

COMMITTEE ON INDUSTRY, RESEARCH AND ENERGY

ASSOCIATED COMMITTEE:  
COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND  
FOOD SAFETY

**HEARING OF KADRI SIMSON**

COMMISSIONER-DESIGNATE

(Energy)

THURSDAY, 3 OCTOBER 2019

BRUSSELS



1-002-0000

**IN THE CHAIR: ADINA-IOANA VĂLEAN***Chair of the Committee on Industry, Research and Energy**(The hearing opened at 9.05)*

1-003-0000

**Chair.** – Ladies and gentlemen, good morning. Welcome to all of you, and welcome to the Commissioner-designate Ms Kadri Simson whose portfolio as proposed by the President-elect Ms von der Leyen is dedicated to energy.

I'd like to welcome everyone present in this room today, including the members of the ITRE Committee, which is the committee responsible for this hearing, and the members of the ENVI Committee, which is the associate committee in this hearing. Our meeting is going to be webstreamed, so welcome to everyone who is watching us online.

Let me recall that the ITRE Committee is responsible for the Union's energy policy, and we all know that energy plays a key role in our society. The union is committed to fully accomplishing all five dimensions of the energy union: energy security, the internal energy market, energy efficiency, decarbonisation and research, innovation and competitiveness. Energy has a central role to play in delivering the European 'Green Deal' which will be presented within the first 100 days of the new Commission and will be at the heart of its mandate.

Please let me recall how this morning's hearing will be conducted. In line with the guidelines for the approval of the Commission, Parliament evaluates the Commissioners-designate on the basis of general competence, European commitment and personal independence. It also assesses their knowledge of their respective portfolio and their communication skills.

We will organise our work today as follows: first, the Commissioner designate will have a 15-minute presentation; then we'll have rounds of questions from the political groups and then from the other members. Each question will be up to five minutes: one minute for the question, two minutes for the answer; one minute for a follow-up question and one minute for the response to the follow-up question. The follow-up question should be on the same subject as the first question.

I will try to keep strictly to the time, so please formulate your questions and the answers so that you keep to the time. The time is on the screens, so you can check how you're doing by watching that.

After saying all that, let me welcome Ms Kadri Simson. The floor is yours for 15 minutes.

1-004-0000

**Kadri Simson, Commissioner-designate.** – Thank you Chair and honourable members of the ITRE Committee and the ENVI Committee.

I am glad to be here in front of you today. This is not the first time that I stand before the European Parliament, but for me it is certainly the most important. I am humbled and honoured by the decision of the President-elect Ursula von der Leyen to choose me as the Commissioner-designate responsible for energy, and it is a privilege to present my plans for your scrutiny to be part of European democracy in action.

The thousands of people who take to the streets in Europe and around the world remind us constantly that there is nothing more urgent than climate and energy action. This is the number one concern of European citizens. That is why the President-elect has identified the European Green Deal as a flagship priority for her Commission. Energy policy will be essential to deliver on this priority. I know from personal experience – I was the Minister for Economy and Infrastructure, also responsible for energy – how challenging it is to work in this field. I know how important the task ahead is and how enormous the responsibility it entails.

Over the past five years, the EU has made huge strides towards a real energy union across all its five dimensions. All of the measures of the Clean Energy Package were agreed by the Parliament and the Council with broad support. This is a great legacy to build on. I want to acknowledge the work done by Commissioner Miguel Arias Cañete and Vice-President Maroš Šefčovič to get us where we are today but, most of all, let me pay tribute to the contribution of the ITRE and ENVI Committees. Your work has made this progress possible. Thanks to you, the Parliament managed to lift the level of ambition of the initial Clean Energy Package proposals and ensure that each proposal was adopted with a large majority. On average, 80% of the Members voted in favour. This shows the value of unity. When we are united, the EU can deliver real change.

But this is not the time to pause. Achieving climate neutrality by 2050 is the only sensible way to limit global warming to 1.5° Celsius and prevent an environmental crisis. That is why the President-elect committed to make Europe the first climate neutral continent by 2050 and proposed a European Green Deal to be taken forward under the guidance of Executive Vice-President Frans Timmermans.

I want to set out today how I intend, if confirmed as Commissioner, to advance on the EU energy policy. I embrace the mission of making Europe a climate neutral continent by 2050. Under my watch as Minister, Estonia adopted a long-term energy action plan to reduce greenhouse gas emissions by 70% by 2030. At that time, this target was very ambitious. Today, Estonia is set to overshoot its renewables targets, with 33% in 2020 and 42% by 2030. I have learned that a transition process can work well when some clear choices are made. First and foremost, what all energy actors need from regulators is certainty and predictability. It is key to anchor expectations at an early stage. This is why the Commission will propose a European Green Deal in its first 100 days in office. The centrepiece will be the first European climate law, setting the target of climate neutrality by 2050. This will be accompanied by a Just Transition Fund. Having set the direction of travel, we will then take the next steps. We must build on the success of the energy union.

Estonians have a reputation for being forward-looking people, but we know that, in order to be successful in the future, one must be effective in the present. I commit to working hard on the implementation of a Clean Energy Package. I will ensure Member States deliver ambitious national energy and climate plans by the end of December. Each Member State needs to play its part. In the case of an ambition gap, I will make every effort to push Member States in the right direction and work with each of them to reach our goals. We need to tap the full potential of the Clean Energy for all Europeans package. There are more than 100 delegated and implementing acts yet to be adopted. This cannot wait. By implementing the existing legislation, we're going to reduce carbon emissions by 45% by 2030.

The President-elect has said that we need to be more ambitious when it comes to our 2030 targets. She committed to an emissions reduction of at least 50% by 2030, followed by a plan to move towards 55% in a responsible way. I will launch an evaluation about how legislation in the energy sector can deliver a more ambitious target. Based on this, I will assess the need to review the

legislation. I will contribute to the work on the carbon border tax and on the review of the Energy Taxation Directive that will be led by Paolo Gentiloni.

If appointed Commissioner, I intend to mobilise energy policy in the service of the climate neutral objective by further developing an integrated, interconnected and properly functioning single market. I am convinced that a genuine internal market brings significant benefits and is essential in promoting renewable deployment. As Minister, I worked on the synchronisation of the electricity network of the Baltic States with the continental network. Seen from Estonia, an electricity system managed and operated under common EU rules is an essential precondition for a well-functioning internal market, energy security and solidarity in times of crisis. I hope to see this project close to completion by the end of this mandate.

Unfortunately, integrated markets are not the norm everywhere in Europe. In the electricity market we need a power system largely based on renewables with improved energy storage and increased interconnectivity. There are still too many blockages to cross-border trade and bottlenecks that need to be removed. We must make sure that interconnectivity targets are reached and that 70% of interconnector capacity is available to the market. I will endeavour to strengthen regional cooperation, in particular the existing four high-level groups and make them work in greater synergy.

I also intend to focus on the gas market. Gas will play a role in the transition towards climate neutrality. I want to examine how we can best make the gas regulatory framework and infrastructure fit for the future, contributing to decarbonisation through the use of low-carbon gases, such as hydrogen and renewables. We also need to empower consumers and benefit from the use of liquefied natural gas. In this area, cooperation with the United States has been successful. It should be continued.

Market integration is also an infrastructural challenge. About EUR 200 billion is needed until 2030 for investment in the missing links in the electricity market. We need networks that can support and promote the use of clean energy based on renewables and better energy storage. To exploit the full potential of our trans-European energy networks, I will complete the review of the TEN-E Regulation by 2020. The transition is also a huge investment challenge. We must harness all the instruments available at EU level to leverage private funding for clean future-proof investments. The combined funding under the next MFF could reach up to EUR 1 32.2 billion.

Energy efficiency remains a priority. The principle 'energy efficiency first' should be taken seriously across the board. Improving the energy performance of buildings and speeding up renovation rates can be a game changer. The obstacles are well known, but we can explore new solutions, especially in financing. Good examples in local and social housing can be found in many member countries.

I believe that we can become climate neutral and preserve the competitiveness of our economy and industries at the same time. There are quality jobs to be created in the clean energy technology sector if Europe is in the lead. I see the smart integration of electricity, heating and cooling transport and industry as crucial in order to meet our objectives. Finally, I will be attentive to energy prices and costs on consumers and businesses and, in particular, to the impact that climate transition has on energy-intensive industries.

I am a liberal who has always believed in individual freedoms without forgetting fairness. Climate transition will deeply affect many and some more than others. I could quote statistics but it is not just numbers, it is about real people, their lives and their stories. Entire sectors – families, villages

from Galicia to Silesia – will face a lot of changes around them. I know that first-hand because I come from Estonia, where oil shale is still widely used.

The President-elect has committed to establish a Just Transition Fund to support coal and carbon-intensive regions and islands affected by the transition – an idea first developed by Parliament. I am sure Professor Buzek remembers that well. I see this Fund as a way to enable regions to develop and finance concrete projects, which can transform economies and create jobs. We can build on the existing Coal Regions in Transition Initiative to make the Fund a success.

To me, fairness also means a renewed fight against energy poverty. It is not acceptable that 8% of the European population – this is 50 million people – are unable to properly heat their homes, and many more Europeans than this struggle to pay energy bills. I want to use the Energy Poverty Observatory and rapidly implement the legislative provisions on energy poverty. I intend to engage more with the Member States and the Covenant of Mayors. The report by Theresa Griffin presented last year has laid the groundwork for this.

It is unthinkable that Europe can become climate neutral by 2050 without a colossal effort in research and innovation to develop new technologies. The EU is a research giant in the energy sector, second only to the US. We are world leaders in the number of energy patents, but our investments are not increasing fast enough. I will work with my colleague, Mariya Gabriel, on how to use the new Horizon Europe as a catalyst for more public and private investment. The Strategic Energy Technology Plan has a potential we need to use to the maximum. I intend to develop an agenda for greater digitalisation of the energy sector, covering the implementation of the digital single market and the Clean Energy Package rules on smart grids, data access and interoperability, but also aspects like artificial intelligence and cybersecurity.

Europe needs to push other major emitters to be more ambitious and consistent in implementing the Paris Agreement. I will use energy dialogues to open markets for our clean energy business, and for our connectivity projects and, of course, to promote security of supply. It is also time to leverage the strength of our currency and have more energy contracts denominated in euro. Energy can contribute to stabilisation in our neighbourhood, for instance in Ukraine where the trilateral gas dialogue with Russia should be continued in view of reaching an agreement by the end of this year.

For many years, I was a Member of the Estonian Parliament. Therefore, I intend to work very closely with the European Parliament, explaining what we are doing each time we have a new development. I will be available to you. I grew up in Estonia when Europe was a dream, an ideal, a hope for change and freedom. I believe in Europe. I am ready to do my part in a Europe that strives for more with determination but also with humility. If I can count on your support, I am certain that together we can build a Europe that leads the way in climate action and energy policy.

