

## **Sectoral Social Dialogue Committee in the Gas Sector Working Group Meeting**

**28 April 2023, 09h00 – 13h00**

***Hybrid, Brussels and online***

### **Minutes**

#### **Welcome by the Chair**

The new Chair (member of Eurogas) opened the meetings by welcoming the participants and presenting himself. He is working for ENGIE and is particularly involved in the Just Transition agenda of the company.

#### **Adoption of the agenda and adoption of minutes of the last SSDC meeting (26/09/2022)**

The Chair presented the agenda and proposed to adopt the minutes of the last meeting.

Ettore Bucci, from DG EMPL, made the remark that the European Social Partners have now to write the minutes as DG EMPL will no longer provide this service. He detailed that there are some rules to take into consideration such as the anonymisation of the persons who take the floor during the meeting. The minutes of the last meeting will be anonymised according to this rule.

There were no other comments and the minutes have been adopted as well as the agenda.

#### **Update on Energy Policy**

Four policy officers from DG ENER presented a comprehensive overview of the EU energy policy and its impacts on the gas sector.

First, an update on the EU Energy platform was delivered, highlighting the four main pillars on

- Gas demand aggregation for purchasing (objective to procure gas at competitive conditions, support storage filling for next winter, underpin future imports of renewable H2)
- Setting a framework for international cooperation
- Efficient usage of EU's gas infrastructure
- Coordination on EU position on gas supplies

The speaker clarified that the EU will never buy or sell gas but will rather help as a service provider for demand aggregation. The process for each tender was explained, showing the different steps starting with the demand aggregation, then the tender and matching before the bilateral negotiation that take place outside the platform.

The speaker then explained the EU strategy adopted to reinforce the security of gas supply in 2022:

- Immediate political EU response: REPowerEU Communication
- Concrete EU/Member State actions to implement REPower EU in 2023
- Gas storage regulation (with a storage target of 80-90% on 1<sup>st</sup> november for 2022/23 onwards)
- Council Regulation on Gas Demand Reduction
- Council Regulation on emergency measures on solidarity

For next winter, the speaker explained the energy winter preparedness package as well as the Market Correction Mechanism.

The second speaker delivered a presentation on the European Hydrogen (H2) Bank and developed its proposed activities on:

- Domestic market creation (auctions under the Innovative Fund)
- Imports to the EU
- Transparency and coordination on H2 demand and supply, infrastructure needs and development of H2 flows, price information
- Existing European financing instruments
- Existing international financing instruments

After the presentations, the Chair opened the floor for comments and question.

The representative of EPSU said that the demand aggregation for H2 make sense but that some media are reporting that the joint purchasing platform was not interesting for companies.

DG ENER replied by explaining that there were lots of differences between demand aggregation for gas and for H2 as for H2, there are still lots of uncertainties, no market, no reference point, no visibility that is yet needed to move ahead. This is why the H2 Bank make sense, while the EC will not purchase any H2. There is a need for aggregation for visibility purpose and clarification.

A trade-union representative asked if there will be incentive to increase the capacity of storage. The EC replied that enormous efforts have been made and that despite the not so warm winter, there was no problem with gas shortages because of these efforts on demand reduction, diversification of demands, already existing capacity of storage, etc. DG ENER considered that there are reasons to be optimistic for the next winter and for the future.

Eurogas representative took the floor to say that he does not share this optimism and reacted by explained that the demand reduction is mainly the result of delocalisations of many industries outside EU. The demand has indeed being reduced but also destroyed. He said that there is still a need for other solutions to tackle the challenges of next winter but also for the summer as there will be not enough H2, not enough nuclear energy. He said that we will need a lot of gas and that the crisis is not over. And of the top of that, the prices are still high. He also pointed that the European Commission is not planning the needed actions and planification in case Russia would decide to stop its exportations to EU.

The DG ENER representative recognised that EU is still facing a crisis on gas, but that things are going better.

IndustriAll Europe representative asked a question about the H2 bank and more precisely on which kind of sustainability criteria are going to be developed to prioritise projects. Social conditionalities are important and might be considered.

DG ENER replied that criteria must be universal if there are cooperation and trade with third countries.

A trade union representative took the floor to explain that he supported the previous speaker in his views that the demand reduction was not only because of climate but mainly because many companies have left EU to US or China. On H2, he insisted on the need to increase storage capacities. He also said that EU must also increase its efforts on supporting biogas as H2 development will take time.

The Chair concluded the point by thanking DG ENER for their time.

### **Towards an EU Framework Agreement on Just Transition in the Gas Sector**

IndustriAll Europe representative began its presentation by delivering an update on the process. A trade union mandate has been approved in industriAll Europe and EPSU and a concept note has been approved by Eurogas, meaning that the social partners can officially start the negotiations.

She said that the three secretariats propose to launch the negotiations today, by sending a letter to the European Commission asking support to start negotiations as soon as possible. They also proposed to publish a press release.

