

Sectoral Social Dialogue Committee in the Gas Sector Plenary Meeting

12 December 2023, 09h00 – 16h00 CET

DRAFT MINUTES

09.00-10.00: Preparatory Meetings for Social Partners

Start joint meeting 10h00

Welcome by the Chair, ENGIE

- Adoption of the agenda

ENGIE representative and chairman of the SSDC Gas greets the participants and introduces the main issues that will be discussed in the meeting.

- Adoption of the minutes of the last meeting (7 September 2023)

The minutes were approved.

Updated trends for natural and renewable gas in Europe and perspectives

- Presentation on the Gas Package by a representative of DG ENER

Representative of DG Ener delivers a presentation developing the following points:

- Latest update on the EU gas package. The agreement just reached between the EU Parliament, Council and Commission still requires formal adoption by the plenary of the Parliament and the Council, and therefore no consolidated legal text is available yet. The Commission put forward the decarbonised gases and hydrogen package in 2021 as part of the EU Green Deal. The package is key to the EU's target of reducing net greenhouse gas emissions by 55% by 2030. It follows the 2020 energy system strategy and hydrogen strategy and provides updated EU rules for the decarbonisation of the energy and hydrogen market, while assuring security of supply and affordable energy. The agreement addresses:
 - Network planning: it reinforces the long-term planning of necessary infrastructure for a decarbonised gas sector. National network development plans should be based on joint scenarios for gas, electricity and hydrogen and should be aligned with national energy and climate plans. Hydrogen and gas network operators will have to decommission or repurpose infrastructure and there will be specific hydrogen network development plans to ensure that the hydrogen system is based on a realistic demand projection.
 - The uptake of renewable and low-carbon gasses: enabled by facilitating access to the existing gas grid. It includes a certification system for low carbon gasses (with the same method as the certification system in the revised renewable energy directive but a new

framework), and provisions to incentivise bio methane and the optimal exploitation of bio methane.

- A new market design for hydrogen in the EU: to be applied in two phases – before and after 2033. Before 2033, a simplified framework will provide clear visibility about future rules for a developed hydrogen market. Covers access to hydrogen infrastructure and the unbundling (horizontal and vertical) of hydrogen production and transport. A new governance structure (European Network of Network Operators for Hydrogen (ENNOH)) will be established to promote hydrogen infrastructure, cross-border coordination and interconnector network construction.
- Consumer empowerment and security of supply: mirrors provisions already applicable in electricity market. Consumers will be able to switch providers more easily, get more accurate/clear billing data and access to smart technology. Consumers should be able to choose low carbon over fossil fuels.
- The co-legislators have backed the Commission's proposal that long-term contracts for unabated fossil gas should not last beyond 2049. Crisis management procedures have been enhanced. The deal introduces a new pilot 5-year plan. It now needs formal adoption, legal checks and translation.
- Discussion with members

The representative from Romania (Trade Union) asks if the plan envisage compensation for consumers in order to switch to low-carbon energy? What about other costs on consumers for the switch (e.g. pipes) – will there be funds available?

DG ENER's representative's response: This package will not resolve all aspects of the issue. Different financing structures are required if you are switching from gas or if you are going to heat pumps for example – this requires very different upfront costs. This package does not go into the financing part, it only encourages consumers to switch. Actual tools to support the shift are available in member states but the package has lots of tools to encourage consumers to switch.

The representative from Romania (Trade Union): Some things can't be done with just consumers. Companies will have to make big changes – are funds going to be made available for this? Otherwise, the costs will fall on consumers.

DG ENER's representative's response: Recovery and resilience plans are completely targeted at this – transforming the energy systems locally and regionally but they are always based on input from member states. It should not lead to energy poverty or more vulnerable consumers.

Another trade union's representative from Romania asks: When you have different specificities for each country – why use the same approach for all?

DG ENER's representative's response: Focus is on a big step towards supporting new technologies. Less than 1% of hydrogen today is produced by new technologies but these will become a big part of production already by 2030. On energy mixes in the EU, this is a cornerstone of the EU treaties – it is up to countries to choose their energy mix, the Commission can only help member states enter the market competitively.