1-005-0000

**Jerzy Buzek (PPE).** – In the last five years, we were very successful in making enormous legislative efforts towards completing our energy union. Now our first task and goal is the implementation, fully and without delay, of the legislative affairs and energy transition will be even more important. Fair transition and the Just Transition Fund will probably be the most important slogans.

I expect you to play a key role here and my question is: how to facilitate different investments, in low emission energy and district heating infrastructure for example, from EU sources and private sources, sources such as the European Regional Development Fund or European Investment Bank funds, and how will you ensure that we use the full potential of gas in our energy transition?

1-006-0000

**Kadri Simson**, *Commissioner-designate*. – Before I give you an answer, please allow me to stress once more the importance that the ITRE Committee, and you especially, had during the previous negotiations on the clean energy package. I can only confirm that the work that has been done lays a very good groundwork and we can build on it.

You asked about future financing and it is indeed very true that if we raise our targets then the biggest obstacle is financing, especially for energy efficiency projects. At the same time we all know that ongoing negotiations about the next MFF are mainstreaming climate investments, and for that reason we can expect that there will be more funds available for projects that really provide energy efficiency, for projects that will cover renewables and also networks.

There are ongoing analyses at the European Investment Bank about future lending procedures and I think it is very good that the European Investment Bank, or part of it, will become a climate bank; that will give us additional funds for needed investments. I can promise you that I will very closely cooperate with Commissioner Gentiloni and also reach out to the European Investment Bank so that their new lending criteria will be in accordance with our climate targets and European principles.

1-007-0000

**Jerzy Buzek (PPE)**. – Let me say that district heating is very important from this point of view, and also individual heating. My question is continuously on the gas sector because we've got our Gas Directive revision – in the last term-in-office we finished everything – and this is about the implementation of EU law on EU territory for improving competition in the gas sector to give us a new impulse in this regard.

I would like to ask you if you are now ready to fully implement the Gas Directive revision despite the protest from Russia – and we know very well about the protests – because it could be very helpful, generally speaking and also for district heating and individual heating in at least 15 Member States.

1-008-0000

**Kadri Simson**, *Commissioner-designate*. – Professor Buzek, you very correctly mentioned that gas is an important tool for our transition period. It is extremely important right now in terms of distribution, and it will stay so because it might be the most cost-efficient option for replacing coal-based power plants for district heating facilities.

At the same time we have to keep in mind that future energy sources have to be diversified – and if we're talking about gas, then in the near future. We are not talking especially about natural gas any more, but more and more about biogases and hydrogen that can help us for sectoral coupling, keeping in mind, for example, heating and cooling or energy usage in industry and in transport. So there will be. Thank you.

1-009-0000

**Carlos Zorrinho (S&D)**. – Senhora Comissária indigitada, se quisermos ser bem-sucedidos na distribuição da economia, precisamos de ter as pessoas connosco. Não podemos ignorar o impacto no emprego, o impacto nas comunidades. Não podemos fechar os olhos às consequências sociais do processo de transição energética e, por isso, a tradição social justa foi e é uma prioridade dos Socialistas e Democratas neste Parlamento e ficamos satisfeitos por ver que é, agora também, uma prioridade da Presidente e uma prioridade que assumiu na sua intervenção inicial.

Nas respostas escritas, a Presidente da Comissão Europeia comprometeu-se a implementar um fundo de transição energética robusto, juntamente com a Comissária indigitada Elisa Ferreira, que será a líder deste processo.

Queria colocar-lhe duas perguntas.

Em primeiro lugar, como Comissária da Energia, que contributo pensa dar, em termos de política energética, para ajudar a Comissária responsável, Elisa Ferreira, na sua tarefa?

Em segundo lugar, na sua opinião, o fundo de transição justa deve ser apenas um instrumento de política social para apoiar as comunidades e os trabalhadores afetados, ou deve ser isso e algo mais? Deve ser também um instrumento de impulso ao investimento e à inovação para uma transição energética sustentável?

1-010-0000

**Kadri Simson**, *Commissioner-designate*. – The Just Transition Fund will indeed be very close to my heart, because this is the tool that we can use to secure that during our transition towards carbon neutrality, no region, no country will be left behind.

As a tool, I see that it will be helpful for coal and other solid fossil fuel regions, and also for small islands that don't have interconnections towards the mainland. So it should be directed towards these regions, but keeping in mind that these regions are very different, there is no unified solution for every region, but these strategies to be better prepared for phasing out coal will be tailor-made individual strategies for each region, each member country.

I know that this Just Transition Fund will be proposed by Commissioner Ferreira, but it shouldn't be only the fund that uses existing possibilities, but it should also use the support of member countries and bring additional private funding. The biggest plus for this fund is that this will be operational before the phasing-out period, so it will provide regions and people in these regions with a future plan. So it is helping them before the loss of mining jobs and helps them to create new opportunities.

1-011-0000

**Carlos Zorrinho (S&D)**. – Senhora Comissária, não há dúvida que o fundo de transição justa tem que dar respostas, designadamente a zonas e a comunidades com modelos de produção de energia mais poluente, mas não podemos perder de vista a ideia que tem que ser um fundo de convergência e tem que ser um fundo que seja sentido como útil por todos os europeus, que contribua para o desenvolvimento e para um salto tecnológico em toda a União Europeia como um fundo de convergência.

Sei que é difícil, nesta fase, falar de números, mas queria perceber qual é o seu nível de ambição. Se concorda com o princípio de que políticas novas têm que ter fundos novos e, tendo em conta que o Parlamento na sua proposta de programa plurianual de financiamento considera 4,8 mil milhões de euros para este fundo, se considera este valor adequado para fazer face à magnitude dos desafios; se tendo eu boa conta que já propôs também a existência de um processo de investimento baseado em empréstimos, considera esta base suficiente como base de partida para este fundo?

1-012-0000

**Kadri Simson**, *Commissioner-designate*. – I do believe that this Just Transition Fund is a concrete measure to help those regions which will be most closely affected by the phase-out of coal mining and the phase-out of fossil fuels.



At the same time, if we are talking about overall consumers, then there are different measures for how we can bring a more competitive price and an affordable price – and it is definitely an important part of the de-carbonisation process that energy prices are affordable and that the sources will be secure – but for reaching that we can see that locally produced renewables don't have to be more expensive than fossil fuels that come with very volatile prices. We can also see future investments that will afford local communities to take care about their energy production and, most importantly, energy efficiency, so that consumers will need to spend less energy than right now.

1-013-0000

**Morten Petersen (Renew).** – Lad mig starte med at kvittere for de udførlige skriftlige svar, som vi har modtaget her i udvalget. Jeg synes, det var glimrende læsning. Jeg har et spørgsmål, der vedrører den vedvarende energi: Hvis vi skal gøre Europa klimaneutral i 2050, så skal vedvarende energi spille en større rolle, end det gør i dag. Det er sådan set meget enkelt: Vi når ikke disse mål, hvis ikke vi får mere vedvarende energi ind i energiforsyningen. Over de sidste år er prisen på sol- og vindenergi faldet dramatisk, og det er måske en af de største revolutioner på energiområdet, at priserne nu kan konkurrere med alle mulige andre energiformer, og i mange tilfælde helt uden subsidier. Derfor kan vedvarende energi blive rygraden i Europas grønne transformation, hvis vi satser på det. Vi har faktisk nogle af de bedste vindressourcer i hele verden. Vi kan tage kampen op med sheikerne i Mellemøsten, hvis vi udnytter ressourcerne her. Men det kræver, at vi udbygger havvind. Vi er nødt til at femdoble udbygningen, så mit spørgsmål er: Hvordan vil du som kommissær udbygge havvind i stor skala, særlig på Nordsøen og andre regionale projekter?

1-014-0000

**Kadri Simson, Commissioner-designate.** – Thank you, Mr Petersen, for your question. I do agree that we need more capabilities for renewables, and if we keep in mind that these new facilities have to come with a public acceptance, then definitely it is so that offshore wind parks tend to be more acceptable than onshore wind parks, especially keeping in mind that the best locations for onshore wind facilities are already taken.

So we see the need for close cooperation between different Member countries for building new offshore facilities and for that there will be a cooperation mechanism in the future so that several member countries together can build renewable facilities – either offshore wind parks or solar facilities. We will call it an 'inside' cooperation mechanism. This will be a renewables window in the Connecting Europe Facility. The other option for cooperation is a future auctioning mechanism where one hosting nation can provide so-called statistical transfer operations for those who don't have so favourable environmental conditions. This kind of mechanism is already working. Two years ago, Estonia was amongst the first ones together with Lithuania, who used this statistical transfer, and we helped Luxembourg to fulfil its targets. But now it will be on a more advanced basis.

1-015-0000

**Morten Petersen (Renew).** – Tak for det glimrede svar. Det er jo helt afgørende, at der er finansiering og finansieringsmekanismer på plads, hvis vi skal i mål med disse ambitioner om at bekæmpe klimaforandringer og udbygge med eksempelvis havvind på Nordsøen. Mit opfølgende spørgsmål er: Hvordan vil du og Kommissionen sørge for, at den finansiering er til stede? Du nævner selv Connecting Europe-faciliteten, som vi forhandlede på plads før valget, hvori der indgår, at mindst 15 % skal gå til samarbejde på tværs af grænser inden for vedvarende energi. Hvordan vil du konkret arbejde for regionalt samarbejde, som eksempelvis ved Nordsøen eller i det Baltiske område, for at de kan komme i betragtning til denne facilitet? Jeg kunne også godt tænke mig at høre dig sige mere i forlængelse af dit svar på professor Buzek's spørgsmål i forhold til udlånskriterierne for Den Europæiske Investeringsbank. Hvordan sikrer vi, at de bedre bliver i stand til at bekæmpe klimaforandringer og støtte den grønne omstilling, også i forhold til energieffektivisering?

1-016-0000

**Kadri Simson**, *Commissioner-designate*. – I think that renewables and these kinds of future projects need a different kind of financing. Partly, they can be financed from set funds, but because they might be very large-scale projects, they may also need co-financing – either from private banks or from the European Investment Bank, which is partly becoming a climate bank. At the same time, we have to keep in mind that knowledge has become cheaper during the past decade, and that these projects can soon be competitive against market prices, so there is a chance that they don't need any kind of additional support schemes. This renewable window is especially created and designed for promoting cross-border cooperation between different Member States so that we won't each invest into our own territory if it's wiser to do it together.

1-017-0000

**Ville Niinistö (Verts/ALE)**. – The climate emergency is the most important challenge and an existential threat that we have to tackle in our lifetime, and in your written answers you commit yourself to the 2050 decarbonisation goal and to the increased ambition level for 2030, which is good. However, we are worried about your climate credentials, since your party rejected to commit Estonia to the net zero carbon strategy by 2050 when you were in government, and you have also been a supporter of the oil shale industry in your country – one of the dirtiest energy sources. The Estonian Government is currently planning to subsidize a EUR 1 billion investment in shale oil due to be approved by the new Commission. And also during the Estonian Council Presidency you forged a continuation of subsidies to polluting power plants. So with this background, how will you ensure that all Member States are for an ambitious climate policy and won't invest in fossil infrastructure, and how will you show that you are personally committed to these targets?

