have exemptions in favour of energy intensive industries for certain elements of the energy bill, in particular charges aimed aid financing renewables support and the indirect ETS costs passed on in the electricity bill. These rules harmonize the requirements to create a level playing field between Member States. The State aid Temporary Crisis Framework also, under certain conditions, provides for the possibility to alleviate the competitive impact of energy prizes during the crisis.
- III. I will work closely with the Executive Vice President designate Ribera to ensure energy expertise and needs are well reflected when we reform the State aid framework, as well as for work on individual cases.

18. Fossil fuels subsidies: by when do you want to see a full phase-out? How would you implement this?

- I. The EU must phase out fossil fuel subsidies to avoid setting counterproductive pricesignals in our efforts to reach our climate goals [EUR 123 billion in 2023]. This goes hand in hand with our commitment to phase out environmentally harmful subsidies by 2030.
- II. Fossil fuel subsidies **peaked during the crisis years and are coming down again**, with many national support measures being phased out.
- III. I am determined to consolidate this downward trajectory and end subsidies for fossil fuels. At COP28, we agreed to transition away from fossil fuels. This is only possible if we tackle fossil fuel subsidies. I also intend to work with the energy sector directly to engage them in the transition

19. How would you work the new Competition Commissioner to reform State aid rules in favour of the EU energy sector?

- Building and maintaining investor confidence is crucial to deliver on the green transition.
 However, public financing will also play an important role in complementing private
 investments and can alleviate the competitive pressure faced by energy intensive
 industries.
- II. The current State aid framework has contributed to the implementation of the Green Deal, to secure energy supplies, and to industry competitiveness, while at the same time

fostering competition and ensuring a level playing field in the internal market. The reform of the Electricity Market Design complements the State aid rules by introducing a specific framework for investments in non-fossil flexibility and by ensuring that support schemes do not interfere with market functioning and consumers reap the benefits of cheap renewable electricity.

III. I will work hand in hand with EVP (Designate) Ribera to make sure that Member States have at their disposal the right tools to reach our ambitious decarbonization objectives, while strengthening competitiveness and preserving a level playing field. We need to align the State aid framework and the legislation adopted in the last mandate and we must make sure that procedures do not delay necessary investments or support schemes. Aid to the European industry must support its transformation to ensure competitiveness. This can be done by fostering investments in electrification, energy efficiency, flexibility and those needed to access cheap and clean energy sources.

20. What will you do to boost research and innovation in clean energy technologies?

- It is true that **innovation is a key driver** for Europe's competitiveness and also to tackle the climate objectives. The **International Energy Agency** estimates that about 35% of the reduction in emissions needed by 2050 will come from technologies that are not yet available on the market.
- II. Horizon Europe, the EU's research and innovation programme and the Strategic Energy Technology Plan (SET Plan) have provided a strong support so far.
- III. We must step up our efforts to **move from lab to market** and turn our innovations into operational technologies and profitable investments. And boost and **better focus our support to skills** in strategic technologies.

21. Will the Commission continue financing natural gas infrastructure?

- I. Indeed, over the past decade, thanks to EU financial support through the Connecting Europe Facility and other instruments, various key gas infrastructure projects have **come** online which have allowed the EU to deal with hostile supply cuts from Russia and significantly reduce Russian gas imports since 2022.
- II. With EU efforts and additional pipelines and LNG terminals which are either already in place or which were selected under the RRF, all countries who were historically dependent on Russian gas imports (Bulgaria, Hungary, Slovakia, Czechia, Poland, the Baltic States, Finland, as well as Moldova and Ukraine) have various import routes already today and will be able to fully meet their gas demand using non-Russian sources.

III. With the completion of the last ongoing gas projects, we will have all the infrastructure in place that will allow us to fully eliminate Russian gas in the EU. Beyond this, financial support under the EU budget for gas infrastructure is not envisaged under the Trans-European Networks legislatin and cannot be justified anymore.

ENERGY MARKETS

- 22. Reform of the Electricity Market Design: What else can be done to improve the functioning of the wholesale market?
- I. A fully integrated electricity market is key for the green transition and ensure security of supply at the least cost for households and businesses. The internal market is the best tool we must ensure long-term affordability of energy in Europe.
- II. The **electricity market design has recently been reformed** to decouple electricity bills from volatile fossil fuel prices, to allow consumers to better reap the benefits of cheaper green electricity and to foster investments in renewables and non-fossil flexibility.
- III. Going forward, I will ensure that businesses citizens and communities across the Union benefit from these new rules. But our work on energy markets to ensure long-term affordability will not stop there. We will also need to 1) make better use of our existing interconnectors for cross border trade and 2) ensure that the market provides the right incentives for investments to be located where we need them and 3) ensure that the governance of our internal market is fully suitable for the integrated decarbonised energy system of the future through better joint planning and coordination to lower inefficiencies in our system.

IV.

[if pushed – as some MEPs will likely do]

- a) The Electricity Market Design was recently reviewed. The implementation of the new framework is crucial to unfold the full potential and benefits, such as Contracts for Difference, Power Purchase Agreements or energy sharing. These tools are key to enhance renewables and provide cheaper and more stable energy prices for households and business. For investors, stability and predictability in the market is critical.
- 23. Reform of the Electricity Market Design: What else can be done to improve the [retail] electricity market?

- I. I know the retail energy market is where most citizens and businesses interact with the energy market. Their trust in the market is vital to increased demand response and flexibility.
- II. Today, the EU has the most consumer focussed energy legislation thanks to the **Clean Energy Package** and the **Electricity Market Design** to deliver consumer empowerment and protection.
- III. I will use the **Citizens Energy Package** to ensure that what is provided for in EU rules is available to consumers in a way that works and is convenient. This will help consumers to cut their bills. Building on practical examples of what works, it will help deliver demand response, energy sharing, and energy communities as real options for consumers. And, with high levels of protection, consumers should have the confidence to take up innovative products and services.

24. What are your plans regarding the single German bidding zone?

- I. An adequate bidding zone configuration is of utmost importance to ensure the efficient functioning of the internal electricity market in terms of enabling the integration of renewables in the electricity system and keeping system costs at bay. Where bidding zones are not adequately configured, this has an impact beyond the country concerned.
- II. As foreseen in the Electricity Regulation, a **bidding zone review process** is currently ongoing covering selected Member States in Continental Europe [France, Italy, Germany, the Netherlands] and in the Nordic Area [Sweden]. The process is expected to come to term in the course of 2026.
- III. I think it is important to let the transmission system operators who are competent for this process reach their conclusions as foreseen in the Electricity Regulation. Independently from this process, there are also elements other than bidding zone changes which can help to direct investments better to where they are needed. This includes for example the use of locational criteria in renewables support schemes and network charges.

25. What is your view on regulated prices?

- I. A competitive energy market should result in affordable energy for everyone. EU rules prioritise the protection of vulnerable consumers and the energy poor alongside well-functioning retail markets.
- II. But those same rules recognise that regulated prices might sometimes be necessary including as a transition to fully effective competition or during a price crisis.

III. As Energy Commissioner, I will work to develop structural measures to address energy poverty, notably by prioritising energy efficiency measures and building renovations targeting the energy poor. I will also review the functioning of regulated prices - it will examine where regulated prices achieve their objectives, and how to avoid that they undermine competition or discourage energy efficiency.

26. How can gas and electricity prices be decoupled? What is your opinion on the marginal pricing model, and do you consider it fit for purpose?

- I. Due to the Russian's invasion of Ukraine, natural gas prices skyrocketed in the previous years. As gas-fired power plants represent an important provider of flexibility in the EU, electricity prices were also severely affected by the war. There, we have the very important objective of making our electricity bills more independent from volatile prices of fossil fuels is. While the most lasting way to achieve it is to invest on fossil-free electricity generation, also the structure of our market should contribute to this objective.
- II. The recent reform of our electricity market design introduces a number of tools to achieve decoupling a bigger role for bilateral power purchase agreements, two-way contracts for difference and flexibility, such as storage and demand response. These tools achieve decoupling where it matters on the bills of companies and households. The reform does however not affect price formation in the short-term markets, which ensures that the cheapest electricity (normally renewable) is used first and that electricity flows from where it is cheapest and most abundant to where it is needed, supporting the security of supply of Member States.
- III. I believe that the recent reform passed in the European Parliament just last year strikes a very good balance. But a lot more work is required to ensure that the tools introduced produce their practical effects for energy bills on the ground. The reform not only envisages additional work on power purchase agreements and CFDs but also requires changes in forward markets, which I will pursue as a matter of priority.

27. Is the electricity market fit for the clean energy transition? It triggers delays and extra costs for electricity consumers and companies.

- In his report, Professor Draghi states that the current governance framework for the internal energy market triggers unjustified **delays** and creates **extra cost for electricity consumers and companies.**
- II. Whilst this has already reinforced the role of ACER and national regulators, most decisions are taken at national level and do not always fully take cross border implications into account. Several responsibilities of a regulatory nature are also still entrusted on private bodies with commercial interests.

III. Going forward, I intend to review the current governance framework. The ideal governance system should both respect subsidiarity and ensure that decisions with direct cross-border impact are taken with full consideration of these impacts, to the benefit of Europeans, both households and industrial users. Regulators must be empowered to provide strong and reliable oversight over the activity of all market players.

28. Market transparency and abusive behaviours: how many cases are under investigation and what are your plans with respect to strengthening market transparency?

- I. Market abuse and manipulation can drive energy price spikes and create very harmful effects for European consumers.
- II. At EU level the REMIT Regulation (Wholesale Energy Market Integrity and Transparency Regulation) has recently been revised. This Regulation ensures even more transparency in wholesale energy markets and strengthens ACER's role in the investigation of significant cross-border cases. Currently, **345** cases are reported as open across all Member States (though not all of them are about market manipulation the number includes less serious infringements as well).
- III. I will strive to deliver affordable energy prices and will not tolerate any manipulation or speculation against market rules. The implementation of the new REMIT Regulation will be crucial to provide ACER and national regulators with the tools to fight against manipulation. I will pursue this as a matter of priority. Moreover, the **Draghi report** offers several reflections for improvement to further address potential distortion and speculative behaviours. These include, e.g., stronger cooperation between energy and financial regulators and position limits.

GRIDS AND INFRASTRUCTURE

Soundbite

- Grid strengthening and buildout is at the centre of achieving a decarbonised power system. Strong grids enable the integration of renewable energy sources – both at the transmission and distribution level as well as onshore and offshore.
- Cross-border electricity interconnectors play a key role in Europe's competitiveness. They contribute to a more integrated energy market reducing price disparities and increasing security of supply.
- To establish a future hydrogen market and decarbonise hard-to-abate sectors, rapid development of both domestic and import hydrogen infrastructure is essential. This includes pipelines, storage facilities, terminals, and electrolyser projects.

- 29. The total level of investment needed in grids (583 bn € by 2030) is disproportional to the small volume of CEF. What is the estimated volume we need to finance through CEF and where will the rest of the investment come from?
 - I. Indeed, there are significant investments needs for electricity grids, but also for hydrogen and CO2 networks.
- II. The majority of necessary investments should be financed with private capital and refinanced through the tariff system. This may be complemented with public funding especially where the impact on consumer tariffs needs to be alleviated. EU funding will be a last resort for investments of high EU priority, e.g. certain infrastructure projects with a cross-border significance. For instance, the electricity projects with significant cross-border impact as included in the current PCI/PMI list represent investment needs of EUR 80-85 billion, i.e. approx. 14-15% of the 583 bn€ of total electricity investment needs by 2030.
- III. I would not like to speculate about figures for the next MFF, but as pointed out by Professor Draghi and others, the current budget of CEF looks rather small in comparison with the needs.

30. Bottlenecks: how can we tackle curtailment of renewables due to grids congestion?

- 1. Curtailment of renewable energy needs to be avoided: we need to reap the full benefits of clean and cheaper renewables.
- II. Key priority actions in these areas are: speedy implementation of key infrastructure projects of common interest that will directly help the integration of higher amounts of variable renewable energy, such as offshore grids in the North Sea and North-South connections in Germany, projects linking the Iberian Peninsula to France (Biscay Bay), interconnector between Ireland and France etc.
- III. Affordable prices are a priority for me. And we can only bring affordable prices if we make use of all the clean and cheap energy in the system. So we need to remove any obstacles we need a faster build out and modernisation of our grid infrastructure, optimise network planning across Member States, faster permitting, forward-looking regulation; flexibility solutions including storage, flexible demand or assets that can absorb excess renewable generation, such as electrolysers producing renewable hydrogen; and improved use of existing infrastructure. This is what I will work to ensure, as a priority.

31. How is the EU Action Plan for Grids being implemented?

- I. We need to implement the EU Action Plan for Grids (adopted November 2013) in a timely manner, so we match our infrastructural needs and significantly boost our interconnections.
- II. Implementation is advancing well. We have achieved important milestones in this regard, such as the Pact for Stakeholder Engagement or the publishing of Guidance on collaborative investment frameworks for offshore energy projects. We are working closely with all the relevant partners (ACER, EU DSO Entity, ENTSO-E, etc.) on the remaining actions.
- III. The Grids Action Plan is central for affordable and clean energy and therefore for competitiveness. I will drive its completion and aim for the Action Plan to be completed by the next Copenhagen Infrastructure Forum in 2025.

32. What are the main success stories under TEN-E/CEF?

- I. There are too many success stories of the TEN-E policy to mention them all here.
- II. Several regions of the EU which were completely isolated are now interconnected and our gas infrastructure could withstand safely the recent energy crisis. I would highlight just a few examples:
 - a) **The Baltic synchronisation**, to be completed in 2025, will enable the grids of Estonia, Latvia and Lithuania to operate in synchronous mode with the European grid, ensuring security of supply for the Baltic States. This has received EUR 1.23 billion in CEF grants, the highest aggregate contribution from CEF Energy.
 - b) CEF is also co-financing key electricity links between <u>France</u> and <u>Spain</u> through the Bay of Biscay (to be completed in 2028; CEF grant: EUR 578 million); and <u>France</u> and <u>Ireland</u> (the Celtic interconnector, to be completed in 2027; CEF grant: EUR 534 million). These two undersea cables will strengthen security of supply allow for better integration of RES electricity.
 - c) Regarding natural gas, the <u>Świnoujście LNG terminal</u> in Poland, the Gas Interconnection between <u>Poland</u> and <u>Lithuania</u> (GIPL), the upgrade of the <u>Latvia-Lithuania Gas</u> Interconnection, the <u>Baltic Pipe</u> (an interconnector between Norway, Denmark and Poland) and the <u>Poland-Slovakia Gas Interconnector</u> have all contributed to the diversification of gas supplies.
- III. I will continue implementing and supporting key cross-border projects in the EU in the fields of electricity, hydrogen, and CO2.

33. The process for the Delegated act for projects of common interests is not transparent. How can you improve it?

- I. Ensuring transparency in everything we do is key to a functioning democracy.
- II. TEN-E Regulation enhances transparency and public participation in the PCI/PMI process by involving key stakeholders and the public. For example, all PCI/PMI process meetings (except the confidential decision-making meetings) are open to the public, including the members of the European Parliament. These meetings are also web-streamed and recorded, and all relevant materials are made available online.
- III. I will investigate possibilities for further improving the transparency of every PCI/PMI process under the TEN-E and Better regulation requirements.

34. Distribution grids are not receiving enough funding, although they need most investments. What can you do?

- I. Indeed, investments at distribution level are essential to integrate renewables into the system and their transport to consumers.
- II. Distribution grids and their funding are a priority for the Commission and have been addressed through the Grids Action Plan, identifying tailored financing models in collaboration with stakeholders, strengthening the dialogue with investors to address financing obstacles, and increasing the visibility of opportunities for EU funding programmes for smart grids and modernisation of distribution grids.
- III. I plan to closely follow-up on this so that distribution grids receive adequate priority when it comes to the allocation of public funding by Member States and the EU budget.