On the practicalities, the speaker explained that the negotiation team will be composed of 14 people from each side, that they will demand 4 meetings + online meeting if needed, with a view to have an adoption in March 2024. She detailed that the cost of travel will be reimbursed by the EC to the negotiation team and that interpretation will be asked.

She then presented the draft structure of the agreement:

- Introduction's chapter with purpose, objectives, scope, definitions
- Chapter 1: anticipation and management of the transition on the company level
- Chapter 2: Job to job transition
- Chapter 3: Training as the key to employability
- Chapter 4: Strong social dialogue
- Chapter 5: Strong diversity at the workplace
- Chapter 6: Implementation and monitoring
- Additional information: non-regression clause, possibility to have more favourable provisions, form, respect for social partner autonomy

EPSU representative supported the presentation and proposals and insisted on the fact that this can concretise our demands for more just transition in the sector.

EUROGAS representative explained that they had international discussion and they support the launch of negotiation on the basis of the structure presented before.

DG EMPL representative gave more details on what was needed from the European Commission side: the dates of the meetings, need to emphasise on the representativeness of the social partners, the side of the delegation that must be composed of people coming from EU member states only. He also recalled that, in accordance with the Communication on strengthening Social Dialogue, the social partners could ask a legal advice and that the European Commission will not be involved in the content.

An industriAll Europe representative insisted on the fact that this was a historical moment as this will be the first EU just transition agreement. She also insisted on the enormous amount of work delivered by the three secretariats these last months to prepare the ground for negotiations. She also explained that this negotiation will be observe by many other sectors and DG.

Eurogas representative fully endorsed what was just said and said that its organisation was fully committed in this journey. He thanks the leadership of industriAll Europe and EPSU for being supportive.

The Chair asked if there were reactions from the members. As there was no reaction, he concluded this point by wishing all of us a lot of success.

### **Discussion on the EWC Directive**

The representative from EPSU delivered a presentation on the EWC Directive. He recalled that EWCs bring together works councils and union representatives from all countries of activity to be informed and consulted by central management on transnational issues. He added that European Works Councils are important tools for works councils, but they risk remaining toothless in practise. He then gave an explanation on the European Parliamentary report that was adopted on February 2<sup>nd</sup>. It follows many longstanding demands by trade unions (ETUC). Following this report, the Commission is now obliged to consult the European social partners.

The main points of the report are the following:

- Need for a better definition of key concepts like “transnationality” or “information and consultation”.
- Need to introduce a right to injunctive relief if a company disregards the consultation rights of the EWC.
- Effective access to court – this also means legal personality for the EWC
- Right and the necessary resources for EWCs to carry out their work.
- Recognise role of the trade union representative as well as right to experts.
- Negotiations must start within six months after receipt of a formal letter.
- EWCs should meet at least two times per year.

The speaker said that the trade unions largely agree with the report and want the European Commission to put forward a legislative proposal.

The Chair concluded the point by saying that this will need a follow up and update in 2024.

### **Social Dialogue Review (15 minutes)**



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DG EMPL representative gave to the participants an update on the social dialogue review, adopted by the Commissioners' College on 25 January and composed by a Communication and a proposal for a Council Recommendation. Concerning the Communication, he gave some information on the social dialogue coordinator that are going to be nominated in each relevant DG. Also, he noted that the Communication emphasises the priority for promoting Social Partners agreements, providing, at the request of the Social Partners, administrative support and legal advice. He also presented the new approach from the European Commission on organising SSDC meetings. DG EMPL is currently proposing a system with grant application that social partners will have to apply in order to receive money to organise the administrative support. He also explained that the social partners have refused this idea and that further meetings are going to be organised with them to continue the discussion. He also proposed to the Social Partners of the Gas Sector to deliver some proposals and constructive ideas. Concerning the Council Recommendation proposed by the Commission, discussions are still ongoing under the guidance of the Swedish Presidency. The initiative, the first one at the EU level, sets out how EU countries can further strengthen social dialogue and collective bargaining at national level. Without adopting a one-size-fits-all solution, the proposal recognises some common lines, taken by well-functioning social dialogue systems: the need to ensure an enabling environment for tripartite and bipartite social dialogue, the support to ensure the existence of strong, independent workers' and employers' organisations, a greater involvement of social partners, in particular in some Member States, in developing and implementing policies and reforms, the importance of Social Dialogue to keep up with the digital age and the green economy.

IndustriAll Europe representative recalled the positions of the social partners that are against the idea proposed by DG EMPL on outsourcing the organisation of meetings to social partners, already presented several times in this SSDC and propose to not have a proper approach in the gas sector, but stick to the coordinated approach organised by all the social partners in the different sectors.

Eurogas representative said that this information delivered by DG EMPL are a bit confusing but they will continue to be engaged on this dossier as it remains very important.

There were no other reactions and the Chair concluded the meeting.