1-018-0000

**Kadri Simson**, *Commissioner-designate*. – Well, as I mentioned already in my opening remarks, I indeed was a minister in the Estonian Government responsible for energy, and during that period we adopted a long-term energy action plan that stated that our greenhouse gas emission will be reduced by 70% by 2030, and parallelly we had a long-term climate plan that set the target that we will be reducing greenhouse gas by 80% by 2050. So that all happened two years ago, and then it was pretty ambitious. So that's true that, in the beginning of this year, we still had this parliamentary-level decision. By now our services have made an impact assessment. They know what should be done and how much it will cost to do to be able to reach climate neutrality by 2050, and I know that in this week actually in Estonia they are discussing it also at the government level. So I can tell you that I will commit 100% towards this ambition, and I do believe that if the Estonian Government will commit, then they will deliver too, like they have done with the current targets and targets for 2030. Estonia belongs to the Green Growth Group and has been always very ambitious.

1-019-0000

**Ville Niinistö (Verts/ALE)**. – Thank you for your commitment on that, but you didn't answer the question on subsidies for fossil infrastructure; I would like to have an answer for that as well. And then, when it comes to the 2030 target, Ms von der Leyen has committed to increasing the EU's climate target to 50-55%, which is actually still not in line with the Paris ambition. So there's a lot to be done. And when it comes to renewables and energy efficiency, the current Member States' programmes don't even add up to the current targets. So there's a lot to be done, and it is a big possibility for European industrial renewables as well: that we will, as part of the Green Deal, have an ambitious programme to invest in renewables and energy efficiency. But that means that there needs to be a review of the energy efficiency and renewables targets for 2030, and also that the Commission will need to actively address the gap between EU targets and ambition of Member States. So how will you promote these goals in concrete measures? You don't give concrete measures in your written answers.

1-020-0000

**Kadri Simson**, *Commissioner-designate*. – Yes, I have to come back to the first question about oil shale. This has been historically Estonia's source of energy, and now when ETS is operational, their high CO<sub>2</sub> prices are making it not compatible against market prices. So we already see that the production of energy out of oil shale is declining, and instead of that, we are importing Nordic nuclear energy from Finland, but also from Russia – gold-based energy – and of course we are replacing it with renewables.

So, about targets. I do believe that if we will take seriously the implementation of the current network, then the energy sector is able to deliver what was promised, and then we have to agree on next steps: how we will raise the targets and, as you very correctly said, the President-elect has promised 50% and, in a responsible way, towards 55%. So I commit myself with the same promise.

1-021-0000

**Markus Buchheit (ID)**. – Frau Simson! Mit einem Aktionsplan zur Finanzierung nachhaltigen Wachstums kündigte die Europäische Kommission die Förderung nachhaltiger Finanzen an. Das war die sogenannte *Sustainable Finance*-Initiative, und zwar im März 2018. Die Initiative passierte im März 2019 dieses Haus in der ersten Lesung. Das *Sustainable Finance*-Konzept wird zu tiefgreifenden Marktverzerrungen und zu einer Lenkungswirtschaft führen. Besonders schwer vermittelbar ist, dass der Privatsektor über das nächste Jahrzehnt mit dem Löwenanteil, geschätzten 180 Milliarden Euro jährlich, aufkommen soll, um Klima- und Energievorhaben der Politik umzusetzen. Wie bewerten Sie, Frau Simson, dass die europäische Privatwirtschaft zur Finanzierung einer primär ideologiegetriebenen Politik herangezogen wird, welche die Prinzipien marktwirtschaftlicher Freiheit mit Füßen tritt?

1-022-0000

**Kadri Simson**, *Commissioner-designate*. – I believe that, towards our climate targets, everyone has still has to give his or her input. Our private sector can also benefit from phasing out fossil fuels, and definitely can benefit from future research and innovation: if Europe is in the leading position, then more innovation will bring us new jobs and growth and raise our competitiveness. At the same time, if we commit to the climate targets, we have to be sure that will do it in a cost-effective way so that, in every moment, our energy sources will be secure. There can't be any threat to our energy security. Our energy prices should stay affordable: it is not possible for our energy bills to rise in an immense way. If we secure those basic assumptions, then I can say that it is possible to reach our climate goals.

1-023-0000

**Markus Buchheit (ID)**. – Das ging nicht genau an meine Fragestellung, ich werde es ein bisschen konkreter formulieren. Es geht nicht genau um die Frage „*Private Sector can benefit from phasing out fossil fuels*“, das ist nicht in jedem Fall gegeben. Um es konkreter zu formulieren: Sind im Rahmen dieses oder anderer Pakete auch Maßnahmen speziell zur Unterstützung unserer Industrie vorgesehen, die vor tiefgreifenden Umwälzungen steht und genau diese Sorge hat, dass nämlich die Energiepreise immens steigen werden, wegen dieses Wandels weiter immens steigen?

1-024-0000

**Kadri Simson**, *Commissioner-designate*. – This is a question for the European Union: that our energy prices should stay competitive, and to achieve that we can do several things. For example, you can support the investments into grids and not leave all of those investments for consumers. We can do more for the open and competitive market: if there are many providers, then the prices should be more affordable for consumers and enterprises. And if our markets are interconnected – and they are not yet; there are missing links and bottlenecks – but if they are interconnected then this helps to provide renewable energy for larger markets. This was the main goal of the green energy package: that consumers will be in the heart of the energy market and the price will stay affordable.

1-025-0000

**Zdzisław Krasnodębski (ECR).** – In its recent ruling on the OPAL gas pipeline, the European Court of Justice referred for the first time to the principle of energy solidarity. This principle of energy solidarity and security is, as we know, part of treaty law under Article 194 of the Treaty on the Functioning of the European Union, and I would like to ask you about your view on the further applicability of this principle.

As a future Commissioner, will you support the idea of obligatory stress tests to measure the impact on supply security of each new energy infrastructure project? Do you intend to develop clear criteria and indicators that would help assess whether the principle of energy solidarity is met in each case, or will the European Commission propose clear criteria to assess when there is a negative impact on security of supply, in line with the Gas Directive?

1-026-0000

**Kadri Simson, Commissioner-designate.** – Yes, it is very important that, in the context of gas, we take the solidarity aspect very seriously. As you very correctly mentioned, this previous OPAL case posed a court ruling that we also have to keep in mind the solidarity aspect. I believe that that if we are talking about a future gas market set-up, then this is the main pillar that we can build on.

Talking about gas, we also have to keep in mind that it is very important to diversify the different sources. From that point of view, Poland, the state from where you come, is doing pretty well. You have an LNG terminal, you have GIPL with Lithuania, and you will have a gas pipeline towards Norway. So three different sources, and this is a situation which many member countries are still aiming for.

1-027-0000

**Zdzisław Krasnodębski (ECR).** – It is a slightly more general follow-up question, because we are talking about what for us is this very important transition to a climate neutral economy. How can you ensure the consistency of the transition to this kind of economy? The principle of technological neutrality isn't guaranteed by the Treaties in respect of the right of each Member State to determine its own energy mix.

1-028-0000

**Kadri Simson, Commissioner-designate.** – If I understood this follow-up question correctly, you asked about the future perspective of investments – gas investments. Yes, it is correct that the energy mix is poorly decided by each member country and we do know that in the transition period the percentage of gas as an energy source will not decrease significantly because several member countries will replace coal with gas.

But at the same time, if we are talking about future investments, we have to keep in mind that these investments in the gas network should be future-proof and by future-proof I mean that there are other gases than natural gas that have a smaller environmental footprint. We should invest more in hydrogen and biogases. These networks should be future-proof in the meaning that they would be useful also beyond 2030. But until we are in the transition period the gas networks and interconnections will be financed.

1-029-0000

**Marc Botenga (GUE/NGL).** – Je veux aller un peu dans le concret. Dans votre lettre de mission, Madame von der Leyen vous demande de tirer tout le potentiel du gaz naturel liquéfié et c'est une ambition que vous venez de faire vôtre.

Alors, je vais être vraiment très concret: quelles sont les mesures que vous prévoyez? Est-ce que cela va vouloir dire que vous allez investir dans les infrastructures gazières? Est-ce que vous allez vous positionner aussi financièrement très clairement dans ce sens?

En ce qui concerne la révision de la directive sur la taxation de l'énergie, que vous avez mise en avant et à laquelle vous allez contribuer – il s'agit de la directive qui fixe les minima de taxation des carburants et de l'électricité –, je voudrais savoir si vous voulez vous en servir pour réduire les émissions. Quel carburant, quel combustible allez-vous cibler et comment?

1-030-0000

**Kadri Simson**, *Commissioner-designate*. – There is indeed a paragraph in my mission letter about promoting liquefied natural gas (LNG) and I do see it as a way of securing our energy security that our gas supplies will come from diversified sources and to different parts of the European Union. That means that there will be investment for accommodating those routes – and there are ongoing investments right now in Krk in Croatia and also extensions in the Baltic Sea LNG terminal in Poland.

About energy taxation, this is also mentioned in my mission letter, and I will closely cooperate with Commissioner-designate Gentiloni about that. It is true that the Energy Taxation Directive that is already 15 years old doesn't help us in the way it could to reach our energy and climate targets. I do especially believe the difficulty is that it still allows tax exemptions in some ways for fossil fuels, and that makes competition between fossil fuels and renewables difficult. We should address this issue.

If you ask me what kind of tax proposals I will propose, then of course these will be according to our energy and climate targets, and they will be towards renewables, to promote the competitiveness of renewables.

1-031-0000

**Marc Botenga (GUE/NGL)**. – En vous écoutant, j'ai un peu peur que le message qui a été porté, à la fois par les jeunes pour le climat et par les gilets jaunes ou dans différents pays européens, ne soit pas entendu.

Tout d'abord, les jeunes pour le climat demandent des investissements publics dans l'énergie renouvelable, or il est clair que si on a un euro, on ne peut pas le dépenser deux fois. Si on le met dans le gaz polluant, à peine moins polluant que le pétrole, on ne le met pas dans les renouvelables. Donc, je voulais entendre un engagement ferme en faveur d'une priorité aux énergies renouvelables par rapport aux énergies polluantes, parce que nous avons vu que, dans le passé, ce n'était pas toujours le cas.

Deuxièmement, sur la question de savoir qui va payer: avec la taxation, j'ai peur que ce soit aux travailleurs de payer encore une fois et pas aux grandes multinationales. Donc, cette dimension sociale, pouvez-vous garantir que ce ne sera pas aux gens de la payer?

1-032-0000

**Kadri Simson**, *Commissioner-designate*. – I can assure you that the message of young people is very well heard and the action plan to fulfil their expectations will be there. Yes, we need a significant rise in investments into renewables, and there are different ways how we can achieve that. One of these will be EU funds: I have already mentioned SEF, Horizon Europe and the LIFE programme.