35. Why are you still financing fossil fuels (MT-CY derogation)

- I. Indeed, we have excluded fossil fuels infrastructure from EU support, but MT and CY are benefiting from a specific exemption.
- II. The revised (2022) Trans-European Networks for Energy (TEN-E) excludes fossil fuel infrastructure. However, the Parliament and Member State Governments agreed to a limited exception for both Cyprus and Malta due to their unique position as island nations as they are not connected to the European gas grid. Neither project has received any EU grants for works. As PCIs, they are eligible to apply for Connecting Europe Facility funding if they meet the conditions. This includes being designed in view of ensuring access to future energy markets with a roadmap to convert the asset into a dedicated hydrogen asset by 2036. Access to CEF financing is subject to a separate application procedure with an independent evaluation process and is only awarded in very exceptional cases.
- III. I will make sure that these requirements are strictly implemented should a financing request be submitted.

36. Hydrogen production/electrolysers are not supported enough. What more can you do?

- I. Indeed, the scale up of the hydrogen market requires the development of the necessary electrolysers. To accelerate the scale-up of electrolysers, we need streamlined permitting processes, greater certainty in hydrogen demand, and ensuring financial viability.
- II. Under the TEN-E Regulation, electrolyser projects can receive the "Projects of Common Interest" (PCI) label, granting them access to streamlined permitting procedures and funding for studies. Under the Renewable Energy Directive, Member States have mandatory targets for the consumption of renewable hydrogen in industry and transport. It is important that they provide the necessary supporting measures for an acceleration of renewable hydrogen production. Around EUR18 bn in financial support has been provided to scale-up hydrogen production, infrastructure development, R&D and to support end-use sectors from national and EU funds. Additional support is provided under the European Hydrogen Bank.
- III. I plan to continue working on ensuring such support continues to be available to electrolysers until they become commercially viable. I will work with Commissioner (Designate) Hoekstra to make best use of European instruments, and with EVP (Designate) Ribera on the State aid framework.

Critical electricity projects that MEPs could raise

37. Iberian Peninsula interconnection. When will we see results?

- I. Full integration of all Member States in the EU energy market remains a priority.
- II. The implementation of ongoing priority interconnection projects in South-West Europe has made significant progress. The interconnection project between Spain and Portugal that is expected to be completed by April 2025, will increase the current interconnection capacity level to 3.2 GW. The Biscay Bay electricity interconnection between France and Spain is expected to be completed by 2028. The project progressed significantly in the last year: award contracts for components were signed in Spring 2023 and construction works started last October in both countries and are ongoing. Once completed, the project will double the interconnection capacity between France and Spain to 5000 MW.
- III. I am aware that further electricity interconnection projects are planned between Spain and France. These projects have been identified as being of common interest and necessary for our energy security and affordability. So I plan to make sure that the Commission and the Members States in the region continue to cooperate, striving to accelerate the implementation of the projects.

38. Baltic Synchronisation (including energy security dimension vis-à-vis Russia)

- I. It is essential that the Baltic States' energy systems end their dependency on Russia and synchronise with the European continental electricity grid. The synchronisation will be completed by February 2025. This has been a priority for the Commission for over 12 years with support at the highest political level and financing exceeding EUR 1.23 bn.
- II. The Commission continues to closely follow the implementation of the projects and all infrastructure investments related to it. The Harmony Link Interconnector between PL and LT is now due in 2030 as it had to be rerouted as an onshore connection due to very high costs as offshore solution. No connections will remain in place with Russia (including Kaliningrad) or Belarus. Both third countries have been informed for many years now and have been preparing for disconnection.
- III. I plan to closely follow and support the project until its completion including remaining infrastructure investments that will not be delivered by 2025, such as the Harmony Link Interconnector. This is critical for the Baltic countries and therefore for Europe.

39. Great Sea Interconnector (including international aspects with Israel and Turkey)

- I. The Great Sea Interconnector (EuroAsia), linking Crete with Cyprus (first leg) [and Cyprus with Israel (second leg),] is a project of strategic importance for Cyprus and the EU.
- II. The first leg has been awarded CEF funding worth EUR 658 million. The Commission is working closely with all parties to ensure project implementation. The recent signature of a Memorandum of Understanding between Greece and Cyprus is a welcome development. [The second leg (Israel) is now in permitting phase and thus less advanced]
- III. I will make sure that the strategic interest of the EU in a stable and secure environment in the Eastern Mediterranean and in a cooperative and mutually beneficial relationship with Türkiye based on the respect of international law is safeguarded.

40. Links to North Africa (including international aspects)

- I. There is enormous potential for developing renewable energy generation capacity in North Africa. At the same time, the region needs massive amount of green energy to satisfy its own growing demand. It is therefore important that any interconnection project is of mutual benefit and not solely focused on export of domestic RES potential to Europe.
- II. Currently, there are two electricity connections with North Africa on the PCI/PMI list, one which is to connect Italy with Tunisia (Elmed) and one to link Greece with Egypt (Gregy). Elmed has received a grant of 472m € under CEF.
- III. I plan to continue the work on developing mutually benefitting projects with the region in a sustainable and strategic manner. I will prioritise projects with proven benefits for the Union that also support the decarbonisation and development of the third countries.

CARBON CAPTURE AND STORAGE/ UTILISATION (CCS/CCU)

41. CCS/CCU: we need to develop a market for it, what do you intend to do about it?

- I. I believe we all agree that CCS/CCU technology is needed to complement other measures to decarbonise our industry, with a focus on hard to abate sectors.
- II. Actions in this area build on the Industrial Carbon Management Strategy. To kick-start the development of CCS, we need to implement the Net Zero Industry Act's CO2 storage target of 50 million ton per year as a matter of priority.
- III. As a next step, I intend to focus on the development of infrastructure and market rules for CO2 transport and storage and will work closely with Commissioner-designate Hoekstra to get a well-functioning, market-driven value chain for CO2 in place. It should offer a long-term regulatory perspective whilst ensuring flexibility to accommodate the nascent nature of the CO2 value chain.

42. CCS/CCU: What are the key elements of the legislative proposals?

- I. For an integrated market to emerge, we need to remove barriers for cross-border transportation of CO2.
- II. This requires work on cross-border interoperability and CO2 standards. We also need rules for third-party access and make sure there is appropriate regulatory oversight. The proposal should also include EU-wide infrastructure planning; and a dedicated platform to enhance coordination and bargaining power of smaller emitters.
- III. I will work closely with Commissioner-designate Hoekstra, to make sure that the ETS is fit for CCS/CCU. The ETS reform planned for mid-2026 intends to do precisely that. The legislative initiative on CO2 transportation will thus need to be closely coordinated and timed with this parallel ETS reform.

43. CCS/CCU: too expensive and risks to slow down phase out of fossil fuels?

- I. As stated in the Industrial Carbon Management strategy, CCU/S is meant to decarbonise otherwise hard to abate industrial sectors where CO2 emissions are basically unavoidable (e.g. cement, steel). It is not meant to prolong the use of fossil fuels.
- II. By 2040 industrial carbon management will be an integral part of the EU's economic system. Biogenic or atmospheric carbon should become the main source for carbon-based industrial processes or transport fuels, thus replace and not prolong the use of CO2. By replacing fossil-based feedstocks, CCU can contribute to emission reduction, EU energy security and autonomy.
- III. I will work closely with Commissioner-designate Hoekstra to make sure that the right incentives are in place to create a market for CO2 without slowing down the phase-out of fossil fuels.

PRIORITY 2 - SECURITY OF SUPPLY

GENERAL

Soundbite

- **Energy security** is a precondition for competitiveness and sustainable growth and to meet citizens essential needs. It is invisible until a major crisis happens.
- The energy crisis of the last years has shown how our external energy dependencies can be weaponized. Our robust framework, complemented by timely emergency interventions, allowed the EU economy and society to withstand the shock.
- The review of the Energy Security framework is necessary to ensure a secure and safe energy system throughout our decarbonisation journey: able to handle increased electrification, digitalisation, and higher shares of solar, wind, hydrogen and e-fuels. It should also address risks stemming from climate change and the geopolitical context and strengthen Critical Infrastructure protection focusing on cyber and hybrid risks, as well as climate adaptation.

44. Winter preparedness: what is the outlook for next winter?

- Winter is the most critical season for the energy system. Preparedness is key to ensure the energy supply of the EU – and of Ukraine and Moldova - during this high demand period.
- II. Measures put in place over the past three years the crisis have proven efficient: gas storage facilities reached 90% target, gas demand still reduced, share of renewables in steadily increasing, grids are being modernised and further developed.
- III. The outlook is cautiously optimistic for the EU for this winter. The Commission will continue working with Member States to prepare for the end of the gas transit agreement (between Ukraine and Russia) on 31 December, and support Ukraine to meet its needs. We will make sure we are safe for this winter and the next ones. And we will do everything possible to make sure that Ukraine has energy through the winter.

45. How would you strengthen regional cooperation to avoid a repeat of the oil supply issues experienced in Hungary + Slovakia?

- I. Regional cooperation is indeed key to increase security of supply in Hungary and Slovakia.
- II. In particular, the Adria pipeline from Croatia provides a technical and economical alternative to the Druzhba pipeline from Russia, Belarus and Ukraine. However, the Adria pipeline is barely used today by Hungary and Slovakia which still import 80% of their oil through the Druzhba pipeline.

III. I stand ready to foster regional cooperation if needed. But it is mainly responsibility and interest of these Member States to diversify away from Russian oil as soon as possible for their own security of supply.

46. How will you enhance security for our critical infrastructure against physical damage and cyber-attacks?

- I. As the sabotage of Nord Stream evidenced, energy security is not only about securing supplies, but also about **protecting our infrastructure**, including against emerging risks, such as climate change and man-made attacks.
- II. The EU has so far made significant strides, with stress tests of critical energy infrastructure, the EU- NATO Task Force on the resilience of critical infrastructure, and the first-ever set of mandatory technical rules for cybersecurity in electricity.
- III. I will work closely with Member States to review the security of supply framework putting this issue at its core. I will also work to assess cyber-risks for wind technologies and potentially other clean technologies.

REPOWER

Soundbite

- I. The REPowerEU plan has been successful in its **three objectives**: saving energy, diversifying our energy supplies and ramping up production of homegrown clean energy. We reduced our gas consumption by 18%, sharply overcame our dependency of Russian fossil fuels and significantly accelerated renewable energy deployment (+56 GW wind&solar in 2022, +71 GW in 2023, +78 GW in 2024 (estimate).
- II. We set in place a number of crucial **emergency** measures, while we reinforced the **Recovery and Resilience Facility (RRF)** with additional funding, allowing it to better support our objectives, in particular energy efficiency (EUR 106.5 billion), renewable energy (EUR 34.2 billion), electricity networks, storage and smart meters (EUR 25 billion), hydrogen (EUR 13.6 billion), critical gas infrastructure (EUR 1.6 billion).
- III. The EU is **less dependent** on energy imports with infrastructure and volumes currently available to guarantee security of supply. Imports of **Russian natural gas dropped** from 45% in 2021 to only 18% in the first half of 2024. But I recognise that the job is not yet completed, and I will table a **Roadmap towards ending Russian energy imports**.

47. What are the lessons learned from the energy crisis?

I. Putin's unjustified war of aggression caused record energy prices in the EU connected with a major security threat for the EU. Dependence on fossil imports and one supplier drove up prices.

- II. Solidarity among Member States and an EU-level response were key. This is a key lesson learned that you can see across the whole handling of the energy crisis: we are stronger and more resilient together. Concretely, the REPowerEU Plan managed to bring prices to pre-war levels, ensuring energy security, boosting renewables and energy savings.
- III. Building on the enhanced energy security and committed to implementing the 2030 fully recover from the energy crisis, it is my priority to deliver on **affordable energy prices** for companies and households. Threats to security of supply drive up prices, so resilience and security are necessary for our competitiveness.

48. What is the concrete timeline to phase out RU fossil fuels? Will you table a new REPowerEU action plan?

- I. As signalled at the Versailles Declaration and by President Von der Leyen at her speech as candidate for President of the Commission, the **objective** is to phase out Russian fossil fuels dependency as soon as possible.
- II. The **REPowerEU** plan adopted in 2022 had the main objective of rapidly reducing our dependence on Russian fossil fuels by fast forwarding the clean transition, diversifying supplies, and enhancing the energy system's resilience. We have eliminated coal, oil is down to just 3% and we have made a lot of progress on gas down to 18%.
- III. Yet Russian fossil fuels are still present in the EU, particularly gas, which is why I plan to bring forward a **roadmap in Q1 2025** to drive the phase out of Russian energy imports.

49. Emergency regulations: Do you plan to prolong them?

- I. Emergency regulations have been key to address the energy crisis, and the situation looks better now.
- II. In 2023, simpler and faster permitting thanks to emergency rules allowed for a year-on-year increase in renewables of 70% in Germany. Nevertheless, and as underlined in President Von der Leyen's political guidelines, these tools are used only in exceptional circumstances, in which the Commission will fully justify it to the European Parliament.
- III. Certain provisions aiming to accelerate the deployment of renewables apply until 30 June 2025, and the regulation establishing a **market correction mechanism** to protect the EU from excessively high gas prices applies until 31 January 2025. Beyond the crisis context, my focus is on working with the European Parliament on strengthening the EU energy market further and preventing future crises from hitting us.

50. Will you support the realization of the Vertical Corridor initiative? [The Vertical Corridor initiative aims to enhance the transmission of natural gas to the EU market]

- The Commission is closely monitoring the development of the Vertical Corridor projects.
 We are aware that the market tests were not successful but that the project may be relevant in the current context.
- II. At this stage, the **future of this initiative is uncertain**, but we will keep close contact with the project promotors within our Central Europe South East Europe (CESEC) High-Level Group.
- III. All of Europe must be secure and I aim to drive the pahse out of Russian enegy in our system. **for that, we have to maximise usage of infrastructure already in place**, such as the Trans-Balkan route, which is under-utilised. We need to also make sure that all regulatory obstacles are removed to increase liquidity and improve functioning of internal market in South-East Europe for secure and affordable energy.

AGGREGATEEU

51. What is your assessment of AggregateEU?

- I. As part of the answer to the energy crisis, AggregateEU provided an additional tool to procure non-Russian gas, stabilise markets and give access to smaller buyers. It has contributed to diversification, transparency notably in some regional markets, and allowed companies to meet new suppliers.
- II. AggregateEU has been a **success**, with **77 bcm matched**, exceeding initial targets and attracting market interest of more than **185 registered companies**.
- III. AggregateEU, as an emergency tool, will be replaced by the new mechanism for demand aggregation and joint purchasing of gases that the European Parliament has helped establish in EU law. This new mechanism will support security of supply and EU's decarbonization efforts. I intend to engage in this work.

52. Why has there only been 1 bcm contracted under Aggregate U?

- I. AggregateEU was created at a moment of major energy crisis with market instability, etc.
- II. The Commission cannot require information from deals made under AggregateEU. Voluntary reporting from AggregateEU shows that gas volumes contracted after matching on the platform are now at 1,5 billion cubic meter (bcm) with another 6bcm under negotiations. Nevertheless, participants reported that those companies, especially large consumers, or entities located in more isolated/fewer liquid markets, have met new potential suppliers which provided them with additional information on available prices.
- III. I aim to make sure that demand aggregation and joint purchasing will support security of supply and accelerate the EU's decarbonization efforts. We will have better insights into the volumes and impact as reporting on the volumes contracted under the voluntary gas

mechanism will be **mandatory**. I intend to use this informatin to make the best use of this instrument.

53. Will you extend this mechanism to other sectors such as hydrogen and critical raw materials?

- I. Demand aggregation allows to leverage the Union's market power and support competitiveness and decarbonisation of EU's industry.
- II. The Commission is extending the concept of demand aggregation to other strategic commodities by setting up a new IT Platform which will host new mechanisms.
 - a. **Hydrogen mechanism:** a new platform under a 5-year pilot mechanism will help develop the nascent market and increase transparency.
 - b. **Critical Raw Materials (CRM):** joint purchasing can stabilise markets by securing the business case of projects, increase the number of suppliers available and mitigate the effect of disruptions along value chains.
 - c. **Possibly biomethane** (under existing mandate for gas): demand aggregation mechanism will be adapted to the maturity of the sector.
- III. I look forward to be part of building this new instrument for secure and clean energy. The Commission aims for operational readiness by 2025.