Representative from Spain (trade union): Did you say that low carbon gas for domestic consumption cannot be used after 2045?

DG ENER's representative's response: Long-term contracts for unrebated fossil fuels cannot go beyond 2049. It is possible to have methane gas as long as there is carbon capture related to it. Consumers do not have to be worried because industry can deal with it.

Representative from France (trade union): How will governance of the hydrogen market be organised when it comes to transport and storage? This requires proper infrastructure. Even if we have low carbon in our grid, it is important that workers and gas companies have a role to play in the hydrogen market down the line. How will the Commission ensure integration at EU level so that jobs are maintained?

DG ENER's representative's response: There will be no cross-subsidisation between sectors. Gas infrastructures will be transformed, which could be for hydrogen but could also be transport of CO₂, and there is no implicit subsidy related to this. It will not be hydrogen consumers that pay for this. The exact modalities of how/what will be repurposed/phased out are all part of this replanning. Still questions about how much will gas consumption be reduced/which pipelines will be phased out and used for other purposes. When a gas supplier decides they no longer need a pipeline, someone from hydrogen/other can come in and say they want to use it. On jobs, the competences that are needed to transport gas will still exist even in 2050. Those skills can be used for hydrogen or CO₂. There will be an overall reduction in natural gas, and those workers will have to be retrained, but they should already have many of the necessary skills so it should be a manageable task.

Representative from France (trade union): On empowering consumers, the EU has had deregulation to empower consumers, but this is not a 21st century solution and has not led to empowerment. A new market for hydrogen could import millions of tonnes from Africa. Unbundling, separating gas from hydrogen, is not what we see as the solution – what is this idea based on?

DG ENER's representative's response: Trying to give more power to consumers by making more transparent meters so that they can follow their consumption/what energy they are using. The main framework for this comes through the renewable energy directive. By 2030, at least 42.5% will come from renewable sources (apart from the maritime and aviation sectors which have special targets). If industry can provide for more than that its good, but the EU is making sure that there is a market to reach those targets.

Representative from Spain (employer): After the last trilogue, what are the immediate next steps? After 2024, there needs to be legislation in place, so what are the next steps?

DG ENER's representative's response: The Commission is working at high speed to try and get as much as possible done. The package should be adopted before the EU elections (probably in Spring 2024). Things take time, but the Commission will be working on it and incentivising it. This links to the question on jobs – most of the competences already exist. There will be the reparatory project on hydrogen and the establishment of ENNOH. We will see a gradual transition – the legal framework exists.

Representative from industriAll Europe: On the jobs that will be needed, it is necessary to anticipate these changes also for the labour market. We need people to maintain gas

infrastructure. The social partners in the gas sector are negotiating an autonomous agreement that could be transformed into a directive. There is not enough on the workforce/social aspects of the transition. We want a just transition framework, including a right to training. We need to go all together towards the transition, otherwise the EU might miss targets if this kind of stuff is not planned for. Our agreement could be missing piece of puzzle.

DG ENER's representative's response: First there needs to be a legislative framework. Once this is in place, you can start doing planning your side. We will probably not see any domestic uses of hydrogen – it will be for industry and commercial uses. There are different types of consumption and different locations, each with have a social dimension, but we need a legislative framework first otherwise we live in limbo.

Representative from Portugal (trade union): Will we have EU gas grids to transport gas towards EU in same condition? There is nothing to certify/protect workers in the gas grid. The national grid in Portugal has only 46 workers. We need certification for the workers and rules to protect them. We must have the same rules for gas workers everywhere. If it's an EU grid, we need to have the same certification for all workers, and defend workers to have certification and protection to work. In Portugal, workers can end up working 24 hours a day because there are only 46 workers so people can't leave if there is an emergency.