Another option is to blend private money with loans, and there will be a certain scheme which is also part of Vice-President Dombrowskis' task. I believe that for future investments the European Investment Bank, which is becoming a climate bank, can play a major role. But altogether, even in the next EU Multiannual Financial Framework, there will be almost twice as many resources for energy, research and grids than in the previous one.

1-033-0000

**András Gyürk (PPE).** – We all share the ambitions targeting the climate neutrality of the EU, however, it needs to be understood that successful implementation depends on public support and to ensure the citizens of our countries have full information on the process and guarantees that no one will be left behind, or put at risk.

Therefore, I would like to ask you some concrete questions: what quantifiable analyses can you provide and when, regarding the feasibility of the target date of 2050? How much time does the Commission need to make a thorough impact assessment that leaves no region and no one behind? How can you guarantee that this plan does not lead to an explosion of consumer energy prices and does not harm security of supply and the competitiveness of Member States?

1-034-0000

**Kadri Simson, Commissioner-designate.** – It has indeed been a great concern for many MEPs and, of course, for Member States, that the cost of transition should be just, especially when you keep in mind that Member States are not all in the same starting position. There are Member States that are still dependent on fossil fuels, and Member States who are on a different page.

You asked me what will be the concrete plan for the 2050 targets, and I can tell you that I will closely cooperate with Executive Vice-President Frans Timmermans, who is the Commissioner who will provide the climate law. Before he can do so, there has to be a thorough impact assessment, and we will have a comprehensive plan on how we will reach the 2050 targets by 2021.

Being responsible for energy, I will have to ensure that in parallel to those ambitious climate targets, we secure our consumers and our businesses with affordable and competitive energy. For that we have to invest in our energy networks, but at the same time we have to make use of the existing framework.

I have had no chance to talk about the internal market and the benefits that it can bring, but I hope that I will have the chance later on.

1-035-0000

**András Gyürk (PPE).** – You mentioned the principle of technological neutrality in your answers here and in your written answers as well, and I agree with this. In this context, I'd like to underline that in the central European region, the deployment of nuclear power is indispensable to eliminate carbon emissions and shelter citizens from supply and price risks.

Do you agree with the assessment of the International Energy Agency that without additional nuclear power, clean energy transition becomes significantly more difficult and more expensive?

What role would you like to devote to nuclear energy in the new sustainable investment plan?

1-036-0000

**Kadri Simson, Commissioner-designate.** – Nuclear power will be part of the energy mix and the energy mix is decided by each Member State. So I know that right now we have countries who are phasing out their nuclear power and there are Member States who are planning to build new plants to replace phasing-out coal power plants – there is Finland, which has just opened the new Olkiluoto power plant.

So it is a decision for every individual Member State as to how will they use their energy mix and what will be the sources. At EU level we have to secure that nuclear power plants are safe, that the waste management is safe for our environment – and not only inside European Union, but also in our close neighbourhood.

1-037-0000

**Niels Fuglsang (S&D).** – I would like to go in a direction which is a bit more concrete when it comes to renewable energy targets. According to your written replies, you will assess whether to review the existing legislation in the energy field in order to reach the goal of a 55% emissions reduction in 2030. Does the Commissioner-designate agree with the various experts and NGOs stating that we need a considerably higher target than the current 32% renewable energy target for 2030 – that we actually need much more renewable energy, going up towards 45%? Does the Commissioner-designate agree with that?

1-038-0000

**Kadri Simson, Commissioner-designate.** – About renewables, well those targets for 2030 were just negotiated, and right now we are in this situation that after three months, by the end of this year, Member States should provide their first national energy climate plans, where they give us exact plans how they will reach their goals.

I know that, despite that, many Member States are still working to fulfil those set targets. There are many who have already promised that they will voluntarily raise their targets. Last week on Tuesday, there was an Energy Council, and several member countries announced that at state level they have already made decisions to aim for higher percentages than were agreed under this Clean Energy Package.

We should also make it possible for those member countries who don't have favourable environmental conditions, that they can cooperate with others to achieve higher tasks, and this kind of cooperation mechanism will be there.

1-039-0000

**Niels Fuglsang (S&D).** – I am happy that Member States renew their targets and some of them increase their ambition level.

I'm not sure I got an answer if you agree that we need to increase the ambition level, that we need to concretely raise the 32% target in 2030 to a higher number. And if you – yes or no – will open the Renewable Energy Directive and propose a higher target for 2030: yes or no?

1-040-0000

**Kadri Simson, Commissioner-designate.** – I'm from Estonia. Our aim is that, by 2020, we will have reached 32% for renewables, and then if we are talking about 2030 it will already be 42-43%, so I think that it is possible to reach higher targets. But at the same time, we also have to do more to accommodate renewables: we have to invest into research and innovation for providing storage for renewables. We have to work at first at regional level in order to create an internal market so that renewables will reach the broader market, and these actions are also very important. I will also come back to this cooperation mechanism again: we should promote this cooperation mechanism, so that Member States can invest in the facilities – whether solar facilities or offshore wind parks – even if they are not built in their own territories.

1-041-0000

**Claudia Gamon (Renew).** – Thank you very much for the strong commitment that you have given us, not only in your written answers but also today, on achieving the climate goals in the European Union. We at Renew Europe, we believe that we must do our utmost to achieve these goals, but that there is also the necessity to achieve them in time, because we are running out of time, and you will be at the centre of these efforts, particularly when it comes to facilitating renewable energy projects in the entire European Union. The sources of energy are, for instance, hydropower or wind energy, that are both subject to other different regulatory frameworks where other Commissioners are also responsible for them. What do you plan to do to unlock the full potential that we have in the European Union for renewable energy

sources such as hydropower and wind energy, and what will you do, working together with other DGs, to ensure that these different regulatory frameworks as a whole are smart, future-proof and sustainable (and stimulative also), and how do you think we can prioritise this further?

1-042-0000

**Kadri Simson**, *Commissioner-designate*. – Thank you for your question. Yes, we need more renewable facilities to fulfil our targets, and we need even more investment if we are raising our targets. At the same time we have to keep in mind that there are certain restrictions. They may be environmental restrictions. There are also problems with public acceptance.

At the same time, there are things that we can do and that we will do. For example, for planning processes, Member States are asked, under the Renewable Energy Directive, to streamline permitting procedures so that planning and building will not take as long as it tends to do. This is, of course, in accordance with all the environmental evaluations.

At the same time, there are limits of space, and we have to work closely together with the Commissioners who are responsible for land use, for example, or, if we are talking about renewables that come from biomass, then about annual growth rates, and if we are talking about hydropower plants, then definitely I have to cooperate with the Commissioner who will be responsible for fisheries. But it is also so that something has been done, and there are guidelines about hydro renewables already adopted last year.

1-043-0000

**Claudia Gamon (Renew)**. – I think you've shown that you know that there's a lot of responsibility in your hands in coordinating these different efforts. What will you do to really help Member States facilitate, build and finish these projects in time so that we – the entire European Union – can achieve our climate goals? Because as you have mentioned, some of these projects face massive time delays and increases in costs, which of course make it difficult for renewable energy to also be cost effective. Is there anything else that you would want to add to how we can help each and every Member State to achieve these goals?

1-044-0000

**Kadri Simson**, *Commissioner-designate*. – This is actually very important. I noticed that many of the targets have not been met or they are late. If you are talking about the renewable targets for 2020, then there are two reasons why there is a chance that the renewables target will not be met. One of them is that some initiatives are delayed – implementation is delayed. Another one is that measures were too positively calculated. So now, because of the Governance Regulation, we will have comparable data about each and every member country: annually, we will get reports on what has been done, and we can then closely cooperate to help them to keep their timelines. These reports will also be available to the European Parliament. There will be a State of the Energy Union report each year in October, and this kind of close monitoring should bring us to a situation where initiatives are not delayed.

1-045-0000

**Peter Liese (PPE)**. – I would like to come back to the issue of climate neutrality. Estonia was against in the summit, and that had, of course, consequences in New York. The European Union could not really commit to the climate neutrality, and I would like to understand your personal role on that. So you explained the government's position, but what was your personal position before the summit in June?

And you spoke about some analysis that your government had to do. Does that mean that you didn't trust the analysis of the current energy Commissioner Miguel Arias Cañete? Because already in November the Commission really did an analysis, and the question is, didn't you trust, in your capacity as a minister? And I would like to remind you that you didn't really answer the question of Jerzy Buzek on the Russian intervention in the gas case.



1-046-0000

**Kadri Simson, Commissioner-designate.** – Since the last parliamentary elections in Estonia this March, I have been a Member of Parliament. So in June I wasn't any more Minister responsible for energy. I was a Member of the Estonian Parliament.

As I explained earlier, Estonia has been very ambitious and very devoted to climate plans. Two years ago, when we adopted our long-term climate action plan, we actually assessed all the possibilities – what we can do, how much will it cost – and we adopted a very ambitious climate plan, if you take it at that moment – 2017. It went through Parliament, so basically, according to our regulation, we also need a decision at Parliament level to change it, because there was a declaration that we will lower greenhouse gases by 80%. By now there has been an impact assessment.

Our current Government has created a climate council. Seven key ministers are members of this climate council and they discussed this possibility that we will be climate neutral exactly this week. According to my knowledge, there is an action plan as to how we can achieve it, and by December, when the European Council will decide that, I think that there will be unanimity. This is possible, and all the Member States can benefit if Europe is in the lead for that question.

1-047-0000

**Peter Liese (PPE).** – Thank you for that answer, but it doesn't answer the question: what was your personal position? You were not minister, but you were a Member of the Parliament and we had a proposal from the European Commission. This Parliament said that the Council should commit to climate neutrality already in May, and in June, Estonia was still against. So, did you support the idea of climate neutrality in your capacity as a Member of Parliament, or were you part of the majority that said that Estonia cannot commit?

1-048-0000

**Kadri Simson, Commissioner-designate.** – According to my best knowledge, this question didn't come to the plenary hall in the Estonian parliament. So it was dealt with in a special European Affairs Committee, and the position of Estonia wasn't against; Estonia just needed more time for our procedures, and one of those was an impact assessment: what will we do to be ready to be climate neutral by 2050? And now, if you compare us with other countries, I do believe that we have already, well, an advantage: we know what we have to do, and one of those things is that our oil shale production – there is a special region in Estonia – is under big changes. So if you need my personal commitment, then yes, I do support climate neutrality. I think that this is a wise thing if we want to achieve this 1.5 Celsius decrease. Just to conclude, during my mandate – this mandate in the Estonian Parliament – there was no such vote.

1-049-0000

**Josianne Cutajar (S&D).** – Ms Simson, the recent attacks on Saudi oil refineries have shown once again how delicate the international market is to the stability of Europe's energy, and how fragile the security of supply is. A lot has been done to diversify energy supply from third countries: for instance, with LNG, mainly to be less dependent from big gas producers like Russia. However, the paradox is that, as prices for oil rise, the EU could see dependency from Russian oil increasing. So diversifying supplies from another source, whilst alleviating the dependency, might not totally solve the underlying problem. Energy supply policy needs to speak about other aspects of the energy union, in particular our overarching goal of a carbon-neutral economy. What concrete measures will you propose during your mandate to make the security of supply compatible with such other dimensions, in particular with the decarbonisation of the energy system?