RUSSIA

Soundbite

- Russia tried to weaponize energy against us with its illegal war of aggression on Ukraine. But it failed.
- We turned hardship and disruption into opportunity and action. We have safeguarded our citizens and businesses from energy shortages, supported Ukraine by weakening Russia's ability to wage war, and accelerated the transition to clean energy and stabilised prices.
- As we maintain our unconditional support to Ukraine, only 3% of EU crude oil imports come from Russia; we have more than halved our gas dependency on Russia (45% pre crisis vs 18% now); and while we still import a certain amount of Russian LNG per month, mainly due to long term contracts, this does not create any dependency.

54. Pipeline oil has continued to pour into the EU. How to address the issue of MS that still rely on RU oil imports? What sanctions exemptions do Czechia, Hungary and Slovakia benefit from?

I. With EU sanctions, **Russian crude oil now only accounts for 3%** of EU crude oil imports but still accounts for some 50% in Czechia and more than 80% in Hungary and Slovakia.

- II. **EU sanctions temporarily exempted oil pipeline imports** to landlocked countries such as Czechia, Hungary and Slovakia to give them time to find alternative routes to the Druzhba pipeline from Russia, Belarus and Ukraine.
- III. It is in Member States' interest to **diversify** as **soon** as **possible**, in line with REPowerEU and my mission letter from President-elect von der Leyen to completely phase out all Russian fossil fuels by 2027. I will **work with all Member States** and with my colleagues towards this objective.

55. Why are imports of Russian gas increasing? How much money is the Kremlin getting from continued export of Russian fossil fuels and what are you going to do to stop it?

- I. I am concerned by the recent rise of Russian LNG imports in the EU. It is a modest and unwanted increase resulting mainly from temporary infrastructure issues which have curbed part of the supplies imported from our reliable partners. Let me reassure you that the amount in question (1-2 bcm per month) does not create import dependency and is a result of market dynamics including long-term contracts.
- II. I recall that our dependency on Russian gas has been cut by two thirds compared to before the crisis (45% vs 18%). We have replaced Russia with reliable suppliers, such as Norway, the United States, and/or North Africa. Since Russia invaded Ukraine, our annual gas imports decreased from 150 bcm to 43 bcm. Member States have also significantly reduced their demand for natural gas (18%). Russia's revenues from fossil fuels exported to the EU fell from some €6 bn per month before the crisis (and more than €10 bn/month at the worst moments of it) to less than 1.5 bn a month this year. This is progress, but still a high figure. Today the EU imports 40% of its gas from global LNG markets.
- III. Let me be clear: I am determined to achieve the objective of REPowerEU and phase out EU dependency on Russian fossil fuels. We must remain vigilant. Member States must do all they can to accelerate phase-out of Russian gas. I will ensure that my services assist them in their energy diversification efforts. The recent rise of Russian LNG imports does not impact our overall direction nor our ambition. Further growth of EU LNG imports capacity to 235 bcm in 2024 (it will be 260 bcm by 2026) means that the EU can source more than 80% of its gas imports from global LNG markets. This is good news for further diversification and moving away from Russia's fossil fuels. But we must and will go further.

56. Recently, Hungary decided to buy RU oil and label it as Hungarian before transmitting it further. What will you do about cases like these?

I. This is another example of why we must remain vigilant. In this particular case, it is not Hungary, but the Hungarian oil company MOL, that took over ownership of crude oil from Lukoil at the Belarusian border to avoid Ukraine's recent transit ban on Lukoil recently adopted by Ukraine.

- II. Russian oil owned by MOL will still be considered as Russian oil in line with EU sanctions.
- III. My position is clear: we need to achieve the REPowerEU objective of phasing out Russian fossil fuels.

57. Sanctions: Would you support more energy sanctions i.e. a complete ban of RU fossil fuels, including pipeline gas and LNG?

- I. My mission letter states clearly: we should strive to end our imports of Russian fossil fuels.
- II. REPowerEU has already provided key elements to achieve this. Moreover, through sanctions, we have already banned import of coal, petroleum refined products and crude oil (except for some pipeline supply to Hungary, Slovakia and Czechia). We strongly reduced our dependency of Russian gas (from 45% to 18%).
- III. I am committed to completing the phase out of Russian gas as fast as possible, but I am conscious that gas markets remain vulnerable. Any price increase in global markets would ultimately benefit Russia so we must be careful that our action does not cause unintended consequences. There are already tools in place and others can be conceived to encourage and facilitate the phase out. We are discussing with MS how best we can help them in their diversification effort.

58. Sanctions: Would you support sanctions on RU nuclear supplies and components?

- I. Sanctions are indeed an important tool in the context of the Russian war in Ukraine.
- II. The EU has imposed so far 14 sanctions packages against Russia. They have covered many aspects, including the ban on coal and oil, and LNG transshipments. These sanctions have already proven to have a significant impact on Russian economy. Our like-minded partners have recently taken decisions as far as nuclear is concerned, e.g. the US introduced a ban on enriched uranium. So far, there has been no consensus among Member States to impose sanctions in the nuclear area. While some would support such sanctions, others are very much against it.
- III. I will work with Member States to accelerate efforts to diversify nuclear supply chains in line with the REPowerEU Plan. I will of course also contribute to the analysis and work towards further sanctions.

59. Do we need mandatory origin labelling for all fossil energy imported into the EU to avoid those from Russia?

I. Even though the EU has put in place **effective measures to reduce our dependency** on Russian fuels, there are still Russian fossil fuels in our energy system, and I share your concerns about it.

- II. Important measures are already in place, including under the REPowerEU Plan to phase out Russian energy in our system sanctions, acceleration of renewable energy sources, implementation of energy efficiency, demand reduction initiatives, AggregateEU, etc. .
- III. During my mandate I will work with our international partners and leverage EU's influence with our energy partners to reduce and eliminate Russian imports. Moreover, in the framework of a roadmap towards ending Russian energy imports in the EU, the Commission will look at all options.

UKRAINE

Soundbite

- I strongly condemn Russia's unjustified invasion. The EU stands by Ukraine and so do I.
- A functioning energy infrastructure is vital for Ukraine's ability to resist Russian aggression and protect the daily lives of its people. EU provided and will keep providing support in this respect focusing on three key areas: repair, connect and stabilize.
- EU accession negotiations will offer another forum of integration in the field of energy, building on the important work delivered within the Energy Community.

60. Energy security in Ukraine - How to address (energy) challenges ahead of winter?

- I. Ukraine has suffered significant losses in its power generation capacity, with nearly two-thirds of its capacity compromised and a loss of 9 GW since March this year. To keep lights and heat on during winter, Ukraine needs to cover its deficit. Energy security of Ukraine and of the EU are interconnected, and the upcoming winter will be challenging.
- II. We have been supporting Ukraine since day 1 with financial and material support, and by synchronizing the electricity grids. Thus, more than EUR 2 billion worth of support for energy security has already been provided to Ukraine since Russia's full-scale invasion.
- III. I am deeply concerned for ukraine's energy security as we go into this third winter of war. I am personally committed to supporting Ukraine, building on my work as a Minister, and delivering on the EU's winter plan for Ukraine:
 - a. Repair: urgently repair the damaged infrastructure, restore sufficient energy generation and transmission capacity.
 - b. Connect: the EU exports close to 2 GW to Ukraine and Moldova. We work on further increase electricity exports from the EU.
 - c. Stabilise: help Ukraine stabilise its energy infrastructure, by deploying additional decentralised energy generation capacity.

61. How long can the synchronisation between UA (and Moldova) with the European Continental Grid remain sustainable and maintain their needs?

- I. Ukraine has suffered significant losses in its power generation capacity since the war began, with nearly two-thirds of its capacity compromised and a loss of 9 GW since March this year. To keep lights and heat on during winter, Ukraine needs to cover its deficit.
- II. In March 2022, just a few days after Russian aggression, the European Network of Transmission System Operators for Electricity (ENTSO-E) and the Commission cooperated with Ukraine and Moldova to synchronize their electric grids with the European Continental Grid. This ambitious project, initially expected to take a year, was successfully completed in under three weeks, thanks to extraordinary efforts and cooperation.
- III. More than two years on, the synchronized grid remains a vital component of Ukraine's strategy to meet peak winter demand. All connections and upgrades have been implemented with rigorous technical confirmation to ensure safety and sustainability. As winter approaches, further upgrades are being explored to increase import capacity, with a focus on delivering a reliable and sustainable energy supply for the long term. In all of this, we of course have to also make sure that European energy stays safe.

62. How would you ensure the safety and security of nuclear power plants in Ukraine?

- I. The safety and security of nuclear facilities in Ukraine is of paramount importance for the EU as significant incidents at these facilities could have far-reaching health and environmental consequences going well beyond Ukraine's borders.
- II. The EU has acted to enhance the safety and security of nuclear power plants in Ukraine since the first days of the Russian invasion, in particular after the capture of the Zaporizhizhia nuclear power plant by the Russian army. The Commission provides and will continue to provide multi-million material and financial aid to Ukraine as well as to the IAEA on-site missions to Ukrainian nuclear power plants, including the Zaporizhizhia nuclear power plant, through the Union Civil Protection Mechanism, RescEU, and the Instrument for International Nuclear Safety Cooperation (INSC).

III. I will fully engage in support of:

- a. Respecting nuclear safety and security during armed conflicts of all nuclear installations in Ukraine.
- b. Avoiding a nuclear accident at the Zaporizhizhia nuclear power plant and other nuclear installations; and
- c. For the Zaporizhizhia nuclear power plant to be returned to full and exclusive Ukrainian control, including the regulatory control of the Ukrainian nuclear safety regulator.

63. End of UA transit agreement by the end of the year? What's next?

- Ukraine's five-year deal with Gazprom on transit of Russian gas to Europe will expire on 31 Dec 2024. This transit route has been historically important for Europe's gas supply.
- II. Phasing out Russian fossil fuel imports is the core objective of the RepowerEU plan. The EU is prepared for the end of the Ukraine gas transit agreement on 31 December 2024. We have ensured that the EU is ready to replace the 14 bcm of gas transiting via Ukraine. Thanks to years of investments, the EU gas infrastructure is robust and flexible and can offer alternative routes and import capacity through LNG.
- III. We will work with Member States, Ukraine, and Moldova to ensure energy security and prepare for all scenarios beyond the agreement's end. EU is ready and so am I.

64. Ukraine ban of Lukoil oil transit: The Commission failed to help SK and HU despite UA's violation of the EU-UA Association Agreement. How would you prevent this again?

- I. The Commission stands ready to support its Member States in the application of the EU-UA Association Agreement.
- II. The Commission immediately conducted numerous consultations and Ukraine confirmed that if Lukoil was not the owner, oil transit was not impacted. Consequently MOL, the Hungarian oil company, took over the oil ownership from Lukoil from 9 September. In practice, oil continued to flow to Hungary and Slovakia in line with the EU-Ukraine Association Agreement without impacting security of supply.
- III. I am ready, together with Commissioner (Designate) Sefcovic, to deploy further efforts if the evolution of the situation requires.

INTERNATIONAL / ENERGY DIPLOMACY / COP

Soundbite

- Accelerate the global energy transition through the implementation of global targets on doubling energy efficiency improvements and tripling renewable energy capacities, developing resilient and just value chains, incl. for critical energy transition materials through COP29/30, as well bilateral engagements, and multilateral for such as IEA, IRENA, G7 and G20.
- Increase EU's clean tech market share globally and spur investments through trade and investment opportunities, as well as net-zero industrial partnerships.
- Ensure EU's security of supply while moving away from fossil fuels to diversify and accelerate the clean transition.

65. How would you ensure the global targets on Energy Efficiency and Renewable Energy are actually implemented by signatory countries?

- I. EU-led global targets on renewable energy and energy efficiency, agreed upon by all countries at COP28, were a major success but the real challenge relies on implementation. We need to ensure that progress is measured, gaps identified, and bottlenecks are addressed.
- II. The Commission is working with the International Energy Agency and International Renewable Energy Agency to track and monitor progress. The EU is providing ongoing support through data, analytics, and strategic guidance to ensure all stay on track. The Commission also actively engages with partner countries, through bilateral and multilateral policy dialogues (G7, G20) and concrete support mobilizing Global Gateway.
- III. As we gear up for COP29, it's crucial to rally both public and private sector investments to meet 2030 targets, also in storage and grids, ensuring that Europe remains an attractive investment place for clean technology but also facilitating investments in the global south close to 600 million people in Sub-Saharan Africa lack access to electricity. This is a common effort, and in the Commission, we will work under clear guidance from President von der Leyen, together with EVP Ribera and Commissioner Hoekstra in particular.

66. Your stand on USA as energy partner?

- I. The EU-US relationship in the field of energy is one of our most important ones. The US helped us overcome the energy crisis following Russia's invasion of Ukraine.
- II. The EU-US energy security partnership established during the crisis became a beacon of light. The US is our main LNG provider and second gas provider after Norway. Thanks to the US, we successfully reached our 90% gas storage target 3 months ahead of schedule. This puts us in a comfortable position ahead of this winter.
- III. Working ahead closely together with the US, the EU is focused on energy security and on accelerating the clean energy transition globally, scaling up the industrial manufacturing of clean energy technologies, ensuring access to critical energy transition minerals, and reducing global methane emissions.

67. Will the EU continue importing US LNG? At what volumes?

- I. The US has been a reliable supplier who helped us diversify away from Russian imports and mitigate the impact of price crisis on the market dynamics.
- II. We will continue to import US LNG, but at lower volumes in the future as EU's overall gas demand decreases as part of the fossil fuel phase out.

III. Looking ahead, my focus will be on importing the cleanest gas possible – relying on our new methane rules - while accelerating the clean energy transition. The clean energy transition contributes to security of supply, bringing down prices, and for our planet.

68. How do you see relations with China in the field of energy?

- I. China produces and uses more energy than any other country. Energy developments in China therefore have a big impact on global energy markets, as well as on the amount of greenhouse gases released into the atmosphere.
- II. We should continue our Energy Dialogue with China and focus primarily on reduction of emissions in China's power sector, still dominated by coal, and on our competitiveness in clean technologies.
- III. Looking ahead, I am determined to protect our interests, and help the EU de-risk, not decouple, from China by creating new international partnerships and strengthening our own clean industrial base.

69. China and clean tech: what are you doing to protect EU clean tech industry? What more can you do?

- I. The European Union and China continue to be important trade and economic partners. However, we aim to build a **level playing field** so that the trade and economic relationships are balanced and reciprocal.
- II. We need to build upon policies and measures already taken by the EU over the past five years, such as: the Foreign Direct Investment screening mechanism; the Anti Coercion Instrument; the EU Chips Act; and the Critical Raw Materials Act.
- III. Looking ahead, I am determined to contribute to reduce EU's critical dependencies and vulnerabilities, including in its supply chains, and de-risk and diversify where necessary and appropriate. For that, we need to continue strengthening our industrial base. The Net-Zero Industry Act will reinforce our clean tech industry, and the Critical Raw Materials Act will help increase the resilience of the EU supply chains. Other measures, such as the Wind Power Action Plan, the Grids Action Plan, and the EU Solar Energy Strategy are contributing to the same goal. I will closely cooperate with Commissioner-designate Šefčovič to ensure balanced economic relations.

70. Would you look for alternative LNG suppliers than those who have a proven record of democracy and human rights violations?

- I. The fossil energy market is indeed partly supplied by countries with the need to improve their human rights track record.
- II. The EU will drastically decrease its dependence on fossil energy imports. This will be both a challenge and an opportunity for countries currently relying on fossil energy exports.

