

60th Standing Committee Utilities

5 March 2024, Brussels



Election of the President of the Utilities Standing Committee



The Energy Performance of Buildings Directive

- Provisional agreement between co-legislators in December 2023.
- Mandatory targets for renovating worst-performing residential buildings.
- EPSU supported a letter to Member States on the NBRP – three demands: strengthen the focus on the leakiest buildings; clear fossil fuel phase out requirements; open and inclusive consultation processes.



The Energy Performance of Buildings Directive

- For residential buildings, reduce the average primary energy use by 16% by 2030 and 20-22% by 2035.
- Ensure that at least 55% of the decrease of the average primary energy use is achieved through the renovation of the worst-performing buildings.
- For non-residential buildings, renovate 16% worst-performing by 2030 and the 26% worst-performing buildings by 2033.
- Possibility to exempt certain categories of residential and non-residential buildings from these obligations, e.g. historical buildings or holiday homes.

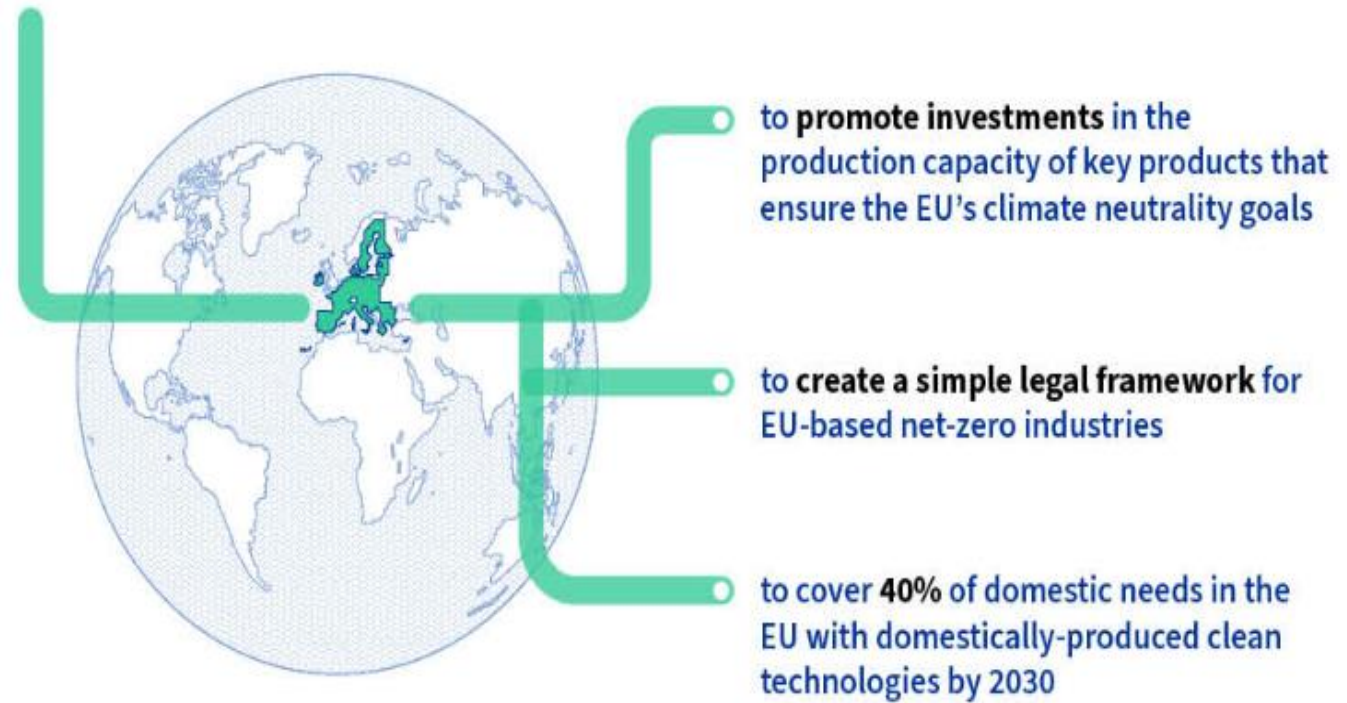
The Energy Performance of Buildings Directive