1-050-0000

**Kadri Simson**, *Commissioner-designate*. – This is true that Europe has been very dependent on energy imports. We are importing gas and oil, and this will stay so also during our transition period. At the same time we have to keep in mind that this is one of our principles – that our energy security has to be protected. And for that reason, we have to diversify both our energy sources and our energy routes.

There were previously questions about our investments in gas infrastructure and why will we do so if there is a lack of investment also for renewables. But I do see that some of the investment in gas infrastructure, both for interconnections and for LNG terminals, are part of our energy security, and situations where routes will be even more concentrated into the Baltic Sea and where the main supplier will get a bigger share are not in accordance with our energy policy.

1-051-0000

**Josianne Cutajar (S&D)**. – Apart from ensuring that we're not dependent on certain sources, I was asking specifically about concrete measures regarding other dimensions, such as the carbonisation of the energy system, and I would like to ask you that once again.

And linking with energy security: there are other new modern threats, other than the classical dependency, and, for example, we can speak about cyber security of the grids, which could also be state-driven, or ensuring the resilience of infrastructure to climate change. What will be your initiatives in this area? Are these dimensions on top of your agenda? And all in all, when in 20 years Europeans will look back on your five years as Energy Commissioner, what will be your legacy on energy security?

1-052-0000

**Kadri Simson**, *Commissioner-designate*. – We have to keep in mind that different energy sources do not come for nothing. I believe that certain investments should be done, especially in research and innovation.

If we are talking about gas right now, then we tend to talk about natural gas. Hydrogen is not compatible with other energy sources, and if we're talking about hydrogen right now, then 95% of it comes from natural gas. Only 5% of hydrogen comes from renewables, so research into hydrogen will be one of the research priorities.

Also there is a need for research and innovation for storage, because bigger amounts of renewables need new options for storage and transportation.

1-053-0000

**Bronis Ropé (Verts/ALE)**. – Gerbiamoji paskirtoji Komisijos narė, šalia Europos Sąjungos sienos baigiama statyti Baltarusijos atominę elektrinę, kurios statybos finansuojamos Rusijos pinigais. Ji statoma pažeidžiant Espoo (EIA) konvenciją. Maža to, Baltarusija praktiškai numojusi ranka į Europos Sąjungos streso testų rezultatus, kurie išryškina ženklus branduolinės saugos trūkumus, būtinus ištaisyti iki elektrinės paleidimo. Mano manymu, kad kol kas Komisija pasyviai reaguoja į tai, kad Baltarusija ketina paleisti elektrinę neištaisyti šių ženklių trūkumų. Noriu paklausti, kokių konkrečių veiksmų Jūs, kaip naujoji Komisijos narė, ketinate imtis, kad šiame Europos Sąjungos pasienyje neatsitiktų į Černobylių panašių katastrofų, kai saugumo bandymai buvo atliekami jau paleidus branduolinį reaktorių, ir tai tapo pagrindine priežastimi.

1-054-0000

**Kadri Simson**, *Commissioner-designate*. – Thank you, Mr Ropé, for your question, and I do know that the building process of the Astravyets nuclear power plant is a very important political question for all the Lithuanians and it is built very close to the capital.

So what can we do about new nuclear power plant sites that are built in third countries? We can provide assistance so that the building and maintenance will take place under the highest security standards. We can provide also financial assistance to the sites in third countries so that these procedures are made, and of course we can insist that all their test results will be taken very seriously.

The Astravyets nuclear power plant will be operational, but we will provide guidance on how to fulfil all the security requirements according to the highest security standards. At the same time, the European Union will provide also support to Lithuania to be ready for possible emergency cases.

1-055-0000

**Bronis Ropė (Verts/ALE).** – Ačiū už klausimą, norėjau konkrečiau, bet ačiū.

Ne paslaptis, kad Baltarusijos atominė statoma prie Europos Sąjungos sienos ir skirta būtent Europos Sąjungos rinkai. Lietuva, esanti arčiausiai, jau pareiškė, kad neįsileis elektros neatitinkančios branduolinės saugos ir aplinkosaugos standartų, kokia ji šiandien ir yra. Ar Europa bus solidari su Lietuva, ar kaimynines šalis, tame tarpe ir Jūsų gimtoji Estija, nesusigundys elektros importu iš nesaugios atominės elektrinės? Kokių žingsnių imsitės, kad įgyvendinant būsimos Europos Komisijos pozicijas, elektros importas, kuris neatitinka europinių gamybos normų nepatektų į Europos Sąjungos rinką?

1-056-0000

**Kadri Simson, Commissioner-designate.** – As you very well know, Estonia, Latvia and Lithuania are together in our energy policy, and I had very good cooperation with your Energy Minister. So right now, three of us still belong to the BRELL synchronous area. So BRELL means Belarus, Russia, Estonia, Latvia, and Lithuania, and we are working closely to get synchronised towards continental Europe. This synchronisation process should be ready by 2025. So there is a positive way forward for us. At the same time, the problem of cross-border electricity trade is not only about nuclear power plants but also these kinds of power plants that use coal but don't pay CO<sub>2</sub> price, and that's why they have competitive advantages compared to European power plants. So this is a question we have to look closely at, how this kind of competition influences our markets.

1-057-0000

**Paolo Borchia (ID).** – Certainly, the EU should strive towards a renewables-based economy, according to the targets set by the Clean Energy Package. However, as the Commissioner-designate acknowledged, natural gas is still an important player in the everyday life of European citizens. Yet there seems to be no clear regulation concerning the integration of the European gas market.

Member States such as Italy are still dependent on energy imports – not only from third countries, but also from other Member States. The high costs of imported energy are affecting heavily the ability of Italian SMEs to be competitive in comparison with fellow European businesses, which can rely on lower national energy prices.

How do you plan to ensure that national gas policies of Member States do not go against the rules of competition?

1-058-0000

**Kadri Simson, Commissioner-designate.** – There are European-level agreements on how we will open our markets towards cross-border trade, and in that case the Clean Energy Package shows us a way how it's possible to solve market restrictions in the energy market. I do know that there is a clear expectation that some of the elements that were achieved in the electricity

market will be mirrored to the gas market too, and especially the expectation that also in the gas market we should empower consumers, that they will have rights that electricity consumers already have, and I think that this is a good idea.

1-059-0000

**Paolo Borchia (ID).** – Transition to the decarbonised economy will have a social and economic impact, not only in some specific territories of the Union but in every Member State. Will the Commission introduce supporting instruments for every national system affected by a transition, or will it limit support to some specific areas? You mentioned that gas infrastructure should be maintained, and I agree with this view. How do you evaluate the decision of the European Investment Bank to stop any funding related to gas infrastructure projects by the end of 2020, and do you believe that the internal gas market will be sustainable even in the absence of EIB financial support?

1-060-0000

**Kadri Simson, Commissioner-designate.** – There will be several infrastructure projects that will be financed by the SEFI fund and some of them will also need co-funding from the EIB. So I hope that their lending policy will be in accordance with the EU energy policy.

You asked what can we do that transitions social impact? It will be supported and I think that, if we're talking about gas, then almost half of heating depends on gas and we have to keep in mind that energy efficiency is a very important tool, how we can lower the costs for our households. So one of the main investment targets will be renovation of building stock and not only some countries, but all around Europe and especially for multi-apartment buildings. So there, we can see significant energy savings and cost savings.

1-061-0000

**Jessica Stegrud (ECR).** – I'm new in Parliament, but I have a background in the private sector and the energy industry. I've been working for many years with energy investments, different types of analysis of consumer behaviours, and so on. When I read your instructions, where you have the goal, and I quote, 'to make sure that Europeans have access to affordable secure, reliable and clean energy', in my experience, I would say that these goals are totally contradictory and very hard, and you will have to set priorities. You have already answered a lot of questions on this theme, so I will actually ask a quite a different question. Being a woman and from the energy industry, I read in your written answers that the share of women in the energy sector is, on average, 22% in the global oil and gas industry, and 32% in renewable energy, and you're willing to work with this. I wonder: what do you say about the reason for this and why do you consider it a problem?

1-062-0000

**Kadri Simson, Commissioner-designate.** – Just a short comment about the assumption that affordable, secure and clean energy is not possible. I do believe that it is – because renewable energy comes from local sources and I know that, for example, where I live, during certain seasons, we will get very cheap energy from Nordic hydropower plants and this is definitely clean, affordable and secure. Now, about the role of women in the energy sector, I do believe that in every sector, we should remove burdens if they are there, and this is a very good example. In the traditional energy sector the difference between women and men is pretty obvious, but in the clean energy sector, where there are new technologies, research and innovation, there is more involvement from both sexes, and this is one of the additional benefits to move towards renewables in my mind.

1-063-0000

**Jessica Stegrud (ECR).** – Well, if everyone had access to hydropower, we wouldn't have this problem at all. However, that is not the case, so you will need to set your priorities. My question was: why do you consider it a problem, and what would you consider a good number? If it's 22% today, what would you say would be a fair and good number?

1-064-0000

**Kadri Simson**, *Commissioner-designate*. – I don't set these kinds of targets. If I'm talking about future numbers, then I think that for all of us it is very important how many new jobs will be created because of our climate neutrality targets. What kind of jobs will these new jobs be? In that perspective, I believe that positions in industry, but also in research and innovation, are equally suitable for both sexes. So these kinds of new jobs will be created if Europe stays in the leading position on our way to climate neutrality, and this is a thing we have to keep in mind.

1-065-0000

**Seán Kelly (PPE)**. – Good morning, Ms Simpson and hope you are comfortable in that 'Graham Norton-like' chair.

You indicated very rightly that Parliament played a huge role in getting a 32% target for renewable energy, and as the rapporteur for that I know how hard we fought to achieve it. You also mentioned that Estonia is now going to have 42% by 2030, and I think even the Greens have to be impressed by that.

One of the key aspects of the Renewable Energy Directive was to set out an enabling framework for citizens and communities to take control of their energy use and to participate in the transition to a low carbon system. So the question is what concrete initiatives will you take to facilitate the deployment of new business models and markets on a decentralised and more local level; and also how will you further encourage and incentivise citizens and communities to manage their own energy consumption, switch to renewable sources and become the key beneficiaries of the energy transition?

1-066-0000

**Kadri Simson**, *Commissioner-designate*. – This was indeed part of the plan – that we would get more citizens involved by them being able to produce renewables themselves. It has been a great help that, for example, solar panel prices have come down. If we talk about solar PCS, these are five times less costly than they were decades ago. I can give advice from the Estonian perspective. In Estonia, we adopted a law that gave micro-producers very easy access to the market. We call it 'plug and play'. This has created immense growth of local mini solar-panel energy producers. This is possible because we negotiated this. Distribution system operators, at first, were worried, but now it works very well. The market is very open and, of course, it is possible because we have a data hub that accommodates all the producers and consumers. These kinds of very convenient and comfortable ways for micro-producers to offer their energy products will help us to fulfil renewables targets.

