

Committee on Industry, Research and Energy The Chair

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Mr Antonio TAJANI Chair Conference of Committee Chairs European Parliament

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Brussels,

Subject: Evaluation letter of Kadri Simson, Commissioner-designate for Energy

Dear Chair,

The Committee on Industry, Research and Energy, in accordance with Rule 125 of the Rules of Procedure of the European Parliament, held a public hearing on 3 October 2019 with Ms Kadri Simson, Commissioner-designate, who, subject to the positive outcome of the nomination procedure, will be responsible for Energy.

On 27 September 2019, the Committee on Industry, Research and Energy, pursuant to Rule 125 of the Rules of Procedure and Article 2 of Annex VII thereto, received the letter by the JURI Committee regarding the scrutiny of the declaration of financial interests of Ms Simson.

Prior to the hearing, Parliament had sent the Commissioner-designate a list of written questions. My committee noted that Ms Simson answered those questions and dealt with the priorities outlined satisfactorily.

Ms Simson opened the hearing by making a statement in which she referred to the following:

- Energy policy will be essential to deliver the European Green Deal flagship initiative to make Europe climate neutral by 2050.
- An evaluation about how legislation in the energy sector can contribute to the climate neutrality target will be launched. Based on this, the need to review legislation in the energy field will have to be assessed.
- Achieving climate neutrality and the preservation of the competitiveness of our industries
 are equally important goals and would enable Europe to create quality jobs in the clean
 energy technology sector.
- The full potential of the 'Clean Energy for All Europeans' package needs to be tapped.
- The availability of funding for the energy transition should be increased.
- All the instruments available at EU level must be harnessed to leverage private funding
 for green future-proof investments. In order to make progress towards a clean energy
 system, the new Horizon Europe should be used as a catalyst for more public and private
 investment.

- The importance of a Just Transition Fund to support coal and carbon intensive regions, which would be built on the existing 'Coal Regions in Transition' initiative.
- In the electricity market, there is a need for a power system largely based on renewables, with improved energy storage and increased interconnectivity.
- Interconnectivity targets must be reached and 70% of interconnector capacity should be available to the market.
- Importance of further strengthening the Union's energy security dimension.
- Importance of affordable energy prices for consumers and businesses, in particular consideration should be given to the costs for the energy intensive industries.
- The fight against energy poverty is an important element of a fair energy transition.
- In order to exploit the full potential of the Trans-European Networks for Energy, the review of TEN-E Regulation shall be completed by 2020.
- Improving the energy performance of buildings and speeding up renovation rates is crucial in the context of implementing the 'energy efficiency first' principle.
- Digitalisation of the energy sector will be an important element of energy policy.

The introductory statement of Ms Simson was followed by a first round of 7 questions from representatives of each political group and a second round of 18 questions by Members, including also a representative from the non-attached Members.

In her replies, Ms Simson made the following specific commitments regarding her future action as Commissioner:

- She stressed that Europeans must have access to affordable, secure, reliable and clean energy.
- She showed herself highly committed to the full implementation of the Energy Union and the 'Clean Energy for all Europeans' package. As regards the implementation of the package, and in particular the 2030 targets, she committed to push Member States to close the ambition gaps set in the draft National Energy and Climate Plans. She stressed that she will closely monitor progress on the achievement of the 2030 targets and regularly report to the European Parliament and the Council.
- She firmly supported the climate neutrality target for the Union by 2050. She committed to launch a thorough impact assessment on how to reach that target.
- She stressed that there could be a need to be more ambitious when it comes to EU 2030 targets for renewables and energy efficiency.
- She underlined the need for a greater role of decarbonised gas (like hydrogen and biogas) and the need to make the gas infrastructure future-proof.
- She stressed the importance of natural gas for district heating during the transition period.
- She stressed the importance of diversification of both gas routes and sources and she underlined the solidarity principle of the Energy Union.
- She committed to present an initiative to address the issue of methane leakage in close cooperation with the European Parliament.
- She stressed the importance of achieving the electricity interconnection targets and showed commitment to ensure that Member States comply with EU law.
- She repeatedly underlined the importance of research and innovation for the development of clean technologies, including storage and transportation.
- On financing, she emphasised the role of the EIB, funds from CEF and the Just Transition Fund, and underlined the need for additional funding from Member States and private sources. She stressed that the Just Transition Fund would supplement and not replace existing funds and that it should provide tailor-made solutions for different regions.