DG ENER's representative's response: There is quite a large need for more harmonised standards. There will be a standardisation mandate as part of the package and we will go through existing standards and adapt them for needs of the market. There is already work ongoing but it will be sped-up, There is certification for operators – not just anyone can be asked to manage grid. This also entails that the workers employed have right skills and certification. The safety of workers/citizens and industries will be addressed. We are establishing a framework but there are many things that will need to be filled in.

Eurogas' representative: On renewable gasses, the forum we have here focusses on the relationships of tomorrow (not only today). We believe that we will have low-carbon/hydrogen in the future. After the Russian invasion, there was an ambitious package, REpowerEU, which provides good opportunities for improved connection access, cross border access, and a phase out of unabated fossil fuels by 2049. Will this be enough to achieve the targets of 35 billion cubic meters of bio methane and 10 million tonnes of domestically produced renewable hydrogen?

DG ENER's representative's response: We will maintain a strict monitoring of member states in order to reach biomethane targets and use this optimally. There will be recommendations going out to member states already this month on how to better reach their targets. We do not want to make new targets because of the nature of the gas package. The renewable energy directive already has lots of targets. On the 10million tonnes, we are sure we will obtain them. It is better if its produced domestically. We are not refusing imports if domestic production is unable to meet requirements, but we will put the same requirements on hydrogen produced outside the EU and we will factor in all the transport emissions.

Representative from Germany (trade union): Provision and security of supply are not being addressed well enough. The transition is not going as fast as it should to ensure enough green hydrogen and biomethane. Energy intensive sectors should be able to produce biomethane themselves on site. We need to focus on how to produce hydrogen in the EU.

DG ENER's representative's responses: On security of supply, there are several incentives to establish a domestic market for biomethane and hydrogen. Producing hydrogen depends on the availability of power. If industry is far from a place of abundance of power, it is better to import it. The EU will not say where plants should be, but we are incentivising co-location. There is no need to import if it can be produced in Europe.

Representative from Poland (trade union): The transition to hydrogen is not simple. It is not only pipes that are concerned but all connections between countries. This must be adapted to hydrogen because it's a different gas. It can be dangerous to the competitiveness of the EU market. Industry will cease to exist in EU.

DG ENER's representative's response: We are trying to build up a competitive market for electrolyzers. Access to raw materials will also need to be addressed. The transition will not be simple but we have companies that understand what the transition means in terms of safety rules and have skilled workers.

Achieving the EU 2040 climate targets: a role for gaseous energy? Presentation by Eurogas of ongoing Study Project

- Presentation by Policy Director at Eurogas

See powerpoint presentation.

There were no questions or comments.

Good industrial jobs campaign from industriAll Europe

- Presentation by industriAll Europe

Before delivering her presentation, the speaker explains that there was currently a demonstration organised by the European Trade Union Confederation in the streets of Brussels to denounce austerity. The members of the gas sectoral social dialogue will show their support to the demonstration on social media. She then presented the industriAll Europe's campaign on Good industrial jobs based on 8 messages:

1. Rule of law must mean the respect of workers' and trade union rights
 2. All policy making to be guided by a good jobs compass
 3. Training for employment security
 4. A real industrial investment agenda for all regions with no blank cheques
 5. A right to energy for all, at home and at work
 6. A level playing field internationally with good jobs along the supply chain
 7. Policy coherence for decarbonisation without deindustrialisation
 8. Nothing about us, without us: social dialogue and worker participation
- Discussion with members

Representative from France (trade union): This presentation illustrates the defending of industry in Europe by putting forward practical solutions. It addresses very clear and relevant demands – its time to live up to that. On the technical side, we need these demands translated into other languages so that we can disseminate them ahead of EU elections.

industriAll response: It is being translated so that national members can get involved and do something. We will check if future documents can be translated.

Representative from Romania (trade union): On the slide with solutions that you want to address, on recommendation 4, there is a problem – trade unions are national, so how can you manage the whole region?

industriAll response: When we speak about regions, we talk of regions within countries, not within to whole of Europe. For example, there are certain mining regions in Poland. It is important that all regions can develop at the same time, and not to have certain regions that lag behind with ageing industries. No blank checks means that public financial support is attached to social conditionalities so that investment leads to good jobs and there are social guarantees.