1-067-0000

**Seán Kelly (PPE)**. – Thank you very much, Ms Simson, for your very interesting answer. Now you strike me as being a very practical and sensible lady, so you will be aware that one of the great criticisms of the European Union is too much bureaucracy and too much red tape. How are you going to ensure that any legislative proposal you put forward does not add to the complexity or further uncertainty for industry, SMEs and public authorities, but instead enables investments to flourish?

1-068-0000

**Kadri Simson**, *Commissioner-designate*. – The Clean Energy Package already gives us the framework, and we now have to implement those tools that are there and that are making it possible for all micro-producers to provide their energy to the market. At the same time, there are also other aspects, for example in the energy-efficiency field, there are demands not only that all new buildings have to be very energy-efficient, but they should also produce some of their future consumed energy by themselves. These kinds of instruments are already there. Member States just have to implement and make them accessible for all their stakeholders.

1-069-0000

**Mauri Pekkarinen (Renew).** – Arvoisa puheenjohtaja, onnea ja menestystä uudelle komissaarille, uskallan näin jo sanoa. Luotan vahvasti siihen, että menestytte uudessa tehtävässä.

Ja nyt kysymykseen: EU:n edellyttämien energia- ja ilmastosuunnitelmien mukaan meillä on mahdollisuudet päästä EU:ssa noin 40 prosentin päästövähennyksiin vuoteen 2030 mennessä. Siitä on kuitenkin vielä aika pitkä matka 50 tai 55 prosentin päästövähennyksiin. Missä mielestänne tulisi painopisteen tulevissa jatkotoimissa olla – päästökauppasektorilla vaiko taakanjakosektorilla? Ja edelleen: olette puhunut hyvin uusiutuvista energioista. Kuinka suhtaudutte erityisesti bioenergiaan, joka on meille suomalaisille tärkeä uusiutuva vaihtoehto?

1-070-0000

**Kadri Simson, Commissioner-designate.** – Thank you, Mr Pekkarinen, for your question. I was really tempted to give my answer also in Estonian, because I was waiting for the possibility to use my native language and it seems that there is no one from Estonia who will ask a question, but for convenience, I will continue in English.

So you asked how will we achieve a higher percentage. I do agree that the energy sector has to play a very important role, because right now 75% of greenhouse gas emissions are coming from either energy production or consumption. But there are other sectors, too, who have to provide their support, and definitely this will be an overarching topic for the next Commission. Even the structure of the next Commission – that there will be an Executive Vice-President for the Green deal, Mr Frans Timmermans, and, under him or working together with him, different Commissioners who are responsible for energy, transport, environment, rural affairs and health – shows that this is our common goal. I know that Vice-President Frans Timmermans will also look very closely to the extension of the current ETS system: there are sectors like building or transport that are not covered by this system yet, but that can definitely have an input. From my point of view, I see the benefits of smart integration: that we can closely cooperate with different sectors and provide a smaller carbon footprint for sectors like transport, industry and the building sector – heating and cooling.

1-071-0000

**Mauri Pekkarinen (Renew).** – Hiilen talteenoton teknologiat eivät ole edistyneet toivotulla tavalla. Yksi mahdollisuus on hiilen dekarbonisointi eli valmistaa hiilidioksidista synteettistä polttoainetta sähkön avulla.

Kaikki tiedämme, että sähköä ei voida juurikaan varastoida, mutta ylitarjonta-aikoina sitä voitaisiin käyttää hiilen muuttamiseksi metaaniksi, jota sitä voidaan kyllä varastoida. Tuetteko tämäntapaisia uusia rohkeita dekarbonisointihankkeita?

1-072-0000

**Kadri Simson, Commissioner-designate.** – Thank you, Mr Pekkarinen, and I really appreciate that you brought up this carbon capture and storage of carbon capture and usage issue because this will definitely be one of the technological mechanisms for achieving neutrality by 2050. Right now, in the European Union, we don't have any existing project like this, but there are some flagship projects around the world and I know that the closest we are to an experimental project is at the port in Rotterdam, where they are planning carbon capture and storage offshore. If it receives funding, it might be there already by 2023. The reason why we don't have these kinds of projects yet is, of course, public awareness and there are some doubts about storing carbon and, of course, changed targets.

1-073-0000

**Ignazio Corrao (NI).** – Lei da Commissario designato all'Energia ha davanti delle sfide importanti, tra le quali c'è la questione delle industrie ad alta intensità energetica, che contribuiscono per ben il 14 % delle emissioni europee di CO<sub>2</sub>, poi c'è il riscaldamento o il raffreddamento degli edifici, che oggi rappresenta il 25 % del consumo energetico europeo, e imprimere un'accelerata al ritmo di ristrutturazione di edifici nell'Unione europea, finora troppo lento e insufficiente. Volevo chiederle se è

sua intenzione prevedere un'ampia gamma di misure *push-pool*, che accompagnino queste sfide, e come intende integrare le politiche di economia circolare nella ristrutturazione degli edifici.

Poi volevo farle una domanda su un tema che mi sta molto a cuore, che è quello delle comunità energetiche in cui, attraverso una sorta di democratizzazione dell'energia, i cittadini diventano attori protagonisti e non solo semplici consumatori, con evidenti vantaggi ambientali ovviamente. Ecco volevo chiederle cosa intende fare per assicurarsi che concetti come questi vengano recepiti e implementati correttamente.

1-074-0000

**Kadri Simson**, *Commissioner-designate*. – There were several questions there, but I will start from the beginning.

About district heating: yes, this is one of the biggest obstacles. We should get more energy efficiency out of district heating. We can do it in several ways. One of the options is effective co-generation. If we produce both heat and electricity, then already 10% of energy efficiency is granted. Also, using more bioenergy for heating is an option, smart integration between sectors – or sector coupling, as they call it – and new innovations for big heat pumps, and so on.

All this could bring down district heating costs, but the biggest share will come down if we can renovate our building stock. Approximately 75% of apartment buildings are inefficient. They need renovation. If we compare buildings that were built in the 1980s with buildings that are built today, they consume twice as much energy as new ones. We can see that the savings can be made, but we are missing funds to make renovation faster. So what can we do? First we can share best practices. In some Member States, they have discovered smart ways to attract private investment, and these are useful for other countries too.

1-075-0000

**Ignazio Corrao (NI)**. – Yes, I understand I asked many questions first time around, so I will use the follow-up question time to ask you to answer the second question, specifically about citizens' energy communities. When I talk about the democratisation of the energy sector, I'm referring to the chance that we have to use citizens as 'prosumers'. You know: providing for the transition not just for the big energy players that are out there.

Are you planning to use your DG and to use measures move in the direction of this democratisation of the energy path?

1-076-0000

**Kadri Simson**, *Commissioner-designate*. – The Renewable Energy Directive already gives us the tools needed so that consumers can also become producers. They can consume, they can store, they can sell energy – and the big share of the population who live in apartment buildings are also involved here. So I do believe that this kind of micro-production in which you are consuming and you are producing – you used the term 'prosumers' – is very important in terms of achieving our climate goals.

It is also important to show that consumers can benefit from this transition and we have to take advantage, too, of all the newest innovation. So this might also be part of the European Innovation initiative – like solar tiles that provide both insulation and renewable energy.

1-077-0000

**Nicolás González Casares (S&D)**. – Ms Simson, thank you for mentioning Galicia at the beginning. Tenemos un objetivo de interconexión del 15 % para 2030. La interconexión mejora la eficiencia y el traslado de las energías renovables de unos lugares a otros, pero, por ejemplo, en la península ibérica la interconexión con el resto de Europa está en el 2,8 %. Por lo tanto, si tenemos

como objetivo un 15 % y en algunos lugares estamos en un 2,8 %, está claro que ese objetivo es muy difícil de cumplir a día de hoy.

¿Qué medidas concretas y calendarios para garantizar que se cumpla el objetivo del 15 % para toda la Unión en 2030 va a poner en marcha desde la Comisión?

Y, por otro lado, quería preguntarle si cree —después de todas estas respuestas acerca del gas que se han dado y las cuestiones que no han quedado a mi entender suficientemente aclaradas— que el gas natural licuado es compatible con los acuerdos de París.

1-078-0000

**Kadri Simson**, *Commissioner-designate*. – Thank you Mr Gonzales Casares. You raised a very important question about interconnections. The 10% target has already been postponed once, and is now for 2020; and we have raised the target for interconnections for 2030 to 15%.

So what can we do?

We can promote regional cooperation and we can finance the missing links. Work on some of these is going on right now, so that, for example, the Iberian Peninsula will get interconnection via the Bay of Biscay interconnector, and this is financed by the Connecting Europe Facility. This is not enough and you need more interconnections. I understand you very well, because regions that do not belong to the core of Europe need connections of this kind for their electricity market. But I believe that this Biscay Bay link is a very good start.

On the question about LNG and whether it will be useful for our long-term targets for climate neutrality: well, to move towards climate neutrality we have to work more for hydrogen and low CO<sub>2</sub> levels, and also towards e-gases and biogases. And if we are building a gas network, we have to keep in mind that after 2030 it must be future-proof, which means a lot of research on hydrogen.

1-079-0000

**Nicolás González Casares (S&D)**. – Siguiendo con las interconexiones, quería ser más concreto. Es decir, tenemos —usted mismo lo ha dicho— dificultades para poder cumplir con esas interconexiones, y ha adoptado una serie de medidas abstractas, pero podemos encontrarnos con que haya países que no apuesten por estas interconexiones. Entonces mi pregunta es, ¿va la Comisión, o van ustedes, a tomar medidas con respecto a los Estados miembros que impidan el avance en las interconexiones?

1-080-0000

**Kadri Simson**, *Commissioner-designate*. – Yes of course. Those targets for interconnections are negotiated at EU level and the targets are for all the EU Member States – not only 15% by 2030, but there are also targets for that part of interconnection that should be open to the market. If there is a regulation at EU level, then all the Member States should work towards achieving it.

1-081-0000

**Pernille Weiss (PPE)**. – Tillykke med nomineringen og tak for dine svar. Jeg vil gerne spørge ind til energieffektiviseringer af bygninger. Som jeg forstod på dit svar til min kollega Kelly, så er alle redskaberne sådan set allerede til stede. Det er bare et spørgsmål om at bruge dem i nationalstaterne. Men i fru von der Leyens missionsbrev bliver du bedt om at finde måder til at forbedre energieffektiviteten i bygninger og sætte fart på renoveringen af bygninger. Direktivet for bygningers energieffektivitet blev revideret sidste år og træder meget snart i kraft. Direktivet pålægger medlemslandene en række strenge krav, der skal sikre, at alle bygninger er tæt på energineutralitet i 2021, og at den samlede bygningsmasse i EU er energieffektiv og dekarboniseret i 2050, og alligevel er den årlige renoveringsrate stadig på 1 %. Med det for øje vil



jeg gerne bede dig om at svare på, hvordan du opnå en meget højere renoveringsrate, og overordnet set hvordan du vil forbedre energieffektiviteten af bygninger? Har du planer om at åbne det vedtagne direktiv endnu en gang?