- For the EU, this will entail increased energy resilience and increased leverage, also to tackle issues such as human rights and rule of law.
- III. This reduction in fossil fuel dependence and imports is my priority. It will strengthen our security and our competitiveness, mitigate climate change. And it will reduce reliance on certain regimes the green global energy market is also a democratisation of energy. The EU [via the EEAS] pursues bilateral human rights and rule of law dialogues with selected partner countries [more than sixty dialogues each year], including energy supply countries [e.g. Algeria, Azerbaijan, Qatar, Egypt, Saudi Arabia, UAE], and also with regional organizations such as the e.g. African Union. This includes those rich in energy resources, providing a platform to raise human rights concerns and encourage reforms.

71. Azerbaijan has announced to secure gas supplies to the EU once the transit agreement with RU expires. Does this make the EU dependent on Azerbaijan instead of RU?

- I. Supply diversification is key to reduce overdependence on gas suppliers.
- II. Imports from Azerbaijan through the Southern Gas Corridor contribute to diversifying EU supply. It represented less than 5% of EU imports in 2023, and the potential of Azerbaijan to increase its production is currently limited. At the same time, Azerbaijan is committed to its own green transition, for example by scaling up their offshore wind capacity.
- III. I will engage to diversify the energy imports of the EU without creating new dependencies and advance the energy transition, prioritizing energy efficiency, and clean energy for European security and competitiveness.

72. What will be your future energy priorities with the Gulf countries?

- I. The Gulf countries have grown in strategic importance after Russia's invasion of Ukraine due to their fossil fuels export potential.
- II. We need to continue to level up our energy and trading relations both at bilateral and regional level through the implementation of the EU's Gulf Communication, our future Strategic Partnership and Cooperation Agreements, and our bilateral energy relations.
- III. Looking ahead, Renewable energy generation, the energy transition, and energy security are top priorities for our partnership with the Gulf region. I will work to position EU's clean tech industry to decarbonize and to diversify the economies of the region.

73. How will you continue the EU-Türkiye relations? Their illegal drilling in the Mediterranean cannot be tolerated.

- I. Relations with Türkiye are of strategic importance to the EU.
- II. For now, EU-Turkish High-Level Energy Dialogue is suspended because of their illegal drilling activities in the East Med region in the last decade.

- III. The European Commission has proposed to relaunch this bilateral dialogue, and I agree with this proposal. We are waiting for further guidance from Member States.
- 74. The European Commission has strengthened cooperation in the field of energy with countries in the Mediterranean with the aim to accelerate investment into energy infrastructure, renewable energy generation, and trade of renewable energy. What will you do to bring this work forward?
- I. The Mediterranean region holds massive potential in renewable energy. However, private investment into renewable generation has been lagging behind in non-EU Mediterranean countries. The main challenge is to decarbonise their largely fossil-based energy systems and ensure access to affordable energy to meet their growing demand stemming from demographic and economic growth, thus limiting their export capacities in the future.
- II. Energy relations between the EU and Med partner countries were already strongly intensified in the context of REPowerEU, e.g. via the Renewable H2 MoU with Egypt, the Green Partnership with Morocco, the Energy and Clean Tech MoU with Tunisia. I will build upon the strengthened cooperation between the EU and Mediterranean countries to advance our shared energy transition agenda as a blueprint for mutually beneficial sustainable growth and prosperity.
- Therefore, my first priority will be to deepen our energy partnerships in the region, e.g. III. via the MoU on renewable hydrogen with Egypt, the Green Partnership with Morocco, the Energy and Clean Tech MoU with Tunisia. I will build upon those strengthened cooperations to advance our shared energy transition agenda as a blueprint for mutually beneficial sustainable growth and prosperity in the region. I will hold high-level energy dialogues as well as energy and clean tech outreach events with our main partner countries (Egypt, Algeria, Tunisia, Morocco) and commit to a shared energy reform agenda to increase renewable generation in the region. Secondly, I will work closely with the Commissioner for the Mediterranean to support energy market reforms and infrastructure investments in non-EU Mediterranean countries, as well as with EU Member States to ensure a unified and coherent Team Europe approach. Electricity interconnectors are of course part of the partnership, but the countries currently have electricity shortages so a deeper partnership for green energy technologies and supply chain is more beneficial for them and for us - for resilient supply chains for the transition and for stability in the region. After all, we cannot lower our energy prices through electricity imports across the Mediterranean but we can benefit from resilient supply and markets. Infrastructure investments to upgrade electricity grids and underpin cross-

border interconnections must though go hand in hand with energy market reforms to spur private investments.

75. How do you assess prospects for energy and clean tech cooperation with North African partner countries?

- I. Partner countries in North Africa and the broader Mediterranean region hold massive renewables potential, still untapped as mainly reliant on fossil energy sources.
- II. We need to continue working closely with them to accelerate private investment in RES generation and downstream sectors that are key for the energy transition and the diversification of global value chains such as clean tech.
- III. I hope to build close and mutually beneficial partnerships with countries in North Africa. I look forward to working with the new Commissioner for the Mediterranean to support unlocking the region's renewables potential and underpinning investments into electrification infrastructure, RES generation and clean tech value chains.

76. How should the EU further develop its relations with sub-Saharan Africa in energy?

- I. Today, Sub-Saharan Africa accounts for 600 million people lacking electricity access which could remain almost the same without reinforcing joint efforts with international partners.
- II. Under the Global Gateway, by 2030, the EU-Africa Green Energy Initiative aims to provide at least 100 million people with access to electricity and €3.4 billion in EU grants will be delivered through a Team Europe approach to support renewable energy, energy efficiency, the just transition and the greening of local value chains.
- III. I am personally committed to stepping up our efforts to provide electricity access, empower households and develop decarbonized industries. This is necessary for the climate but also for our economy and security close partnership with Africa is one of my priorities and can bring growth and jobs both in Europe and in countries in Africa, including for resilient supply chains in critical energy transition minerals and technologies.

77. How would you engage with Latin America and Caribbean region? During 2025 there is G20 and COP29 in Brazil, and EU-CELAC Summit in Colombia.

- I. Latin America has one of the cleanest electricity systems in the world, with roughly 65% of electricity coming from renewable sources in 2022. And plenty of reserves of critical minerals for the energy transition, like lithium or copper.
- II. The EU-CELAC summit of July 2023 revitalized the partnership, and two Memoranda of Understanding on energy (one with Argentina and one with Uruguay) were signed during this EU-CELAC Summit. We also have energy dialogues with Brazil, Chile, and Colombia.

III. I will work during the upcoming G20 and COP29 in Brazil, and EU-CELAC Summit in Colombia to strengthen these partnerships on critical minerals, renewables, hydrogen and many other sectors.

78. Methane International Dimension

- I. Methane is responsible for around 30% of the rise in global temperatures since the Industrial Revolution, and rapid and sustained international action is key to limiting near-term global warming and improving air quality.
- II. We have adopted the EU methane regulation and enhanced dialogue with countries from where we import fossil fuels.
- III. At the same time, the EU will continue co-leading and implementing the Global Methane Pledge with the United States. Looking ahead, I will also step up our work with thirds countries and international organisations, including the International Methane Emissions Observatory and the International Energy Agency to further accelerate implementation of the Global Methane Pledge in the energy sector (30% by 2030) and strengthen collaboration with major fossil fuel importers, as Japan and South Korea.

79. The EU together with the US launched the Global Methane Pledge at COP26, however methane emissions are increasing globally. Do you still consider it a success?

- I. Yes: While methane emissions continue to increase globally, we are confident that the increasing attention and political will to address methane emissions, especially in the energy sector, is starting to bear fruit.
- II. An increasing number of countries continue to sign the Global Methane Pledge today 155 with Azerbaijan being the latest to join.
- III. Going forward I will continue to further strengthen our international methane engagement. We will do so both bilaterally as regards the implementation of the external part of the EU Methane Regulation, as well as multilaterally through our partners, notably the International Methane Emissions Observatory, and the tools and standards they have developed, which are at the core of our regulation.

2. PRIORITY 3 - ENERGY TRANSITION AND DECARBONISATION

2030 TARGETS IMPLEMENTATION AND ENFORCEMENT

Soundbite

- Implementation and enforcement of the newly adopted legal framework is a priority of this Commission. It is not only the Commission's duty on account of its role as the EU's executive arm and Guardian of the Treaties, but it is also a political priority to deliver on our Green Deal targets and objectives and ensure that citizens and communities feel the benefits on the ground.
- I am committed to work in **close cooperation with this Parliament and the Member States** to support the timely and correct implementation of the EU's ambitious energy policy framework, ensuring that we are on track towards our collective energy and climate targets for 2030 and beyond.
- Together, we will make sure work will be delivered on what has been agreed and deliver
 a common energy policy addressing decarbonisation, competitiveness, security, and
 sustainability issues.

80. What concrete actions can you take to ensure the 2030 targets are reached? How can the Commission better assist Member States?

- Achieving 2030 energy and climate targets is a collective responsibility and a key milestone on the path to climate neutrality by 2050 and for our growth, competitiveness and security.
- II. The Commission is already **working with Member States** to support transposition and implementation. It developed **guidance documents** on renewable energy, energy performance, energy efficiency, and electricity markets as support.
- III. I will organise **two implementation dialogues** per year with stakeholders to align with realities on the ground. I will follow up on the assessment of national energy and climate plans (NECP) to support implementation of the existing legal framework and ensure that 2030 targets are reached. If the final NECPs show an ambition gap, the Commission will take all necessary measures including throughout the delivery of the agreed EU targets (see question 97 on NECPs ambition gap).

81. How do you see the role of infringements under the next mandate?

I. Infringement procedures are an effective tool in our toolbox, especially if dialogue with a Member State could not resolve a problem of transposition or implementation.

- II. The Commission is already **working with Member States** to support their transposition work and implementation efforts.
- III. I will be responsible for the delivery of policy objectives and targets within my portfolio. This means ensuring that existing and new energy legislation is fully transposed and implemented, by the agreed timelines. To achieve this, I intend to make full use of all instruments, including strengthened cooperation with Member States' administrations and the launching of infringement proceedings where necessary. I will support a proactive enforcement strategy to ensure the implementation of Europe's ambitious energy and climate targets, and delivery of the benefits on the ground.

82. How can the EP help to ensure implementation?

- I. The EP has a major role to play in implementation and delivering a true Energy Union.
- II. The EP has always expressed its **strong support for a common energy policy**. It has called for coherence, determination, cooperation, and solidarity between EU countries.
- III. Moving forward, the EP can use its political stature and support implementation by promoting regional cooperation, encouraging the sharing of best practices and technical expertise, as well as by facilitating visible joint projects that contribute to the EU's overall goals, working for example with industry, cities and Member States. I will make sure that my services pay attention to shortcomings of implementation that may be brought forward by the Petition Committee. Petitions and complaints from citizens and organisations are very relevant to identify eventual problems of application of EU law.

2040 TARGET AND CLIMATE LAW

Soundbite

- The EU's focus should be on implementing and enforcing the 2030 framework and policies to build a solid foundation for the 2040 energy framework, with lessons learned guiding future decisions.
- Energy production and use, currently responsible for **75% of EU emissions**, will decarbonise faster than other sectors.
- All renewable and low carbon energy solutions (including renewables, nuclear, increased energy efficiency, more and better storage and flexibility, CCS, CCU, carbon removals, geothermal and hydro-energy) are necessary to decarbonise the energy system by 2040.
- **Renewables** will be the backbone of the EU energy system by 2040. **Electrification** with a fully decarbonised power system by 2040 is the main driver of the energy transition.

83. Is the 90% target too ambitious? Or not ambitious enough?

- I. I am committed to the Green Deal and to achieving climate neutrality by 2050. Defining a target for 2040 is a legal requirement under the Climate Law and sets the EU on track to become climate neutral by 2040.
- II. The 90% recommendation by the Commission adopted in February 2024 was informed by the European Scientific Advisory Board on Climate Change. An impact assessment looks into environmental, social, and economic effects of the 90% ambition level.
- III. I will work with colleagues to help make sure that the 2040 GHG target is enshrined in Climate Law in the first 100 days. New post-2030 architecture to deliver on the climate target to be defined need certainty and a simplified framework for investors while delivering on 2030 targets. Energy policy contribution crucial given energy sector (production and use of energy) responsible for 75 % of GHG emissions. The energy sector decarbonizes faster than the other sectors by 2040 European electricity will be fully decarbonized. We will need all technologies, including hydrogen, CC(U)S, and nuclear. However, renewables will become the backbone of the European energy sector.

84. How can the energy sector help to reach the 90% emission reduction target by 2040?

- I. Energy production and use is currently responsible for 75% of EU emissions. The energy sector therefore has a central role in reaching the EU's climate ambitions for 2040 and climate neutrality by 2050.
- II. Power generation is the first sector to decarbonise and the most cost-efficient. Already in 2023, renewable electricity production was up a massive 46% compared with 2019 with new wind (+31% capacity) and solar (+113%) primarily replacing fossil fuels.
- III. Going forward, in addition to renewables, the EU will need all zero and low carbon solutions (energy efficiency, nuclear, storage) including some that are not deployed at scale yet (e.g., carbon capture and storage CCS, carbon capture and use CCU, industrial carbon removals, hydrogen, and synthetic fuels). I am fully committed to ensuring the energy sector plays its part in reaching the 90% emissions reduction target by 2040.

85. Do we need dedicated targets for energy (e.g. renewable and energy efficiency) for 2040 or a general greenhouse gas reduction target will be enough?

- I. Our energy targets have been a cornerstone of our decarbonisation path. So they will impact part of the discussions that we need to have on the 2040 energy policy framework.
- II. The present_architecture has proven effective and successful in delivering results. Targets provide **predictability for investors** and foster consumer confidence, innovation, and market growth for clean technologies. This is confirmed by the fact that COP 28 decided on the global renewables and energy efficiency targets.

III. My focus will be on the achievement of the 2030 energy and climate objectives, considering impacts on competitiveness and affordability. Based on that, I will work with colleagues to propose the necessary improvements to achieve the 2040 and 2050 goals in an effective manner with all the energy stakeholders on board. However, I see room for simplification when looking at a number of sub-targets in the energy sector.

ENERGY UNION (GOVERNANCE / NECPs)

Soundbite

- I will work to ensure a true Energy Union uniting all 27 Member States and supported by a strengthened governance that is adapted to current times, simpler and that addresses the social dimension of energy policy in line with the mandate of President von der Leyen.
- An efficient governance architecture is crucial for our citizens to see the benefits of our Energy Union and how it delivers our climate and energy ambitions, securing our energy supplies and providing more affordable energy for our business and consumers.
- We need an integrated governance that ensures a just transition based on cheap energy flowing across borders for a more competitive European industry and which benefits all consumers throughout the EU.

86. The Governance Regulation is too weak and complex. How will you revise it?

- I. The **Governance Regulation is a key tool** to meet the Union's 2030 targets for energy and climate, stimulate cooperation between Member States, contribute to greater investor certainty. It has simplified governance by bringing together several instruments.
- II. In September 2024, the Commission published its **evaluation of the Governance Regulation**, finding that the Regulation played an important role in keeping the EU on track to meet its 2030 energy and climate targets by making planning and reporting more coherent, integrated, and simpler.
- III. However, there is room for further simplification and rationalisation while addressing the widened and more ambitious 2030 objectives and setting the framework towards 2040 and climate neutrality by 2050. The governance framework should help bring investments and lower inefficiencies in the system that result from lack of coordination. As outlined in mission letter, I will propose to update and simplify the Governance Regulation accordingly, based on a fully-fledged impact assessment.

87. A large number of NECPs were submitted very late. Why?

- I. At date (7 Oct), we have indeed only received 12 plans
- II. Therefore, the Commission has launched **EU Pilot procedures** against the Member States that did not submit their final NECPs by the deadline of 30 June 2024.
- III. The Commission will continue to engage with the remaining Member States to assist them in submitting their final updated NECP as soon as possible, and I will use the revision of the Governance Regulation to further improve this strategic planning process.