Representative from Portugal (trade union): In the video, we don't see much of the gas sector.

industriAll response: Industriall represents a lot of industries, and the video is cross sectoral. It looks at common challenges that we all face.

Representative from France (trade union) : Given the work that has been committed, it would be a shame to not use this. We could use industry week in France. Other events could be used to highlight industry and the interests of workers. We should capitalise on this work so that down the line we can benefit.

Energy Poverty

- Recommendation on energy poverty by DG ENER
- See powerpoint presentation.

There were no questions or comments.

Update on the Just Transition in the Gas Sector EU framework agreement

- The Secretariats presented the update on the just transition agreement. In this presentation, the speakers explain that already 3 negotiations meeting took place in July, October and December 2023. As agreed in the roadmap of the agreement, discussions have already taken place on Chapter 1 (anticipation and management of the transition at the company level), Chapter 2 (social dialogue), Chapter 3 (securing job to job transition for the gas workers), Chapter 4 (training as the key to employability), Chapter 5 (diversity). According to both sides, the negotiations are going well. There are of course still questions to be discussed on specific issues, but the core of the agreement has already been agreed by the negotiation team. Three additional negotiations meeting have been requested to the European commission (January, February, April 2024) in order to discuss Chapter 6 (implementation), introduction and preamble and the remaining questions.

The representative of DG EMPL insisted on the importance of this agreement, the first one since the adoption of the Social Dialogue communication. He recalled the support of the European Commission on the negotiation meetings.

Update on the Work Programme 2023-2024

- The Work Programme for 2023-2024 has already been adopted last year as a two years' Work Programme. The secretariats presented it in order to see if any update should be added. There was a demand to add the item of the impact of the gas package as well as joint reaction on this gas package to be considered as an output of the sectoral social dialogue committee.

The secretariats will propose this new version to its members for approval via written procedure in the coming days. If there are no other comments, the updated work programme 2023-2024 will be considered as adopted.

Update on Social Dialogue Review

The representative of DG EMPL presented several points as an update on EU social affairs and on the Social Dialogue Review.

The following points were mentioned:

- In her SOTEU address in September, President Von Der Leyen focused on key priority areas. Above all, she underlined the importance of social dialogue, announcing the Val Duchesse Summit – to discuss with social partners the challenges facing the labour market – from skills and labour shortages. Accordingly, the 2024 Commission Work Programme (CWP) adopted on 17 October 2023 and setting the political objectives for the final year of this mandate, scheduled the summit at the beginning of 2024. Further legislative initiative in CWP is the initiative on rules on the European Works Council. In addition, EMPL has three pending proposals:
 - Proposal for a Directive on a European disability card and European parking card.
 - Proposal for a Directive on platform work.
 - Proposal for a Regulation on coordination of social security systems.
- On 19 October 2023, the Tripartite Social Summit issued a joint statement on the European Year of Skills signed by EC, ES Presidency and cross-industry Social partners.
- On 15 November, the Commission adopted a series of initiatives on skills and talent.
- On 21 November, the Commission launched the 2024 European Semester cycle of economic policy coordination, by presenting the Autumn Package. In the proposal for a Joint Employment Report, there is a strong reference to the social dialogue: “The European Social Fund Plus (ESF+) requires Member States to which a country-specific recommendation on social dialogue was addressed to spend at least 0.25% of the funding on supporting the capacity-building of social partners and civil society organisations. All the other Member States are called to allocate an appropriate amount of ESF+ resources.

Provisional data indicate that 17 Member States have programmed an allocation of more than 0.5% of their ESF+ funding to support the capacity building of social partners and civil society. The total allocation is estimated to be EUR 1.07 billion, or approximately 0.75% of the total ESF+ funding (at current prices)”.