1-082-0000

**Kadri Simson**, *Commissioner-designate*. – At first, the tool that I can use to monitor the energy efficiency retrofitting rate in my hand is national energy and climate plans. We will see what the actual targets will be for every respective member country by the end of this year. I know that there are concerns that they will not altogether meet the targets, but we have three more months to negotiate with these Member States and give them the best advice.

Of course they are waiting for advice also about what kind of financial support they can expect, and there are different ways that we can support these kinds of actions – different funds. The biggest fund for all the energy investments will be the Connecting Europe Facility but, at the same time, for renovation rates we have to keep in mind that the biggest chunk of the money must come from the private sector. There have to be favourable loans available, and of course at local level there has to be legislation that allows multi-apartment buildings that take these kinds of loans if there are several owners. There might be legal difficulties to accommodate these kinds of loans. So close cooperation with Member States and available loans is the addition to current plans.

1-083-0000

**Pernille Weiss (PPE)**. – Bygninger med den laveste energieffektivitet er ofte beboet af lavindkomstgrupper. Disse bygninger skal i mange tilfælde tages helt ud af bygningsmassen. Hvordan vil du opnå en hurtig udfasning af de allerdårligste bygninger og samtidig sikre, at mennesker med lave indkomster har adgang til gode og sunde boliger? Det var noget, du nævnte i din indledning, og jeg vil gerne høre, om du har nogle konkrete forslag på det felt.

1-084-0000

**Kadri Simson**, *Commissioner-designate*. – Thank you for the question and yes, exactly, this saying that we will renovate buildings that are inefficient right now, some of them might be in the situation where it is not at a comfortable temperature during winter months because they are so inefficient. Certainly, the problem is that heating bills are higher than they should be or than they will be after renovating. I know that four Member States have made national plans to invest into social housing renovations because there are the tenants who are most affected by prices and this is one of the practices we can consider, but the aim is that after the renovation, heating costs will come down and comfortable temperatures will be easier to achieve.

1-085-0000

**Sira Rego (GUE/NGL)**. – Señora Simson, me voy mucho más preocupada de lo que llegué, sobre todo por la situación de emergencia climática, el cambio profundo que esto requiere en las políticas energéticas europeas, y viendo que usted no parece que esté dispuesta a hacer mucho. Le voy a recordar algo: hay apenas un grupo pequeño de grandes empresas que se reparten el mercado y nos imponen su modelo de producción, de distribución y de comercialización. Las consecuencias son claras: cambio climático, más de cincuenta millones de europeas sufriendo pobreza energética, falta total de transparencia y de control democrático del mercado energético y, por supuesto, puertas giratorias y políticos que vienen a las instituciones a defender los intereses de estas empresas.

Ahora, lo que usted nos plantea no va a resolver la crisis climática porque es más de lo mismo, es la transición de las multinacionales de la energía para salvar su negocio. En ese sentido, ¿puede usted respondernos si está dispuesta a comprometerse con medidas de verdadero alcance para transformar el modelo energético europeo en un modelo socialmente justo y sustentable? Y, sobre todo, ¿nos puede aclarar y concretar alguna de esas medidas?

1-086-0000

**Kadri Simson**, *Commissioner-designate*. – I can confirm to you that this Commission will be very committed to our climate targets, not only at my level – responsible for energy, but this is the commitment of the President-elect. This is the overarching priority. This will be the main responsibility for Vice-President Frans Timmermans, who is responsible for the Green Deal.

There will be a climate law and there will be a clear action plan, but my responsibility as the Commissioner responsible for energy is also to ensure that, in fulfilling all those targets, we still stay in the position where our energy security is good, our customers will have affordable prices and our industry will remain competitive compared to other regions in the world. Of course, one of my responsibilities will also be reaching out via energy dialogues because we have to motivate our partners, too, so that they will do their share. These are my tools. I can closely cooperate with Member States and motivate them to raise their targets. I can cooperate with the Commissioners responsible for funding and explain that the biggest lack of funding right now is for energy efficiency, but there also has to be a significant raising of funding for research and innovation. That is what I commit to doing, but the overarching aim is that by 2050, Europe will be the first climate-neutral continent.

1-087-0000

**Sira Rego (GUE/NGL)**. – Parece que hay una pequeña contradicción en lo que plantea. Voy a ser más clara y más directa. La cosa es bastante sencilla y hay una relación directa entre el modelo energético y el cambio climático.

El negocio de la energía está en unas pocas manos que se han aprovechado de la externalización de los costes ambientales y de la connivencia de las políticas energéticas de la UE para hacer negocio y nos han dejado un rastro de emisiones que han contribuido a poner en una situación de riesgo extremo a nuestro planeta.

Es el momento de hacer un plan de emergencia y asumir la parte que nos corresponde, también en lo que tiene que ver con el cambio de modelo energético. Esto es, eficiencia. Esto es, control democrático. Y esto es, la reducción de la producción y del consumo.

Reformulo mi pregunta. ¿Usted de qué lado está? ¿Del lado de Eni, de ENGIE, ENEL, Iberdrola, Naturgy, E.ON, RWE, GasTerra, Vattenfall y CEZ Group? ¿O del lado de quienes luchamos para garantizar un planeta vivo para las siguientes generaciones?

1-088-0000

**Kadri Simson**, *Commissioner-designate*. – Well, energy consumers will be at the heart of our energy policy. My task is to provide affordable energy by diversifying our sources, by making policies that all energy grids, DSOs and providers will be very transparent, by making investments that will help to upgrade our grids, and by building the missing links and interconnections.

We all will benefit if there is closer cooperation, firstly at regional level but then on the internal market. A bigger market will bring more competitive prices to our consumers. We can achieve our goals only when there is public acceptance and support. Right now, it is there and it will stay there if our people see that this comes with competitive prices.

1-089-0000

**Theresa Griffin (S&D)**. – In the last mandate, fighting energy poverty was enshrined for the first time in European law. Almost 50 million European households cannot afford to pay their energy bills and in 2019 are having to choose between eating or heating or cooling their homes. There are long-term sick and elderly people dying in the heat because they cannot afford to put their air conditioning on. The National Energy and Climate Plans (NECPs) submitted by Member States are insufficient.

How do you intend to improve the NECPs and what mechanisms will you put in place for the expertise of climate stakeholders to be properly engaged in this process? What technical support are you planning for exchange of good practice from Member State to Member State to ensure that the highest standards of ambition are achieved and that people are at the heart of energy policy, especially the energy poor?

1-090-0000

**Kadri Simson, Commissioner-designate.** – I can assure you that the report that you made under the previous mandate has set a very good example of what we should expect from our Member States and regions. So this will be also part of the national energy climate plans – how they will deal with those people who are not able to pay their heating or cooling bills or who are just in trouble paying their electricity bills.

Right now they have drafted only draft plans. We will see what will be in the final plans by the end of this year, but this will be part of the annual report also. There is also the situation that each Member State defines energy poverty in its own way, and in that regard I do believe that the Energy Poverty Observatory will give us a clear definition of how to cover this topic in the same way all around the European Union.

1-091-0000

**Theresa Griffin (S&D).** – Thank you. I'm pleased to hear that at last we're going to get a definition of energy poverty, but I would like to know how you intend to improve the draft plans, because at the moment they kind of range from barely sufficient to woeful and I want to know how you are going to engage the expertise of climate stakeholders in improving the plans? What resources? What technical assistance?

But I'd like to ask you a kind of political question because I believe that energy is not a commodity. Energy is a basic social right. As Commissioner-designate for energy for 500 million European citizens, what do you believe?

1-092-0000

**Kadri Simson, Commissioner-designate.** – Yes, I do agree that energy provides social inclusiveness and that's why it is a very needed service. At the same time when we are talking about energy poverty, we are not talking about energy as a commodity, as such, we are also talking about taxes, levies grid tariffs and this all together has to be under our attention and you asked what we can do concretely for those people who are in trouble paying their heating bills. We can provide more efficient ways for heating. This is not something we can do everywhere tomorrow, but there are different technologies that will bring down heating costs and of course once again the renovation of a building stock plays an important role too.

1-093-0000

**Jutta Paulus (Verts/ALE).** – Frau Simson! Wir haben festgestellt, dass wir auf dem Weg in eine rein erneuerbare Nullemissionswelt eher weniger Gasinfrastruktur benötigen als mehr. Deswegen war ich sehr froh, dass Sie in den schriftlichen Antworten auch geschrieben haben, dass das Prinzip „*energy efficiency first*“ auch für Infrastruktur gelten muss – da stimmen wir Ihnen zu. Jetzt hätte ich da eine konkrete Frage, denn in den Szenarien wird der Gasbedarf gerne überschätzt, und ich hätte jetzt gerne von Ihnen gewusst, ob Sie sicherstellen werden, dass die Investitionen durch die Europäische Investitionsbank oder auch für die Projekte von gemeinsamem Interesse sich klar am Prinzip „*energy efficiency first*“ ausrichten werden, damit wir keinen Lock-in haben in eine fossile Energieversorgung, was ja dann letztlich *stranded assets* sind, sondern damit wir tatsächlich in eine klimaneutrale Welt investieren. Dafür brauchen wir realistische Bedarfsabschätzungen und eben *energy efficiency first*. Dazu hätte ich gerne eine Antwort.

1-094-0000

**Kadri Simson**, *Commissioner-designate*. – Thank you for the question. About investments that come from different sources, but one of the sources will be the European Investment Bank, or part of it that will be the future climate bank. These investments, they have to be aligned with our climate targets, and this is clear that towards climate neutrality, the priority will be for those projects that are investing in renewables, in energy efficiency, and also in the grids. So to achieve our targets, we need also better connections. That's why the investment aids in grids will be needed. If we are talking about SEFI funding, then we see that, compared to a couple of years ago, there will be less and less gas projects and more renewable projects and electricity connection projects. So this is a trend that is clear, and I think that under the current Commission we will see the fourth round of PCI lists. There will be also a decrease of cost projects in that list compared to the previous one.