88. NECPs ambition gap

- I. Collectively, the draft updated NECPs submitted last year fall short of the EU binding targets both in terms of renewables and energy efficiency contributions (note: also GHG target on the climate side). This is very worrying. As on [4th] October only [11] Member States had submitted their final updated NECPs.
- II. The NECPs are key tools to implement the 2030 framework, and attract the investments needed to fast track the clean energy transition. With only 5 years to go until 2030, It is crucial that Member States submit final updated National Energy and Climate Plans (NECPs) with the right level of ambition as soon as possible. Based on the draft plans, the Commission has issued specific and comprehensive recommendations to each Member State on the basis of their draft plans.
- III. I will not hesitate to take action to enforce the legislative framework. I intend to follow-up very closely to make sure Commission recommendations have been addressed in final NECPs. As regards potential gaps, first, we need all 27 final NECPs to assess any ambition gap (we have received 11 so far, 4 Oct 2024). Second, should the collective ambition in final updated NECPs remain insufficient for the achievement of the 2030 Energy Union objectives, the Commission will propose measures and exercise its powers at Union level. I will explore enabling, regulatory, and any appropriate measures to boost and accelerate the clean transition. I will work with the 27 energy ministers to make it happen.

89. How would you include nuclear energy in the future NECPs?

- I. It is indeed essential that Member States reflect in their NECPs the whole range of energy sources in their energy mix, including nuclear.
- II. Member States have already included information on nuclear energy in their NECPs when describing their plans for GHG emission reductions, even if there is no requirement for them to do so at this stage. This provides useful information for future analysis and policy proposals like the 2040 Communication.
- III. We will look at this issue in the context of the future update of the Governance Regulation. All zero and low carbon energy solutions, including nuclear, have a role to play in decarbonising the energy system in a technology-neutral way. The priority is to

achieve our energy and climate ambitions in a way that ensures security of supply, a competitive industry and affordable energy prices.

RENEWABLE ENERGY

Soundbite

- 75% of the EU's GHG emissions come from the energy use. Renewable energy is cheap. Accelerated deployment of renewables is key to achieve our climate targets affordably.
- Thanks to EU measures, there has been an unprecedented increase of RES in the last years, with wind and solar for the first time generated more electricity than fossil fuels during the first six months of 2024. The recently updated favourable EU framework, including high ambition and simple permitting, aims at driving renewable energy share from 23% today to the 2030 target of 42.5%, with the aspiration to reach 45%. The swift transposition in the Member States is key for the success of this policy.
- To sustain the acceleration of RES deployment and ensure that the benefits of cheap renewables reach households and industry, we must tackle challenges such as lack of grid capacity and flexibility solutions and promote electrification of end-use sectors. This will bring benefits for competitiveness, security of supply and energy sovereignty.

90. We need more renewables: what additional actions can you propose?

- I. More renewables are instrumental for energy affordability, resilience and boosting our clean-tech sector and deliver on the EGD. I'm strongly committed to support the deployment of renewables and enhance their integration.
- II. The EU has put in place a truly renewable-friendly legislative framework (revised RED, EMD) with an ambitious target for 2030.
- III. Its **implementation** will be a priority to ensure the benefits of cheap renewables are felt by the consumers. We will not only need to ensure we deploy more renewables we will also need to integrate them better in our energy system. As we are still far from the cruising speed needed to hit our agreed 2030 target, I will propose a new initiative to boost renewables and flexibility solutions, such as storage. I will also put forward the Electrification Action Plan and explore how accelerate the decarbonisation of heating and cooling and advance energy system integration. I will also promote deployment of grids needed to integrate increasing volumes of renewables. I also want to support expansion of renewables directly benefiting citizens as part of the **Citizens Energy Pact.**

91. Renewables are too difficult to integrate in the energy system: variable, needs more new infrastructure to bring to production site. Do you agree we need something else?

- I. Renewables are variable by nature, but we do have solutions to integrate them: better and more integrated grids, storage, or renewable hydrogen, as well as on flexible demand that can seek out the hours with the lowest prices. For instance, demand flexibility could reduce renewable energy curtailment by 61% (15.5 TWh less), improving the availability of renewable electricity to consumers.
- II. In 2020, the Commission adopted and implemented the strategy for **energy system integration**. This included provisions promoting flexibility, electrification of end-use sectors, re-use of waste heat, integration of EV batteries and heat pumps.
- III. I plan to progress further on energy system integration, electrification, and flexibility (including storage) to make the energy system more efficient. To this end, I will propose an Electrification Action Plan, as well as explore how accelerate the decarbonisation of heating and cooling and advance energy system integration. I will also promote deployment of digitalised energy infrastructure a key element to enable effective integration of higher shares of renewable energy and affordable prices for consumers.

92. Geothermal: will the Commission come up with more actions or a strategy?

- I. Geothermal is a technology which has a small share in today's EU energy mix but which holds potential for a wide range of applications from heating to power production. It faces **challenges** related to planning, permitting, skills, financing and availability of data.
- II. Geothermal energy benefits from the implementation of recent legislation, in particular renewables targets in heating and cooling under the Renewable Energy Directive, decarbonisation pathway towards 2050 for district heating and cooling networks a key user of geothermal and heating and cooling plans under the Energy Efficiency Directive.
- III. I want to further promote geothermal energy where the potential exists. There are good practices in Member States regarding financing and de-risking. I will engage with Member States on sharing such practices. I will also explore how to accelerate decarbonisation of heating and cooling and advance energy system integration looking at development of geothermal energy in the EU in synergy with other renewable technologies and elements of the energy system, such as thermal storage or district heating.

93. Faster permitting for renewables: How to balance it with environmental protection? How to ensure environmental standards?

 Deploying renewables contributes to reducing biodiversity loss and ensuring environmental protection, but it simply takes too long to permit renewables. It is not about lowering these standards, but about having a much more efficient system to deal

- with the applications for permits. We should not pretend that climate and environment are opposing objectives they work together.
- II. This is why better planning and accelerating permitting for renewables going hand in hand with high environmental standards has been at the centre of recent RED revisions.
- III. We need to focus now on bringing the results of these good rules across all Member States they should have been transposed by now, but in the majority of the Member States this work is still ongoing. I plan to work closely with the Member States on this front. We will support the authorities in strategic planning of renewables deployment, including in the areas of low environmental value, such as the renewable acceleration areas which the Member States should designate soon. Win-win solutions will be based on the multiple use of spaces, combining environmental protection with renewables deployment. In the same spirit, I will look into further ideas for speeding up permitting, in particular of storage and infrastructure needed for renewables integration.

94. What is you view about Hydropower project (done by Romania and Bulgaria) on the Danube, and about its heavy impact on the environment?

- I. Thank you for your question. I understand you refer to the Turnu Magurele-Nikopol hydropower project, which was included in July this year on the List of Renewable Energy Cross-border Projects under the Connecting Europe Facility for Energy (CEF Energy).
- II. This project will significantly help fill a gap in regional electricity production in the region. Projects included in the list of eligible cross-border projects do not automatically receive EU funding. If an application is submitted for studies and/or works, it still has to go through an **evaluation and selection process**, including the verification of its compliance with applicable environmental legislation and the 'do no significant harm' principle.
- III. I intend to take the sustainability aspect very seriously. Be assured, the Commission will continue to assess every application carefully against all criteria.

95. DK energy islands: How will you support much-needed energy islands/ offshore hybrid projects, such as the North Sea energy islands or the Bornholm energy project?

- I. Offshore renewables are key to meeting EU's energy and climate targets; and hybrid projects [such as the North Sea Energy Island or the Bornholm project] will be needed to fully harness our offshore potential.
- II. However, these projects also come with specific challenges: they require **substantial investments**, **close cooperation among Member States** and face **supply chain constraints**. Therefore, the Commission has put forward an offshore strategy and guidance documents which facilitate the offshore deployment and is addressing this also through the Grids Action Plan.

III. I plan to take action in order to strengthen coordination and fair collaborative investment solutions to ensure that this offshore generation materializes and effectively reaches demand centers. We must also explore additional tools to attract the necessary financing and facilitate cross-border agreements for those more complex offshore projects across Member States, including by clarifying cost-sharing.

HYDROGEN

Soundbite

- We will need both renewable and low carbon hydrogen to fully decarbonise the European energy system where electrification is not possible.
- The EU has put in place a **comprehensive regulatory framework** for hydrogen: targets in industry and transport, certification, market and infrastructure planning rules.
- Priorities are to increase competitiveness of the European companies and build the EU's resilience by supporting the full supply chain of the hydrogen projects. We will continue engaging with reliable partners around the world to develop a global hydrogen market.
- Implementing the **hydrogen regulatory framework** and the **Net Zero Industry Act** is important to provide certainty for producers, consumers, infrastructure developers.

96. Will you be able to create a hydrogen market by 2030?

- I. I am confident that the framework conditions r a European hydrogen market will be in place by 2030 allowing the hydrogen market to scale up.
- II. We have mandatory demand targets for renewable hydrogen in industry and transport. Production is ramping up. We have processes in place to coordinate the hydrogen network development to connect suppliers and buyers. Our market rules will ensure equal access for market participants and EU financing instruments support production, transport, and demand of hydrogen: Auctions under European Hydrogen Bank, the Recovery and Resilience Fund, Structural and Cohesion Funds, Research and Innovation Programmes. They are complemented by national support measures.
- III. As Commissioner, I will closely oversee the implementation of these rules and I will complete the framework by finalising the rules for low-carbon hydrogen, which are currently in public consultation.

97. Delegated Act on low-carbon hydrogen - state of play and next steps?

I. I believe that **low carbon hydrogen will play a role** to achieve climate neutrality and I agree that finalising the framework is important.

- II. The draft delegated act for a methodology for low-carbon hydrogen was published on 27 September and is **open for feedback for 4 weeks**. I encourage all relevant stakeholders to give their views.
- III. **Based on the feedback,** as **Commissioner** I **will finalise the delegated act** for adoption before transmitting it to the European Parliament and to the Council. [In line with the legal mandate, we will ensure that the methodology is fully coherent with the rules applying for renewable hydrogen and will cover relevant production pathways.]

98. Delegated Act on renewable hydrogen – the rules for production are too strict and should be revised

- I. I am carefully listening to claims regarding the challenges to meet the renewable hydrogen criteria and their impact on investment.
- II. It is important for investment certainty to have stable rules in place so that project promoters have a clear reference point. The delegated act itself and the Renewable Energy Directive include a review moment by 1 July 2028.
- III. As Commissioner, I will closely monitor effects of the delegated act on hydrogen project development but also on the electricity markets, ready to take action if the situation requires. Let's recall that the hydrogen sector is modelled to be the greatest electricity consumer by 2050, around 30%, so it is important that we get the equation right.

99. Should we focus more on hydrogen production in the EU or import from third countries?

- I. We need to make sure that Europe has all the hydrogen it needs to decarbonise its hard-to-abate sectors and that it can do it in the most competitive way. For this, we will need both locally produced and imported renewable and low-carbon hydrogen.
- II. This is recognised in the European Hydrogen Strategy and confirmed in the REPowerEU plan and in the revised Renewable Energy Directive. Imports of renewable and low-carbon hydrogen from partner countries allied with strong and accessible production in the EU will help our industry compete globally.
- III. As Commissioner, and in the context of a stronger European Energy Union, I will deliver a Union strategy for imported and domestic hydrogen, as required under the Renewable Energy Directive and recommended also by the European Court of Auditors. Furthermore, I will step up work on the Hydrogen Mechanism and explore further the international leg of the European Hydrogen Bank to establish a European import auction of renewable hydrogen to complement domestic production.

100. Where are we with the REPowerEU objectives for hydrogen (10 Million tonnes), how are you measuring them? They are too ambitious; will you scale them down?

- I. While I recognise the challenges in scaling up the hydrogen value chain, this does not impact, in any way, the EU's strong commitment to phase-out Russian gas and enable industrial decarbonisation.
- II. The **renewable** and low-carbon hydrogen targets of 20 Million tonnes H2 in REPowerEU are aspirational and were set with the objective to reduce imports of Russian natural gas.
- III. For me as Commissioner, the **implementation of the 2030 binding consumption** hydrogen targets set out in the Renewable Energy Directive by Member States **remains a priority**. This creates **investment certainty**, which is needed to scale up the hydrogen value chain in Europe. I will use all available tools to ensure implementation, in particular the NECP process. (The latest calculations suggest that the implementation of the Green Deal will result in about 3-6 Mt renewable hydrogen by 2030).

101. European Hydrogen Bank – state of play and next steps?

- I. Commissioner-designate Hoekstra oversees the Innovation Fund and the domestic Hydrogen Bank auctions.
- II. I understand that the criteria for the second auction were published on 27 September.
- III. I will closely cooperate with Commissioner-designate Hoekstra on the auctions and on developing criteria for the domestic auctions as the market develops. In addition, I will explore further the international leg of the European Hydrogen Bank to establish a European import auction of renewable hydrogen to complement domestic production.

102. How do you plan to make hydrogen and clean tech valleys a reality?

- I. Under the leadership of Commissioner-designate Zaharieva, the Acceleration Valleys and Hydrogen Valleys will create manufacturing clusters and foster industrial symbiosis in integrated ecosystems for the development of the net zero technologies and projects we need (e.g. electrolysers and fuel cells). This will accelerate investments, promote cutting edge innovation, and increase supply chain resilience.
- II. We will build on what is already delivering results, such as the Clean Hydrogen Joint Undertaking, which supports 19 projects on Hydrogen Valleys with a EU contribution of EUR 308 million. The 'Roadmap for accelerating the deployment of Hydrogen Valleys' outlines additional measures to reach a goal of 50 Valleys by 2030 in the EU. These include the Clean Hydrogen Knowledge Hub and the Hydrogen Academy, and initiatives to pull and crowd in funding.
- III. I will closely **cooperate with Commissioner-designate Zaharieva** to create the conditions for researchers and innovators to promote the development of critical technologies and their deployment in the European Union.

103. Demand aggregation for hydrogen – state of play and next steps?

- I. The hydrogen market is in its early stages and needs to ramp up to meet the EU's decarbonisation needs. An EU-wide Mechanism can help to develop the hydrogen market, especially by increasing transparency.
- II. In line with the new regulation, the Commission is designing such a pilot Hydrogen Mechanism, based on extensive exchanges with relevant stakeholders.
- III. The Hydrogen Mechanism is planned to be launched around mid-2025. It will match hydrogen demand of European consumers with suppliers in the EU and globally. It will also provide information on financing opportunities.

BIOENERGY

Soundbite

- Bioenergy is currently the main source of renewable energy in the EU, with a share of almost 60%. We will need sustainably sourced bioenergy to reach the EU's 2030 climate and energy targets, as well as carbon neutrality by 2050.
- The Renewable Energy Directive sets the rules under which biomass can be counted towards the overall and sectoral renewable energy targets and receive subsidies. It also introduces sustainability criteria and greenhouse gas emission savings criteria for biomass from forestry, agriculture as well as from waste and residues.
- We need to accelerate sustainable bioenergy production to reinforce energy security
 and contribute to the reduction of greenhouse gas emissions in Europe, while
 providing additional sources of income to EU farmers and foresters.

104. How to ensure the sustainability of the bioenergy sector in the EU and risks of fraud internationally?

- I. I am aware of the fraud allegations in the context of imported sources of biofuel and understand that the services are working with the Member States to address these issues.
- II. Under the Renewable Energy Directive, the Commission developed a global system of sustainability certification and traceability of fuels. Its aim is to ensure that our renewable targets are met by truly sustainable fuels and that we actually contribute to the fight against climate change. Detailed certification rules, in force since last December, are complemented by a global traceability tool, the Union database. The latter will trace all renewable fuels through the whole value chain, from feedstock production to consumption. The certification and traceability rules apply equally to any economic operator in the EU and 3rd countries, which makes sure that there is a level-playing field in a global context.

III. I will make sure that these rules will be developed further to deter any risk of fraud.

105. How to ensure woody biomass sustainability for energy use?

- I. Woody biomass is a significant source of renewable energy and we must make sure that forests remain available as carbon sinks and that woody biomass is used sustainably.
- II. The amended **Renewable Energy Directive** includes stronger sustainability criteria and greenhouse gas emissions savings criteria for **biomass from forestry**, **agriculture and waste and residues**. It sets rules under which biomass used for energy can be counted towards the renewable energy targets and that it should be used according to its highest economic and environmental added value, in line with the so-called cascading principle.
- III. As Commissioner, I would **closely oversee correct implementation** of this framework.