- As regards investments in renewables, she underlined the importance of using the cooperation mechanisms between Member States provided for by the Renewable Energy Directive.
- She stressed that the Union could provide technical and financial assistance to ensure high safety standards in nuclear reactors in neighbouring countries.
- She committed to close monitoring of the implementation of the provisions on cross-border electricity trade and security of supply, including cross-border solidarity provisions.
- She emphasised the importance of the 'energy efficiency first' principle. In this respect, she committed to increasing renovation rates in the existing building stock.
- She stressed the importance of protecting vulnerable consumers and tackling energy poverty.
- She committed to work on the smart integration of the electricity, building, heating and cooling, transport and industrial sectors.
- She acknowledged the importance of the role of consumers in the energy transition.
- She showed a strong European commitment while acknowledging that the energy mix is the competence of Member States.

Before the end of the hearing, the Commissioner-designate made a brief closing statement in which she reaffirmed her vision for a just energy transition with a strong commitment to work towards achieving the 2050 target. She insisted on the importance of implementing the existing legislation and increasing financing for new and clean technologies, including for infrastructure.

ENVI Opinion

The general assessment of a clear majority of the ENVI coordinators was that the Commissioner-designate made a mixed impression as she only gave very general and vague answers and often referred to the responsibility of Member States rather than to the role of the Commission.

Specifically, a clear majority of the ENVI coordinators were not fully convinced by the Commissioner-designate's replies on how to implement the 2050 climate neutrality objective under the Green Deal and would also have liked to have more concrete answers about measures on sustainable finance and about the 2030 climate reduction target, while addressing energy poverty.

ITRE Evaluation

On the basis of the responses to the Members present at the hearing, as well as the discussion among my committee's coordinators, who met in camera after the hearing under my chairmanship, and also taking account of the opinion of the committee associated with the hearing, we hereby give the following assessment:

The Commissioner-designate showed a clear commitment to the European project. On the whole, she demonstrated a positive attitude to engaging with the European Parliament, notably giving support to the incoming Commission's commitment to supporting an enhanced right of initiative for the Parliament.

Throughout the hearing, the Commissioner-designate was able to answer Members' questions and, in general, showed grasp of the energy portfolio. Her replies focused on headline policy priorities and some of them lacked detail or else specific commitments in terms of translating those headline priorities into tangible measures with a clear timetable, in particular relating to:

- implementation of the 'Clean Energy for all Europeans' package, especially in relation to the 2030 renewables and energy efficiency targets, the 'energy efficiency first' principle and how to address energy poverty;
- implementation of the Security of Gas Supply Regulation;
- her role in the establishment of the Just Transition Fund, its energy policy aspects, tools and timeframe;
- implementation of the 2050 net-zero GHG emission target;
- the phase-out of fossil fuel subsidies.

The general outcome of this hearing is that the Commissioner-designate gave a positive impression of her aptitude to be a member of the College of Commissioners and to carry out the specific tasks assigned to her.

Therefore, in accordance with Rule 125 of the Rules of Procedure and Article 4 of Annex VII thereto, the ITRE coordinators representing a majority of two-thirds of the committee membership decided that the Commissioner-designate is qualified both to be a member of the College of Commissioners and to carry out the specific tasks assigned to her.

During the evaluation meeting, the GUE/NGL coordinator asked for the dissatisfaction of his group with the performance of the Commissioner-designate to be mentioned in this letter.

We would be grateful if you could bring this assessment to the attention of the Conference of Presidents.

Yours sincerely,

Adina-Ioana VĀLEAN