1-095-0000

**Jutta Paulus (Verts/ALE)**. – Sie haben gerade den Begriff Klimabank und auch unsere Klimaziele erwähnt. Da hätte ich dann doch noch mal eine Frage zur Methanstrategie: Methan ist ja bereits heute für einen substanziellen Teil – also Schätzungen des UNFCCC gehen von 15 bis 20 % aus – für die Erderwärmung verantwortlich. Denn Methan verbleibt zwar kürzer in der Atmosphäre – ungefähr 12 Jahre – aber dafür ist das Treibhausgaspotenzial ungefähr 85-mal so hoch wie bei CO<sub>2</sub>, weil man es eben auf 20 Jahre rechnet. Und wenn Sie – wie vorhin gehört – sagen, wir brauchen eine Diversifizierung, wir brauchen mehr *energy terminals*, wir brauchen mehr Diversifizierung der Lieferanten, dann hätte ich gerne gewusst, wie denn die Strategie ist, um zu verhindern, dass wir über den Methanschlupf – denn bis zu 10 % werden ja tatsächlich entlang der Kette freigesetzt – unsere Klimaziele sozusagen durch die Hintertür untergraben. Was für Maßnahmen wollen Sie da treffen?

1-096-0000

**Kadri Simson**, *Commissioner-designate*. – It is true that methane leakage is one of the problems that we have here in Europe. We are in an even worse position than our main partners, and we can learn from their experience. There will be an initiative in the field of methane and methane leakage, and Members of the European Parliament will be very closely involved in this strategy.

1-097-0000

**Katalin Cseh (Renew)**. – President-elect von der Leyen emphasised her desire to lead a geopolitical Commission and there is hardly another policy domain in Europe with more obvious geopolitical implications than energy. I'm glad that you have been nominated to lead the energy profile, as I know well that you think Europe is stronger when Member States are unified behind our common goals, trying to make Europe greener, more sustainable and more energy efficient.

These goals must also be reflected in the Member States' National Energy and Climate Plans (NECPs), and, regrettably, there are some notable exceptions. Some governments of high-emission-intensity countries are afraid that the economic burden of the transition is simply too big, and this increases the risk of a new east-west divide in the EU and also endangers our shared pursuit of a climate neutral EU. I was happy to hear that, just very recently, Estonia supported reaching the EU climate neutrality targets, but there should be more countries following that lead.

As Commissioner, what measures would you deem necessary in order to encourage those Member States that are lagging behind with their commitments to revise their national targets in their NECPs and in general terms?

1-098-0000

**Kadri Simson**, *Commissioner-designate*. – Thank you, Katalin, for bringing first your good news. Well, I'm here without an internet connection, so I didn't know that, but that is the answer to the previous questions and I'm really happy about that. About national energy and climate plans: we do see that different Member States are committing themselves at a different level and this is also because their

starting point is different. Each and every member country has a different energy mix and some member countries are heavily dependent on fossil fuels. This is part of their local industry. This is also part of the social security topics and we have to be aware that they need special support, so as it's almost the end of the hearing, I will again mention the Just Transition Fund. I know that members of the ITER Committee know very well why it was created, but I see it as a new tool that exactly helps those member countries who do have coal regions to prepare better for their exit of solid fossil fuels and this is different to the Globalisation Adjustment Fund, which comes in after jobs are lost. This helps to create strategy for each member country and this will definitely be a solid tool if we are negotiating with Member States about their targets, and in the upcoming three months, we are still negotiating, and our aim is to provide as ambitious targets as we can get.

1-099-0000

**Katalin Cseh (Renew).** – It would be very important to incentivise Member States, and especially those with lower income regions, to reorient their energy and climate policies in order to facilitate their energy transition. I'm looking forward to your suggestions on that. I would also like to follow up on some of my colleagues' previous questions on emissions reductions in the housing sector, but also in the transport sector. This is a particularly relevant problem in regions such as the Central Eastern European region, where transport and housing infrastructure tend to be less energy efficient, representing a larger proportion of all emissions than in other regions. I think it would be important to develop a close cooperation with other Commissioners, such as Commissioner Ferreira in the regional development portfolio, and also the future transport Commissioner. I'm curious if you have any plans on how to cooperate with them, and what kind of plans do you have for the future work?

1-100-0000

**Kadri Simson, Commissioner-designate.** – I do consider myself as a very good team worker, so I'm also looking forward for cooperation – and not only with my fellow Commissioners but also with the Parliament and Member States, because without this kind of cooperation we can't achieve those ambitious targets.

In the previous Commission, Commissioner Arias Cañete was responsible, both for DG ENER and CLIMA. In the future cabinet I will closely cooperate with Executive Vice-President Frans Timmermans, who is also responsible for DG CLIMA and who is coordinating our joint efforts to achieve lower emissions in broader sectors. So I see lots of smart integration with sectors like transport, housing, heating and cooling, but also in industry, and this is also the future structure of our Commission – that we will all work together under the overarching topic.

1-101-0000

**Maria Spyraiki (PPE).** – Commissioner-designate, I am here. Because I am the last who is asking a question, I would like to insist on some kind of details on two topics related to our common carbon-neutral goal. Firstly, as regards the establishment of Just Transition Fund. When will it take place? What amount of funding would be available, and how will the 41 EU regions that depend on coal benefit from it?

The second related question is, according to the President-elect, Ursula von der Leyen, the Commission plans to establish a carbon border tax, which is intended to reduce carbon leakage and subsequently to reduce its impact on the effectiveness of EU policy on the border. So, could you please give us some further details on this topic as well?

1-102-0000

**Kadri Simson, Commissioner-designate.** – The first question was about the Just Transition Fund. This fund was also mentioned in my mission letter, but the Commissioner who brings forward the exact plan will be Commissioner Ferreira. Insofar as it concerns me, I see that the Just Transition Fund will build on the project for coal regions in transition, and it will also help small islands which do not have connections with the mainland. This should help each region to be better prepared for the transition

from fossil fuels towards renewables. The exact amount of this fund is under negotiation, but because it will be part of next MFF, it is an initiative that will be on our table in the first weeks of the next Commission's mandate. So I predict that, by the end of November, there will already be concrete answers. But I will do my best to make sure that it will be big enough to support those regions to prepare for the transition.

About the carbon border tax, this is also a project of cooperation between several Commissioners who are responsible for trade and for financing, and I will provide my input too, but unfortunately I can't elaborate more.

1-103-0000

**Maria Spyra** (PPE). – This is my follow up because I would like to have some kind of further details on the implementation and operation of the so-called mechanism of border adjustment mechanism, because I already know that Commissioner-designate Gentiloni was not able to answer this question either, so the question is: is there any kind of preparation in this Commission-designate in order to start working on this topic or is it just a topic?

1-104-0000

**Kadri Simson**, *Commissioner-designate*. –The carbon border tax as a topic has to replace the current mechanism and it has to be better than the current mechanism that deals with carbon leakage. So there is not a final plan as such, there are lots of ideas and there is also input from different Member States that have the concrete problems with unfair competition. But if we're talking about carbon border tax it has to be compatible with WTO rules, that means that we can't take it like disguised restrictions for international trade.

I know that we can take carbon border tax also regionally and sector-based and there have also been cases that we are closing down our power plants but then we are importing coal power from countries that don't pay CO<sub>2</sub> prices, this is like the electricity sector, very local market, regional market case, but very clear case of unfair competition between for example Spain and Morocco. So these are the sectoral questions we have to negotiate and analyse.

1-105-0000

**Chair**. – Well, thank you very much. That concludes our round of questions. Now Ms Simpson, you have the opportunity for five minutes to give us your closing remarks. When you're ready, you have the floor.

1-106-0000

**Kadri Simson**, *Commissioner-designate*. –Honourable Members of the European Parliament, fellow Europeans online, thank you all for this extremely important hearing, at least for me. It has been quite intense, but I hope I managed to respond clearly to many of your questions and that I managed to express my concerns. I am a firm believer in cooperation between Commissioners and the Members of the European Parliament. I do not take today's dialogue as a one-off, but as a starting point for a strong and constant cooperation if I am appointed as Commissioner, and I look forward to working with you and meeting with you as a core part of my job.

I enjoyed our debates during the Estonian EU Presidency in 2017. As Commissioner in charge of a portfolio relying on a great amount of legislation, I will ensure that Members of the European Parliament are regularly updated, consulted and involved. Today's hearing re-confirms that Parliament is a great ally in taking forward the European Green Deal, a partner in shaping the future of Europe.

You heard my ideas and goals for the future in my opening statement and amongst my answers to your questions, but please let me re-emphasise just a few points.

It is clear that at the top of your concerns is the question of our climate. Without taking concrete steps now, there will be no bright future, and we have to act now. That is why the President-elect has identified the European Green Deal as a leading priority for the next Commission. I find it obvious that energy policy will be essential to deliver on these priorities since 75% of CO<sub>2</sub> emissions are linked to energy. The energy union will remain a solid foundation for the Green Deal, making sure that adequate levels of ambition are achieved in 2030 and beyond.

Effective implementation of existing legislation, in particular the clean energy package, will be key in the path towards increased ambition. I would also like to stress that I will strive to maintain a balance when working towards a real energy union and across all its five dimensions. With the energy union, the EU has created a unique opportunity to secure sustainable, reliable and affordable energy for our citizens and industry. It has created a unique legislative framework of energy and climate governance on which we have to build our future actions. My future actions will focus, in particular, on the 'energy efficiency first' principle and on speeding up clean energy deployment across the economy. Key elements will be the promotion of a power system largely based on renewables and the smart integration of electricity, heating, transport and industry.

An internal energy market based on regional cooperation and international energy dimensions are also important for achieving our ambitions.

Many of you also stressed the importance of technological advances. My focus will be on this. We cannot think that transition is only a matter of rules or regulatory frameworks. It is unthinkable that Europe can become climate neutral by 2050 without a colossal effort in research and innovation to develop new technologies. This is also a way to enhance our industrial potential.

Many of you mentioned the fight against energy poverty and for fairness. We cannot accept that millions of Europeans struggle to pay their bills or see their energy bill rising out of proportion. The fight against energy poverty is a matter of solidarity and also ensures that we have the public support needed for the transition. Every step we take from here onwards must be taken with one eye on the consumer. We have to have their support and understanding.

Many of you also asked about what the EU can do for specific national or regional situations, especially for more vulnerable regions and small countries. Together, we are all stronger. In our constant strive for a better future, not one single Member State or region can be left behind. For this, I will work to deliver a Just Transition Fund as part of the President-elect's vision of a just transition where nobody is left behind.

Dear members of the European Parliament, so far I have talked in English, but let me conclude in my native Estonian.

Mul on siiras au olla siin teie ees ajal, mil Euroopa on muutustes. Euroopa Komisjoni ametisseastuv president Ursula von der Leyen on seadnud sihiks muuta Euroopa aastaks 2050 esimeseks kliimanetraalseks maailmajaoks. Ma olen sada protsenti antud püüdluse taga. Energeetika mängib selles ülimalt tähtsat rolli ja ma olen tööks valmis. Usun, et koostöös teiega, head Euroopa Parlamendi liikmed, suudame seatud sihid saavutada. Ma tänan teid!

1-108-0000

**Chair.** – Well, thank you very much Ms Simson. Thank you very much colleagues for your participation. Now the hearing stops here. Let me remind you that we will have an *in camera* meeting this afternoon with coordinators in order to evaluate this hearing. So thank you very much again.

*(The hearing closed at 11.55)*