106. Should we prioritise land use for bioenergy or agriculture?

- I. I recognise that this is a question, which is still regularly discussed, but actually the existing EU legislation already sets out the rules for this conflict.
- II. The EU policy for sustainable biofuels production is based on a circular approach to the use of raw materials coming from agricultural biomass, which promotes food/feed production and energy crops in a complementary way. With this, the EU incentivises advanced biofuels produced from waste or residues of the biomass. First generation biofuels, produced from food or feed crops, can play only a limited role and the Renewable Energy Directive caps their contribution towards the targets (maximum 7% of biofuels). In addition, the exclusion of biomass from crops, which cause deforestation, from our counting/promotion is another important aspect of our sustainability policy.
- III. I intend to closely oversee the correct implementation of these rules.

107. How can bioenergy help the development of rural areas and farmers?

- I. Agriculture can be combined with energy production, including biofuels, biogas and biomethane as well as solar and wind energy. Under certain conditions, this multiple use of space can establish synergies, whereby energy production can also contribute to crop protection, yield stabilisation or sustainable fertilizers' production.
- II. Compared to the potential for energy production the EU agriculture offers, its current deployment is rather limited.
- III. I stand ready to facilitate accelerating renewable energy production in rural areas as an important element of Just Transition, with additional revenues for farmers while reinforcing energy security and contributing to the reduction of the GHG emissions in the EU. Farmers in particular can benefit from participation in energy communities.

108. REPowerEU includes a target of 35bcm of biomethane by 2030. How do you plan to deliver on this?

- I. From the country I know best, biomethane can support the development of the agricultural sector while replacing fossil gas. We have seen the importance of that during the energy crisis. Furthermore, using organic waste for biomethane production instead of leaving it in landfills significantly reduces methane emissions.
- II. The Commission has been working closely with industry in implementing the goal of 35bcm biomethane production. This helped identify many of the hurdles and challenges the market faces.
- III. For the future, I intend to ensure that the gas market rules are implemented to facilitate biomethane trade. I plan to closely monitor biomethane developments through the NECP process, ready to work with Member States to help them fully exploit their potential. I will also see how our cooperation with the industry can be best taken forward.

109. Based on the Renewables Directive, the Commission should have adopted by the end of last year the trajectory for phasing out high-ILUC fuels. Will you put forward the relevant delegated act?

- I. I understand that this is one of the more political topics under the Renewable Energy Directive and was also discussed extensively during negotiations.
- II. In line with our sustainability commitments, we also want to make sure that producing biofuels for the EU does not lead to indirect land use change (ILUC). We have a delegated act in place that sets out the criteria for what is considered high-ILUC crops.
- III. We need to take this forward based on the latest data. I intend to discuss this in detail with the relevant Commissioners and their services to follow up on this work and will work closely with the European Parliament.

METHANE

110. How to ensure implementation of the new methane regulation and avoid too much administrative burden for energy industry?

- Methane is the second biggest contributor to climate change, more harmful than CO2 while also increasing air pollution. The new EU Methane Regulation is crucial to reduce methane in the atmosphere.
- II. Oil, gas and coal operators are obliged under the Methane Regulation to reduce their emissions and to report on them. I believe the energy industry can manage these necessary reporting responsibilities without sacrificing efficiency or profitability. These obligations should be seen as an investment that leads to long-term benefits: firstly, non-emitted methane can be sold on the market; secondly, industry will become less

- greenhouse gas intensive and conduct more efficient operations; and thirdly, it will reduce risks for public health.
- III. I believe the energy industry can manage these reporting responsibilities without sacrificing efficiency or profitability. I stand ready for an open dialogue with the sector.

111. Should we not extend the regulation to other sectors as well?

- I. The **reduction of methane emissions** is most cost-effective in the energy sector. These findings are **backed by the International Energy Agency**.
- II. Emissions from industrial activities, the waste sector and agriculture are tackled by other pieces of EU legislation and policy, such as the Effort Sharing Regulation, the Industrial Emissions Directive, the Waste Directive and the Common Agricultural Policy.
- III. The lessons learned from implementing the Methane Regulation in the energy sector will provide valuable insights and guidance for the future governance of emissions from those other sectors.

ENERGY EFFICIENCY AND DEMAND REDUCTION

Soundbite

- Energy efficiency is **key for Europe's competitiveness and reducing costs for households**. It lowers energy bills, reduces our import dependencies, addresses energy poverty, and ensures the most cost-efficient decarbonisation path for Europe.
- Financing is crucial for meeting the 2030 objectives. We need to actively mobilise both
 public and private capital. We need to provide support to citizens and enterprises and
 to develop skills. Energy efficiency will be an integral part of the EU Clean Energy
 Investment Strategy.
- It will also be important to **develop a market approach for energy efficiency**. The aim is to monetise energy efficiency by leveraging the numerous financial and other benefits that energy efficiency brings for industry, households and the transport sector. I will analyse the different options through which this could be achieved.

112. How does Energy efficiency contribute to just transition and affordability?

I. Energy efficiency supports a just transition and alleviates energy poverty by lowering energy demand, reducing costs for consumers, and improving access to affordable energy, especially for low-income and vulnerable households. These consumers profit most from energy efficiency measures as energy costs often comprise a disproportionate share of their disposable income.

- II. For example, through the just transition and modernisation funds, the Commission has already taken significant steps towards reskilling workers in coal, carbon-intensive and poor regions towards energy efficiency jobs. This reskilling ensures that vulnerable communities benefit from the shift to a greener economy.
- III. I will continue to focus on delivering energy efficiency improvements in the wider economy through targeted investments to support a cleaner, more inclusive, and affordable energy system for all. **Electrification is the single most important driver of energy efficiency**. I will present an Electrification strategy to identify barriers and what we can do to address them.

113. Energy efficiency provisions are too burdensome. How can you simplify?

- I. The co-legislators put in place a robust legal framework for energy efficiency just last year. Energy efficiency is the low-hanging fruit that isn't picked.
- II. Much has already been done to simplify the administrative burden as this was one of **the building blocks of the proposal for a recast of the Energy Efficiency Directive.**
- III. Energy efficiency is an opportunity for cost savings and lower energy bills. So we have to make it easy. I will evaluate by 2027 and by 2029 respectively the Energy Efficiency Directive and the Energy Performance of Buildings Directive, as envisaged, to see what further simplification is appropriate.

114. Energy efficiency is too expensive. Do you have an assessment of the costs? How to finance the measures?

- I. Energy efficiency measures are investments with multiple benefits which pay back through reduced energy bills, increased asset values and improved energy security. Our data shows pay-back times of 3-5 years in industry and 5-10 years in buildings.
- II. Nevertheless, energy efficiency faces a large financing gap, particularly for the poorest and most vulnerable. A lot has already been done to address this situation, including through public support programmes and de-risking measures.
- III. But more needs to be done, also for a just transition and to make sure that energy poor households can benefit from energy efficient homes and technologies to lower their bills. So this is high on my agenda, also as Housing Commissioner. One of the things I will do is evaluate energy efficiency financing together with the European Energy Efficiency Financing Coalition to improve the effectiveness of our investments in this area.

115. Energy Efficiency First Principle: Is it delivering? How should the public and private sectors implement it?

I. Many thanks for your question, which directly points to my Mission Letter, clearly stating that the **Energy Efficiency First principle must be implemented on the ground**. There is

- a **strong economic case** for the Energy Efficiency First Principle it is a cost-efficiency principle and can help **optimising existing assets** before creating new ones.
- II. Sector-specific guidance for industry, networks, and the financial sector, helping institutions assess energy-efficient solutions were already developed.
- III. A lot more needs to be done for the principle to become reality. I plan to work with Member States and stakeholders to provide all necessary assistance, as well as mainstream the principle also in the Commission's work.

116. Investments for energy efficiency: How to mobilise the level of investments needed and fill the gap to reach energy efficiency target by 2030?

(SG instructions no Commissioner-designate to commit to anything during the hearings)

- I. Thanks for your important question, which touches upon the EU's ability to achieve the 2030 energy efficiency targets, which will need substantial investments.
- II. A lot has been achieved to support energy efficiency investments, and the EU budget has played a critical role. The launch of the European Energy Efficiency Financing Coalition has been a significant step forward in mobilising private sector investment, which will need to cover at least 80% of the investment volume according to Commission's estimates. Important support has also been allocated by Member State to energy efficiency investments in the context of the Recovery and Resilient Plans.
- III. Because energy efficiency is so important for our energy security and our competitiveness, I intend to do what I can to bring investments into energy efficiency as part of the energy investment plan. I will also explore concrete financing measures within the European Energy Efficiency Financing Coalition to leverage private investment.

117. Data centres: what else can you do to improve their energy efficiency?

- I. Data centres indeed represent one of the fastest growing sectors as regards electricity consumption. In the EU data centres electricity consumption is estimated at 65 TWh (in 2022) and this equals to 2.7% of the electricity consumption of EU27 [already in the Netherlands, Denmark and Luxembourg, data centres consume 5% of the total electricity, a percentage that in Ireland reaches an astonishing 18%, projected to be 30% by 2026].
- II. The Commission has already taken steps to improve the energy efficiency of data centres, e.g. by reducing the energy consumption of data centre equipment, and by promoting waste heat reuse, use of renewables and new cooling solutions.
- III. Nevertheless, we can do more. I see a need to make data centres more efficient and sustainable across Europe and will explore the best ways to get there. Labelling scheme or minimum performance standards are options to explore but also system integration waste heat from data centres is an important energy source and should be made use of.

118. How would you encourage more investment in waste heat recovery?

- I. Industries and the commercial sector can benefit widely from available excess heat. For this we need to be able capture this waste heat and explore the creation of a market.
- II. Past work as revealed several factors that can improve the waste heat market and the feasibility of waste heat reuse. These include **supportive policies and incentives**, **reducing upfront costs**, improving sector collaboration, and technological advancements.
- III. The Clean Energy Investment Strategy for Europe will contemplate investments in waste heat recovery, to ensure the implementation of legislation, solidify the economic case for these initiatives, and develop targeted initiatives to pave the way for decarbonization in the heating and cooling sector.

119. EU single market rules on Ecodesign and energy labelling are not properly checked or enforced, to the detriment of consumers and the environment – what will you do?

- I. There are indeed indications that **too many non-compliant products reach the Single**Market. This reduces benefits for consumers and is unfair for law abiding manufacturers.
- II. **Member States have the clear responsibility to enforce these rules**. The Commission is already providing significant support, including through financing of joint actions.
- III. **But I also believe that more could be done,** including in the digital realm (e.g. improving detection of non-compliant products offered online) and through enhanced coordination (e.g. aligning approaches to increase market surveillance effectiveness). **I will explore ways to improve the situation with the Member States**, while recalling their obligations to dedicate adequate resources to protecting our internal market.

120. The Energy Efficiency target: What is the rationale behind and why do we need it?

- I. Energy efficiency optimises the use of the locally produced renewable energy, reduces the need to import energy, thus contributes to lower energy bills and a more resilient and competitive Europe.
- I understand that the target of 11.7% was agreed based on a cost-efficient pathway to meet the 2030 decarbonisation target, that is, on meeting our climate action target without sacrificing growth. A lot has been done recently, and European countries have delivered clear improvements in their energy efficiency and security.
- III. We are still far from the speed needed to reach our agreed targets. I plan to follow closely these efforts and ensure that we can harvest the full positive impact of energy efficiency without overstretching our resources or jeopardising the plans for a prosperous and competitive Europe. I am committed to making sure that we deliver a cost-efficient and just transition that strengthens Europe's competitiveness and security.

121. Target for Primary Energy consumption versus Target for Final Energy Consumption

- I. Like others, I have struggled to fully understand the two targets Primary Energy Consumption (PEC) and a Final Energy Consumption (FEC) targets.
- II. As set out in EU legislation, a target in Primary Energy Consumption pushes for improvements and optimisation of the whole energy system, but it might be seen as influencing the choice of the energy mix by Member States. A target in Final Energy Consumption appears easier to understand and operationalise as it measures the energy consumed by final consumers and equipment, even if it ignores the significant inefficiencies in the power generation, transformation, and distribution sectors.
- III. I plan to work to achieve the best of both worlds: optimise energy demand and use from the citizens and business while building an energy system that is efficient, decarbonised, competitive and available when and where needed.

122. Why are we not using energy intensity to measure how much energy is consumed?

- I. Energy intensity could indeed be an alternative way of measuring energy efficiency. It measures energy consumption relative to GDP and is influenced by how GDP is defined also in each sector and on the structure of a country's economy. This means energy intensity can increase or decrease because of changes in the economy rather than changes in the energy system itself. In other words, energy intensitys influenced by how GDP is defined.
- II. This means energy intensity can increase or decrease just because of (real or not) changes in the economy rather than changes in the energy system itself. Therefore, and as set in the EU agreed legislation, I believe that it remains preferable for the EU to continue using Energy Consumption as a more accurate indicator of progress in how efficiently and how much energy is consumed.
- III. This being said, I am ready to assess if in the context of, e.g. reshoring industry, more appropriate ways to measure energy efficiency progress can be helpful.

ENERGY SYSTEM INTEGRATION/ DIGITALISATION / ELECTRIFICATION

Soundbite

- Need to better integrate the various elements of the energy system: power and heat supply, hydrogen, flexibility, and end-use sectors to accelerate decarbonisation and make the system more efficient through exploiting synergies. This also includes nuclear energy from Member States that produce it.
- Faster electrification will be decisive for the transition and should come with more renewables as well as flexibility. The share of electricity in energy consumption has remained stagnant over the last decade, but the new EU framework will accelerate that

- process for industry, transport, and buildings. In this regard, **further digitalisation** of the energy system is key. Skills to manufacture, deploy and repair all these new critical technologies for electrification will be needed.
- To this end, I will propose an **Electrification Action Plan** and a **Strategic Roadmap on Digitalisation and AI**, to ensure that Europe's industrial transition towards net zero is powered by a smart energy system with homegrown, clean electricity.

123. Electrification target: would you support an electrification target?

- I. Electrification is the most cost-efficient way to decarbonise a larger part of our energy system. Recent modelling shows that we need to double this rate to 50% by 2040 (the share of electricity in final energy consumption has remained stagnant over the last decade at around 22-23%).
- II. The existing legal framework to promote electrification, including the deployment of **heat pumps in buildings, electrification of industrial processes** in industry and uptake of **electric vehicles** must be implemented rapidly. Renewables, electrification and flexibility can boost European competitiveness, slashing average day-ahead energy prices by 25% by 2030, and by 33% by 2040 with substantial benefits to consumers and businesses.
- III. As a next step, I will prepare an Action Plan to foster electrification further. I will look at what are the best possible instruments and put in place the ones more adequate in relation to our needs and goals.

124. Electrification Action Plan: What is the objective of this plan?

- I. We need an Electrification Action Plan that builds on the existing policy framework and proposes concrete actions to speed up electrification.
- II. **Important** steps have been taken to progress in the electrification of consumption with the Fit for 55 package and more recently the revision of the electricity market design.
- III. In my view, the Action Plan will need to focus on enhancing the attractiveness of electricity as energy carrier and on accelerating the deployment of the clean energy technologies that consumers need. The plan will also have to highlight the role of storage and flexible demand to alleviate the burden on the grid by enhancing access to the rising number of hours with lower electricity prices, thanks to renewables. At the same time, it will increase awareness of the multiple benefits brought on by electrification. This, combined with the Citizen Energy Package, will ensure that consumers have the tools they need to participate in this transition.

125. Digitalisation: what are priorities in this area for the energy system?

- I. **Digitalisation of our energy system is crucial towards climate neutrality,** from boosting renewables, ensuring energy security of and efficiency, to bringing down energy costs.
- II. In October 2022, the Commission adopted an EU Action Plan for digitalising the energy system. The Action Plan is in full implementation with significant successes.
- III. As a next step, we need to speed up the uptake of digital technologies, in particular smart grids and smart meters. These are key elements to delivery on energy efficiency, Energy System Integration and increased electrification. We also need to address enabling factors such as access to energy data, and actively manage challenges such as cybersecurity, data privacy, the sustainability of digital solutions, and the availability of skills. Again here, no one should be left behind.