- On the implementation of the Social Dialogue initiative, the proposal for a Council Recommendation was adopted by the Council of the EU on 12 June 2023. Moreover, the Commission continues to implement the various actions announced in the social dialogue Communication: DG EMPL brought together the newly appointed social dialogue coordinators in all relevant Commission services, and a Commission Decision has also established a new sectoral social dialogue committee on social services.
- On the new approach for organising the meetings of the cross-industry and sectoral social dialogue committees. From 2025 onwards all Committee meetings will be organised with the help of an external service provider contracted by the Commission. For 2024, we will enter a transition phase where the Commission will continue to organise social dialogue committee meetings taking into account the recently adopted Communication on Greening envisaging a gradual reduction of the greenhouse gas emissions produced by external meetings to 50% of the 2019 level. This applies to all meetings organised by the Commission with external participation.
- What does it mean for the sectoral meetings? Regarding the format, in 2024, out of the three annual social dialogue meetings, one should be fully online, only one in-person and the third one should be online/hybrid. Regarding interpretation, in principle a limit of three interpretation languages per meeting will apply. For plenary meetings one or two additional languages could be requested if a written justification is provided ahead of the meeting, within the applicable deadlines. To ensure that all committees reach a 50% reduction of greenhouse gas emissions in 2024, the reference will be a 50% reduction in 2024 for the total number of reimbursed participants as compared to 2019 figures. If a committee was in a special situation in 2019, the 2024 target could be discussed and, if needed, adapted on a case-by-case basis: this is the case of the SSDC Gas, dormant until 2019. Regarding to monitoring, it will be up to each committee to ensure that by the end of 2024 the target of 50% reduction in the number of reimbursements is reached. The Commission will rely on the committees themselves on this.
- Reactions from the members:
 - Representative from Eurogas : need to keep the possibility to meet in person.
 - Representative from Poland (trade union): online meetings are not sufficient and in person meeting remain important as it has been showed today. On interpretation, if it is now limited to 3 languages, it is discriminatory.
 - Representative from Hungary (trade union): In Hungary, the government ignore social dialogue. This decrease of support of the EC on European social dialogue do not send the right signal to the Hungarian government and this is unacceptable. With these new proposals, the participants from the eastern countries will have less

possibility to come also because of the decrease of the interpretation possibilities. Social dialogue is a treasure that EU must cherish.

- Representative from Germany (trade union): the aim of social dialogue is to reinforce dialogue, also with representatives from eastern regions and this is why interpretation is needed. There will be no green deal if there is no dialogue, everyone should be able to attend and to be involved. The dialogue is essential for a free Europe and if the dialogue is not possible anymore, the rise of far right will maybe increase. He proposed to see if a joint declaration with other sectoral social dialogue committee would be effective.
- Representative from Austria (trade union): agrees with the previous speakers and insists on the need for enough interpretation.
- Representative from Italy (trade union): social dialogue shouldn't be the place where the European Commission try to save money. It is important to keep everyone involved, even from regions located far away from Brussels. He supports the idea of having joint declaration but also at the national level
- Representative from industriAll Europe: highlights the importance of intersectoral and national social dialogue and that the Commission puts faith in resolving specific problems via social dialogue. Still, she also asserts that de facto, the social actors need the means to work with enough reimbursement of travel. She also says that the duration of online/hybrid meeting is a problem. With only 3 hours of joint meetings, she asks how we can have an effective dialogue. She also insisted on the problem of the diminution of interpretation that is foreseen by the European Commission. She cannot understand how to improve social dialogue while diminishing possibilities of discussion with members coming from other countries, who are the expert of the sector at the national level. She says that the European social dialogue is not aimed to gather the European secretariats but rather the social partners at the European level. She says that it's the added value of sectoral social dialogue - to get all colleagues, who have a national expertise, around the table. If colleagues cannot participate because they don't speak English, then not everyone can participate, and the social dialogue will maybe disappear or will have less outcomes in term of quality. The social dialogue has to be based on tangible possibilities if it is to work.
- Representative from France (trade union): social dialogue meeting is also an opportunity to meet decision maker. This is essential while there is more and more lack of confidence in EU institutions
- Representative from Eurogas: supports what was said. Even if there was less participants from the employers this time, this is essential to have the opportunity to meet and exchange.