126. Heating and cooling: the decarbonisation of the heating and cooling sector is key in your Mission letter. Will the Commission propose a strategy?

- I. We clearly need to promote energy efficient, renewable solutions in these areass.
- II. The framework approved in the outgoing mandate, notably the revised RED, EED and EPBD, provide **strong policy signals for clean heating solutions**. This includes heat pumps that can bring the benefits of renewable electricity to heating and cooling. The **Commission has been engaging with stakeholders** to explore ways forward on the **acceleration of the rollout of heat pumps** in buildings, industry, and district heating.
- III. Heating and cooling in housing and industry represent a large share of our energy use. So, I want to do what I can to decarbonize in the most cost-efficient way. This is of course first of all about timely and ambitious implementation. I plan to build on the outcome of this work, including an Electrification Action Plan and do what I can to accelerate the decarbonisation of heating and cooling and advance energy system integration.

NUCLEAR & FUSION

Soundbite

- The Commission has long acknowledged the role of nuclear as a low-carbon energy source, while recognising that the decision on its use remains with Member States.
- To ensure that the use of nuclear by Member States contributes best to decarbonisation, electrification, and security of supply, we need to better integrate nuclear energy in EU's overall energy strategy.
- Industry and Member States need an **enabling framework** to invest, innovate in new technologies and ensure **adequate skills** and competitive supply chains. Under my mandate, a **needs assessment** should be done though a new Nuclear Illustrative Programme.

- The EU also needs to continue **diversification efforts** away from unreliable suppliers to increase security of supply for nuclear fuel, in close cooperation with international partners.
- The European SMR Industrial Alliance should facilitate the safe deployment of Small Modular Reactors (SMRs).
- **Further investments** in fusion development and coordinated development of a European governance structure **require a new Fusion Strategy**.

127. You are known for your anti-nuclear stand. But we need it to reach decarbonisation. How will you treat nuclear energy as Commissioner?

- I. As a national minister in Denmark, my position reflected the specific circumstances of my Member State. But I have always recognised that even for Denmark, nuclear represents 5% of the power mix due to electricity imports from Member States producing nuclear energy. You will appreciate that my duties as EU Commissioner are not the same as a national minister.
- II. As a European Commissioner this is my role: to act in the interest of the EU, and in full respect of the Treaties. Not only do I believe that technological neutrality is important I also firmly stand by Member States' freedom to choose their energy mix in line with the Treaties: 'united in diversity' is the EU motto and fully applies also to energy.
- III. The EU 2040 Climate Target Plan emphasises the need for further electrification with a fully decarbonised power system by 2040, as the most cost-efficient way. This requires us to to use **all available low-carbon technologies**. Projections show that decarbonised sources will generate over 90% of electricity in the EU in 2040. The bulk is projected to come from renewable energy with an important contribution from nuclear energy.

128. Member States are divided over nuclear. How ensure constructive policy making?

- It is true that EU Member States are divided over the role and use of nuclear energy in the EU and that this sometimes makes it difficult to reach agreement at EU level on important energy policy issues. It is, however, also important to note that, despite the differences, Member States cooperate in a constructive manner on issues such as **nuclear safety, security and safeguards, including in war-torn Ukraine,** as well as on nuclear technologies in non-power applications for example in research, agriculture, and medical uses such as cancer diagnosis and treatments.
- II. The Treaty gives each **Member State the right to choose its own energy mix.** This must be respected by the institutions and by **all EU Member States.** We need to work jointly to integrate the role of nuclear into the EU energy policy.

III. Going forward, I will do my best to bring a **stable political direction and enhanced dialogue** between Member States as well as increased public engagement so that we can
overcome the current challenges, working with each other rather than against each other.
We need all technologies. I intend to be an **honest broker** in reaching agreement at EU
level. I will also meet the nuclear industry to discuss the contribution of nuclear to the
decarbonisation agenda and understand needs, challenges and opportunities.

129. Nuclear is too expensive, there is no business case, why would you push for it?

- I. It is true that the cost of **nuclear energy is determined by high upfront (investment) costs** of building nuclear plants, including regulatory compliance and safety measures.
- II. Once operational, nuclear power however has relatively low operating costs due to low fuel costs, and the plants can operate for several decades, providing reliable and affordable electricity critical for Europe. It is for each Member State to determine if the benefits of using nuclear in the national energy mix justifies the investment.
- III. As Commissioner, I will closely collaborate with my colleagues in the College, with all EU relevant Member States and EU regulators to facilitate the development of a **strong EU supply chain for the nuclear industry** while ensuring that Europe continues to target the highest possible level of nuclear safety.

130. The Euratom Treaty has not been changed for decades and is no longer fit for purpose. The Parliament has no say on nuclear policy. Will you propose to change it?

- I. A revision of EURATOM is not a new question. Last time it was addressed was during the preparation of the Lisbon Treaty (2007), but **no consensus was reached** among Member States to amend or reform it on substance.
- II. Despite being 67 years old, this Treaty has managed to provide an appropriate and effective basis for the development of one of the most advanced legal frameworks in the world in the areas of nuclear safety, spent fuel, radioactive waste management, safeguards, and radiation protection.
- III. I will extend consultations with this House by all possible means to enhance the **involvement of the Parliament in policymaking under Euratom**. This will increase transparency and the democratic legitimacy of decisions taken on nuclear energy.

131. How will you support and finance nuclear energy?

It is true that, as other clean energy technologies, nuclear projects strongly depend on a stable enabling framework to facilitate public and private financing. Important measures were already included in the reform of the Electricity Market Design, the Taxonomy Framework, and the Net Zero Industry Act.

- II. For financing of research and innovation, the EU uses mainly the Euratom Research and Training Programme as a dedicated tool in the EU (current budget of EUR 1.38 billion, under DG RTD and DG JRC). The Commission will naturally continue to assess state aid requests for nuclear projects under EU competition rules (e.g. Dukovany NPP state loan by CZ of around EUR 7.74 billion and Nuward SMR grant by FR of EUR 300 million).
- III. Looking ahead, I plan to launch an assessment of nuclear investment needs in Member States, based on updated scenarios and final updated National Energy and Climate Plans. This assessment could also be reflected in a new Nuclear Illustrative Programme (PINC) under the Euratom Treaty to assess the costs and investment needs for upskilling, diversification efforts and development of competitive supply chains.

132. Will the COM put forward a 'Nuclear Act'? (as in the media over summer)

- I followed the reports in the media and it is true that this had been mentioned by a former member of the Commission [Cssr Breton]. Currently, I am not aware of any such plans.
- II. In addition to the Euratom Treaty and legislation ensuring nuclear safety and safeguards, nuclear is already included in a number of legislative tools to support nuclear energy projects in the EU, such as the recently adopted revision of the Electricity Market Design, the Taxonomy framework and Net Zero Industry Act.
- III. Under the new mandate, I will pursue opportunities for nuclear energy to be **further integrated into EU energy policy**, and the Energy Union. It is important to **see the energy system as a whole and to ensure coherence** across different sectors.

133. How will you promote small modular reactors (SMRs) and progress of the SMR Alliance?

- I. Small Modular Reactors could be an important technology in some Member States to support decarbonisation, especially for remote regions and hard-to-abate industries.
- II. As you know, the Commission launched the **European SMR Industrial Alliance** this year. The Alliance aims to develop technology roadmaps by the end of 2024, and to identify the most promising SMR technologies and a Strategic Action Plan by early 2025.
- III. Building on the Alliance, I will be looking into accelerating the development and safe deployment of SMRs. To significantly contribute to our climate neutrality objective, SMRs will need to be operational in the 2030s while fully complying with the strict EU nuclear safety requirements. But SMRs are also about our competitiveness and industry. I will also continue to support SMRs through other available tools, such as funding under the Euratom Research and Training Programme for research on enhanced safety features of SMRs (already contributing EUR 40 million to various SMR research projects).

134. Nuclear safety and security in third countries (e.g. BY, TK and Ukraine): how do you ensure it?

- I. This is an important question since nuclear safety and security have no borders.
- II. Following the Fukushima accident in 2011, the Commission together with national safety regulators conducted extensive safety stress tests to verify the resilience of EU nuclear power plants. Stress tests have also been conducted with Switzerland, Ukraine, Armenia and Belarus. A stress test with Turkiye is currently ongoing and will soon be finalised.
- III. I will continue and expand these stress tests to all relevant nuclear facilities and also continue to support nuclear safety in **Ukraine** including at the occupied **Zaporizhizhia** nuclear power plant. Since 2022, the total Commission support to Ukraine amounts to around **70 million** for nuclear safety. I will also work tirelessly to support and improve the **international legal framework** on nuclear safety, security, safeguards and safe radioactive waste management in all appropriate international fora.

135. We should focus on building new renewables instead of nuclear newbuild projects. China is now installing every week new wind and solar capacity equivalent to five new nuclear reactors.

- I. I have also seen the Chinese figures. They indeed reflect a massive expansion of renewable energy worldwide. Renewables added in 2023 on average every 4 days the same new installed capacity as the new nuclear capacity added globally in the whole 2023. Unfortunately, China has also scaled up coal power deployment.
- II. In the EU, there has been an unprecedented increase of renewables in the last years. Wind and solar for the first time generated more electricity than fossil fuels during the first six months of 2024. The recent favourable EU framework, including high ambition and simple permitting, aims at driving the renewable energy share from 23% today to the 2030 target of 42.5%, with the aspiration to reach 45%.
- III. At the same time, nuclear is a zero-carbon energy source which a number of Member States legitimately include in their decarbonization strategies. This is fully in line with the prerogatives of Member States to decide on the use of energy sources set in Article 194 of the Treaty. As Commissioner, I will stand by Member States' right while ensuring that nuclear energy complies with the highest safety standards.

136. Diversification: how do you ensure we move away from Russian supplies?

- I. **Diversification at all stages of the nuclear fuel cycle** is paramount to prevent excessive dependence from Russia and achieve security of supply.
- II. Five Member States with Russian-designed reactors (BG, CZ, HU, SK, and FI) are still dependent on Russian fuel but are seeking supply of alternative fuel as fast as possible. Alternative fuels have been contracted in four of them (FI, CZ, SK, BG) and two Member States (FI, BG) have already loaded alternative fuel in their reactors. Under the Euratom Research and Training Programme, two projects have also been launched to support

diversification of fuel supplies for the Russian-designed reactors. However, dependencies on Russia also exist for the **supply of spare parts and maintenance services** as well as for **conversion and enrichment** services.

III. I will make sure that the **roadmap towards ending Russian energy imports** will cover also the full nuclear supply chain to ensure EU autonomy.

137. How to address nuclear waste?

- I. Responsible management of radioactive waste is a pre-requisites for the safe use of nuclear energy. Spent fuel and radioactive waste must be managed and disposed of safely to prevent putting burden on future generations. Effective solutions for this sensitive topic are essential for citizens' acceptance of nuclear energy.
- II. Member States must fully implement the Euratom Radioactive Waste Directive and enhance transparency, by making all information publicly accessible. The Commission's latest report shows that, despite some progress, Member State implementation is not fully achieved for all categories of radioactive waste. In particular, permanent solutions for spent fuel and high-level radioactive waste are still lacking.
- III. I therefore intend to **evaluate the Directive** to possibly propose a reviewed legal framework. This should amongst others ensure that Member States producing spent fuel and high-level waste develop solutions for its disposal in a safe and sustainable manner.

138. How to ensure supply of medical radioisotopes in Europe and ensure global leadership?

- I. I agree that EU leadership in medical radioisotopes is important, both for the **health** of our citizens and for the **competitiveness** of our industry and research organisations.
- II. In 2021 the Commission adopted a Strategic Agenda for Medical Ionising Radiation Applications (SAMIRA). SAMIRA includes actions towards a "European Radioisotope Valley Initiative (ERVI)". ERVI should optimise the EU radioisotope production capacity, support research and innovation and strengthen the EU monitoring of radioisotopes supply. This will decrease EU dependence on Russian as well as US supply.
- III. As Commissioner, I intend to make a proposal on ERVI by the end of 2025. The proposal will build on existing EU mechanisms, such as the European Observatory on the Supply of Medical Radioisotopes and the work of the Joint Research Centre.

ITER - FUSION ENERGY

Soundbite

• Fusion energy is a promising future energy technology. ITER (International Thermonuclear Experimental Reactor) is a "power plant-sized" experimental fusion device designed to

- prove the scientific and technical viability of fusion as a new carbon free energy source, and to take fusion energy to the threshold of industrial exploitation.
- In light of the recent progress in fusion projects worldwide, the EU needs a strategic approach to **achieve commercial fusion**: First and foremost by funding the ITER project, but also by supporting other important projects, eg testing materials or exploring alternative concepts.
- I will therefore **propose a new fusion strategy for the EU**. This strategy will include ITER and relevant smaller projects and a proposed regulatory framework.

139. ITER is expensive and badly managed, we should spend money on other technologies.

- I. ITER is indeed a very costly project, but the ambition to prove the feasibility of using fusion as an energy source is very high and its potential very promising. The overall **cost also remains comparatively low compared** to the potential benefits or the investment needed for the transition to a carbon neutral economy.
- II. The EU is supporting only 45% of the cost, while **benefiting** from a higher share of the construction and manufacturing contracts. So there are benefits in the form of jobs, skills, technological development and manufacturing.
- III. As Commissioner, in view of enabling industrial innovation and private investments to take fusion to commercialisation in the future, my main priority will be to create a **stable** and predictable fusion ecosystem, including an enabling regulatory framework. To achieve this will require a **comprehensive strategic EU** approach.

140. Are you aware of the problems of Fusion for Energy (F4E)? What is the situation of F4E as an organization? We are spending a lot of money on fusion and need a functioning entity in charge of the European participation in ITER.

- I. The performance of the F4E Joint Undertaking (JU) is indeed crucial for the efficient spending of EU's money and the organization has been through a difficult period recently. F4E was malfunctioning as organisation which had impacted its staff wellbeing and its work environment. F4E staff was dissatisfied with the organization's leadership and working environment. The situation in F4E required corrective action to avoid significant risk for the delivery of EU contribution to the ITER project. Since its creation, F4E committed about € 10 billion (current value) in contracts with the EU industry and EU laboratories and this funding needs to be in responsible and reliable hands.
- II. Therefore, in view of the deterioration on the situation in F4E, the Commission prompted in mid-2022 the removal of the previous Director by the Governing Board, and the appointment of new Director in May 2023. The new Director received a strong mandate from the F4E Governing Board to put the organisation back on track and make it

functional. The new F4E management has worked closely with the Commission and already brought improvements to the corporate culture. F4E's organisational structure was revamped in April 2024 and is in effect as of 1 July 2024. The management maintained open communication with its staff throughout the process, guaranteeing business continuity, and implementing a detailed planning for the reorganisation process. Furthermore, F4E management is working to strengthen its integration with the ITER Organization, which is in charge of the overall reform of the ITER project construction. This will allow to exploit the synergies and complementarities between the two organisations, capitalise on the expertise and skills in both organisations and avoid duplications.

III. Further improvement of F4E's performance remains a critical subject. I will personally pay attention that the change process of F4E's reform is carried in close dialogue with the staff and with respect to human aspects of the transition. The process of the appointment of new managers within the new organization structure should be completed by the end of the year. I will also seek to foster complementarities between F4E and the ITER Organization. This will aim to improve efficiency in the interaction between F4E and ITER Organization.

141. In what time perspective will we see a tangible outcome from ITER?

- I. The ITER project is a crucial step in demonstrating the technical and scientific feasibility of nuclear fusion as a potential energy source. But I am well aware of the delays in the project, mainly due to previous quality and project management issues.
- II. The ITER Organization's new ITER baseline implies that experiments are to start in 2034. This new baseline is underpinned by the project reform both at the ITER organisation and Fusion for Energy. The EU agency Fusion for Energy and ITER Organization has signed operational contracts with European companies and institutions for a value of close to €10 billion. Working for ITER allows companies to expand into new markets and increase expertise and competitiveness. Technological solutions developed for ITER have already found applications in various sectors − from healthcare to transport to manufacturing.
- III. I stand behind the ITRE project as a crucial step in demonstrating the technical and scientific feasibility of nuclear fusion. I firmly believe that the EU's contribution to ITER is a significant investment in European high-tech industry, helping to further develop and keep strategic know-how and competitive edge on fusion technologies in the EU.

4. PRIORITY 4 - JUST TRANSITION AND CONSUMER EMPOWERMENT

Soundbite

- The energy transition cannot succeed unless we ensure citizens truly benefit from and participate in it. We need to address their concerns about energy affordability, jobs and rising housing costs. We also need to be up-front and honest about what the energy transition means – there will be fewer jobs in the fossil fuel sector, but there will be far more jobs in clean energy technologies if we skill enough people.
- With the Citizens Energy Package, I will work to ensure that citizens have real
 market choices, access to innovations and support for collective efforts in their
 communities. We will develop Energy Communities, who are building energy
 resilience and autonomy right in their own backyards.
- I will also work to protect the energy-poor, vulnerable groups, and coal regions in transition, ensuring they benefit from the energy transition. But I am also concerned about the average family, the average worker: we need to recognise that they are feeling the pinch, and energy costs are playing a big role in that.
- The energy transition can only happen if all parts of the community feel benefited by it: no one can or will be left behind.

142. How to ensure vulnerable households are not disadvantaged as we pursue the clean energy transition?

- I. Vulnerable households and the energy poor often face the most challenges. Beyond the issue of affordability, they can be in disadvantage in access to relevant information and finance for energy efficiency improvements.
- II. There are already many provisions in EU legislation to protect the most vulnerable, including through the Social Climate Fund.
- III. With the Citizens Energy Package, I intend to strengthen our response: ensuring energy markets are accessible for all; reducing energy poverty, including in areas related to energy efficiency in housing, and ensuring access to renewable energy. I will ensure that the Affordable Energy Action Plan takes into account the specific situation of vulnerable households. I will also review the Energy Poverty Recommendation.

143. Citizens Energy Package – what role will the European Parliament have in it?

I. The Parliament has always been at the forefront of citizens engagement in the energy transition and consumer empowerment and protection.

- II. This can be seen across EU energy legislation, and in the concrete actions supported by the Parliament through preparatory actions for example the Coal Regions in Transition and the Energy Poverty Advisory Hub were kicked off by pilot projects.
- III. The Citizens Energy Package will build on this its key principle is that the energy system is there to serve our citizens and businesses not the other way round. We want Parliament to continue working with us to lower energy prices, empower consumers, support local actions and reduce energy poverty. The first milestone will the Citizens Energy Forum in Budapest in December. I count on Parliament to actively participate throughout the whole initiative.

144. What role can energy play in the new EU Anti-Poverty Strategy?

- I. Energy poverty is one of the key components of poverty. It affected **10.6% of Europeans** in **2023** who were **unable to keep their home adequately warm**.
- II. EU legislation and, specifically, the Commission recommendation on energy poverty, recognises the need to tackle energy poverty.
- III. As Commissioner for Energy and Housing I will propose further measures to address energy poverty. I will work with Member States to bring down the number of energy poor [by at least 50%]. The Citizens Energy Package will support the EU Anti-Poverty Strategy by promoting structural measures to address energy poverty, notably energy efficiency in housing and access to renewable energy, as well as tackling summer energy poverty.

145. How do you propose to engage citizens and communities in the energy transition to ensure a just transition/public acceptance?

- I. Too many citizens and communities do not have confidence in the energy transition. Energy bills are difficult to understand and many are not aware of their rights and possibilities for saving on the bill.
- II. Existing EU rules do provide many ways for consumers and communities to directly participate in the market and to become part of the transition. If we want to engage citizens and communities, these rules must be delivered on the ground.
- III. Promoting active citizens is at the heart of the Citizens Energy Package. This will include an Energy Communities Action Plan, a Citizen Energy Advisory Hub to provide technical assistance, guidance on energy sharing, as well as platforms for practical support. I plan to fully deliver on President Von der Leyen's request for more presence on the ground. I will visit places we are transforming, give visibility to EU projects, and listen to citizens' concerns. The Citizens' Energy Forum in Budapest later this year will be a first milestone.

146. Prosumers and energy communities: How would you strengthen the role of prosumers and energy communities?

- I. I recognise that the sector has great potential. There are currently more than 10.000 energy communities and citizen engagement initiatives, engaging at least 2 million citizens in various business models (electricity/heating production, energy sharing etc).
- II. The role of prosumers in the EU has been growing thanks to a supportive European legal framework that needs full implementation. A Citizen Energy Advisory Hub will, amongst others, collect good practices and provide technical assistance to energy communities and to develop renewable projects.
- III. I am ready to take action in this area, including in the Citizens Energy Package such as guidance to MS on energy communities and prosumers or an Energy Communities action plan in which Member States are also interested.

147. How would you support local communities in carbon-intensive regions in transition? How will you cooperate with the Special Envoy for coal and carbon intensive regions?

- I. The energy transition has a different impact across regions.
- II. The Coal Regions in Transition Initiative and the Just transition Fund already support coal and carbon-intensive communities and regions. There are now 96 Just Transition Plans setting out detailed pathways to coal phase out and funds to support this.
- III. As Commissioner, I will work to harness the potential of these regions to be part of the Clean Industrial Deal. The Citizens Energy Package will have a specific focus in boosting competitiveness of these regions using the Coal Regions in Transition Initiative and the Just Transition Platform providing tailor-made technical support and facilitating access to Cohesion Funds and other sources of finance. I will examine carefully whether a Special Envoy for coal and carbon intensive regions could support this process.

148. How would you ensure people have the right skills to take up jobs in the energy sector?

- I. The **energy transition means jobs**: 1 million solar workers in 2025, 0.5 million in wind by 2030. I am aware of the challenges to skill the additional workers we will need by 2030.
- II. Skill Partnerships and Net Zero Academies have already been launched for a few sectors.
 The energy legislation requires addressing the skill gap. More is needed.
- III. With colleagues, we will boost training/education offers, re/upskill, attract e.g. young people. In the next EU budget, I will plea for a greater attention to skills for energy. The Citizens Energy Package will work with local/national authorities, help address gaps and mutually recognise certifications.

5. PRIORITY 5 - EPBD/HOUSING /BUILDINGS

DG EMPL IS LEADING ON HOUSING Qs – THESE ARE SUGGESTIONS FROM DG ENER ON ENER SPECIFIC ELEMENTS

Soundbite

- Buildings are the single largest energy consumer in Europe. Reducing their energy
 consumption is vital: for our energy security, for our climate and for the reduction
 of energy poverty.
- Investing in energy renovation of existing buildings and high-performance standards for new construction will create (immediate) jobs and pay off in the long run: through lower energy bills and better-quality housing, making housing more affordable and more sustainable at the same time.

149. EPBD: renovation of buildings is too burdensome, too ambitious, and costly. Who should pay? Any more EU funding?

- I. Energy-efficient renovations do require investments, but they pay for themselves over time. They increase the value of buildings, improve living and working conditions and help to reduce energy poverty. It is essential to support owners and assist them on financial, technical, and administrative matters. This is particularly relevant for people in energy poverty who often have the least resources.
- II. The EU significantly increased financing to support renovations between 2024 and 2030, particularly with the Renovation Wave initiative. The Commission is already helping to cover upfront investments with more than EUR 100 billion and the legislative framework (EPBD) has been strengthened to provide clear signals to companies and investors.
- III. The Clean Energy Investment Strategy will aim to unlock private capital and prioritise investments in clean infrastructure. I will build on previous exchanges with the private sector through e.g. the EU Taxonomy and the European Energy Efficiency Financing Coalition, and by combining grants with other instruments such as loans, guarantees.

150. How do you plan to implement the European Affordable Housing Plan? What are its main challenges and opportunities?

I. I am honored the President entrusted me with preparing a European Affordable Housing Plan. **Buildings are crucial for a socially-fair and sustainable transition**. The housing crisis created **diverse challenges**, but there is **huge potential to improve access to affordable**

- **housing.** In doing so, we can reduce energy poverty, open up local job opportunities and increase living standards.
- II. A lot has been happening on the ground with several initiatives and projects such as the Affordable Housing Initiative¹. But it is also true that the Liege Declaration² signed by Ministers last March calls for better governance under the principle of subsidiarity.
- III. We need an investment plan that clearly addresses the social and economic challenges of housing, mobilising private and public funds, improving skills, and working conditions with a focus on the need of the most vulnerable. Industry will be a vital partner for greener materials and smarter, competitive solutions.

151. Doesn't the EU lack competences on housing? How will you work with Member States and local level? But also with other Commissioners?

- I. Housing is indeed a **cross-cutting issue.** A successful Housing Plan can only be designed in **collaboration with other College Members** and under the guidance of the EVP for a Clean, Just and Competitive Transition.
- II. The Commission has already taken a series of actions, such as the **Affordable Housing Initiative**, the **New European Bauhaus**, or the **Climate and Smart Cities Mission**. I plan to capitalize on these efforts and push them forward.
- III. I will set up a dedicated Task Force for our cooperation, involving all relevant Commission services and build on the work done so far. We need to establish better collaboration practices between the Commission and stakeholders on housing.

152. How do you plan to increase investments for sustainable residential construction and renovation, both with private and EU funding?

- I. We need to increase investments considerably for construction and renovations.
- II. In the last few years, the Commission has significantly stepped up the funding available for renovations: as part of the EU Recovery and Resilience Facility, EUR 106 billion have been committed to energy efficiency, the majority of which for buildings renovation (EUR 81 billion). It comes on top of regional funds, amounting again to tens of billions of euros.
- III. Together with the European Investment Bank, I aim to establish a pan-European investment platform for affordable and sustainable housing to attract more private and public investment. I pledge to strengthen cooperation with national banks and international financial institutions and address the barriers that limit private investments in housing and renovations. I will work under the guidance of the EVP for Cohesion and Reforms to allow Member States to double the planned cohesion policy investments in

¹ Affordable housing initiative - European Commission (europa.eu)

² <u>liege-declaration-for-housing.pdf</u> (europa.eu)

affordable and sustainable housing and thus inject liquidity into the market. We will also assess **State aid rules** on measures to support affordable energy-efficient and social housing.

153. The ETS extension to the building (and transport) sector is too burdensome, how will you mitigate the impact on households?

- I. The impact on households is what concerns me the most. It underlines the need for action considering the expectable impacts on the energy bill for heating.
- II. In this regard, the ETS extension protects vulnerable households and micro-enterprises with the Social Climate Fund [allocating ETS proceeds from 2026 onwards]. Member States will draw up national social climate plans, which will be the basis for granting direct payments to cover the additional burden and provide long-term solutions by supporting energy renovations. It is important to underline that all sectors will need to contribute to decarbonisation. In fact, emissions from ETS2 sectors have not been declining enough in recent years (or even stagnating).
- III. I will ensure that the Commission plays its part in supporting Member States in transposing legislation protecting vulnerable households. The Energy Poverty Advisory Hub also provides technical assistance at national and local level to identify energy poor households and design appropriate measures of support.

154. Heat pumps: will you finally present a dedicated action plan? The Commission has waited for almost two years!

- I. Heat pumps can reduce the EU's dependence on foreign fossil fuels and facilitate the electrification and decarbonisation of energy demand. Their market uptake has increased over the last decade but it should be stepped up further.
- II. Our energy framework, notably the revised RED, EED and EPBD, already provide **strong policy signals for clean heating solutions**. The focus now is on timely and ambitious implementation and engage with stakeholders to explore ways forward on the acceleration of the rollout of heat pumps in buildings, industry, and district heating.
- III. I am fully committed to energy efficient, renewable solutions and decarbonisation for heating and cooling, including heat pumps. I plan to build on the outcome of this work, in the context of the Electrification Action Plan and explore how accelerate the decarbonisation of heating and cooling and advance energy system integration.

INTERINSTITUTIONAL

155. How will you ensure best possible cooperation with the EP?

- I. Close and trustful cooperation with Parliament is crucial for the Commission. You, members of this House, are the voice of our citizens, and they are the ones I want to serve.
- II. I was a member of this House for almost 10 years. Now I want to live up to the expectations you have of me as a Commissioner. This includes:
 - a. Frequent exchanges with this committee, including structured dialogues.
 - b. Bilateral exchanges and an open communication whenever you feel a need.
 - c. Early information sharing, transparent working methods, and a pragmatic Approach throughout the years to come.
- III. I know about the good and trustful cooperation with DG Energy in the past and I can assure you this good work will continue under my mandate.

156. In case of future emergencies in the energy sector, would you circumvent the EP again to pass legislation quickly under Art. 122 TFEU? What about EP scrutiny?

- I am aware that the Commission relied substantially on Art. 122 TFEU during the energy crisis. The energy crisis was an exceptional period which required exceptional responses.
 I know the Parliament's views on this subject and will ensure that this tool is used only in exceptional circumstances.
- II. I believe we should focus on learning from the success story on the first emergency measure tabled in 2021: the energy storage regulation, which was passed in co-decision in record time thanks to the support of the European Parliament.
- III. I will present a revision of the security of supply framework which will prevent crisis such as the one we faced. **On EP scrutiny**: I have been an MEP myself, being on that side for almost 10 years. **As Commissioner**, I intend to work closely with all of you in line with the highest democratic and transparency standards.

157. How would you cooperate with your Executive Vice President? Other Members of the College where parts of your portfolio overlap?

- I. It is an important priority of the new Commission to **overcome any "silos"**, so we deliver the **best solutions for European citizens**.
- II. Energy policy has always been closely linked to many other policy areas and requires action across portfolios, set in close cooperation with other colleagues in the College.
- III. For the Clean Industrial Deal, I will work closely together with Commissioners-designate Sejourné and Hoekstra should they be approved by the European Parliament. Together, we would make sure energy dimension contributes to this important priority of the new mandate. I look forward to working under the steer of Executive Vice President designate

Ribera to ensure coherence and also cooperate closely with Commissioner Hoekstra, e.g. in the preparation of the assessment of, and follow up on, the National Energy and Climate Plans and respective follow-up.

158. Should we set up an EU energy agency to help with monitoring, evaluation, and implementation?

- I. I am aware that several think tanks and stakeholders have put forward the idea of a new **European Energy Agency.** The premise is to facilitate implementation.
- II. While I take note of these proposals, it is important to recall that several existing EU agencies, such as ACER and CINEA, already provide monitoring, evaluation, and support to the implementation of the energy legislative framework, in addition to the Commission's own services. So we have to be mindful of avoiding duplication and confusion for implementers. At the same time, better regulatory oversight at EU level and simplification are imperative, so the role of the different actors should be reviewed.
- III. Any proposal for a new EU Agency would require a **deep and comprehensive** needs- and cost-based assessment and should be evaluated against other priorities. I would need to **be convinced** that this would **add real value**.

INVOLVEMENT OF STAKEHOLDERS (BETTER REGULATION)

Soundbite

- **Better Regulation** is essential to make sure rules become simpler, more accessible, and more targeted. To deliver on that **stakeholder involvement** is key.
- I will ensure that our new policy proposals are prepared based on wide consultations and full transparency, in partnership and dialogue with industry, social partners and all stakeholders.
- We will also proactively **reach out to stakeholders**, for instance through youth policy dialogues and implementation dialogues with stakeholders to align implementation with realities on the ground.
- I plan to **fully deliver on President Von der Leyen's request** to be **more often present on the ground** and in more regions across the EU. I want to visit the places we are
 transforming, give more visibility to the EU projects, **listen to our citizens'** hopes and
 concerns and get **their ownership and support** to the energy transition
- I will put forward a **Citizens Energy Package**, to promote active citizen engagement in energy markets, both individually and within communities, starting with the Citizens' Energy Forum in Budapest this December.