- Late date for the phase out date of fossil fuels with even more flexibility.
- Member States have to set out specific measures on the phase-out of fossil fuels in heating and cooling with a view to a complete phase-out of boilers powered by fossil fuels by 2040.
- Positives: new construction requirements, calculation of Global Warming Potential; more financing and technical assistance to incentivise and accompany renovations, targeted in particular at vulnerable customers and worst-performing buildings.



Net Zero Industry Act

- Provisional agreement between co-legislators on 16 February.
- Strengthen the European manufacturing capacity of net-zero technologies and overcome barriers to scaling up the manufacturing capacity.
- Reduce risk of replacing reliance on Russian fossil fuels with other strategic dependencies.



These objectives are in the context of reaching the climate neutrality goal by reducing net greenhouse gas emissions by at least 55% by 2030 compared to 1990.

Net Zero Industry Act

Strategic net-zero technologies:

- Solar photovoltaic and solar thermal technologies.
- Onshore wind and offshore renewable technologies.
- Battery/storage technologies.
- Heat pumps and geothermal energy technologies.
- Electrolysers and fuel cells.
- Sustainable biogas/biomethane technologies.
- Carbon capture and storage technologies.
- Grid technologies.



Net Zero Industry Act

- Faster permitting processes for net-zero manufacturing projects: 12 months for projects of less than 1GW annually; 18 months for larger projects.
- A simplified legal framework for EU-based net-zero technologies.
- A net-zero Europe platform as a coordination mechanism for discussion, information exchange and sharing of best practices on issues related to the regulation.
- Access to markets by stimulating consumer demand and public procurement.
- Skills academies to develop the skilled workforce and quality jobs required for net-zero industry in Europe



Net Zero Industry Act

- Weak social conditionalities in relation to public procurement.
- Net Zero Industry Academies must involve social partners are involved and must provide for adequate funding.
- Third country nationals' rights must be protected.



Update Electricity Market Reform

- EPSU Position Paper on the Reform of the Electricity Market Design: need to stop the further liberalisation of the market, ensure the right to clean energy, ensure more investment in public infrastructure and prioritise long-term workforce strategies.
- Decision reached by Council and Parliament on December 19, 2023, ITRE voted in favour of the reform on January 15, 2024



Update Electricity Market Reform

- Reform strengthens Contracts for Difference and Power Purchasing Agreements
- Measures to protect consumers: Member States can intervene in the pricing of the market in an electricity price crisis; prohibition of unilateral price increases in fixed-term fixed-price contracts; more transparency.
- Emergency measures extended to 2025.
- Subsidies for coal- or gas-fired power plants already in operation that emit above the emission standard are possible until the end of 2028.



Update Electricity Market Reform

- Article 8: “Member states shall ensure that vulnerable and energy poor customers are fully protected from electricity disconnections... including the prohibition of disconnections”.
- Policy session in the EU Sustainability Energy week with EAPN and ESF CAT on the EU Electricity Market Design Directive: A social and gender perspective.
- Upcoming TUED paper to be presented at Congress.



Developments in distribution networks and the workforce angle

- EU Grid Action Plan to make sure electricity grids operate more efficiently and are rolled out further and faster.
- Electricity consumption to increase by around 60% by 2030.
- Networks will have to accommodate a more digitalised, decentralised and flexible system.
- 40% of distribution grids are more than 40 years old and cross-border transmission capacity due to double by 2030 - €584 billion needed.

Accelerating the implementation of PCIs and developing new projects	1. Commission, Member States and TSOs to strengthen support to PCI and PMI preparation, faster implementation and funding	From 2024
Improving long-term grid planning for a higher share of renewables and increased electrification	2. ENTSO-E to enhance top-down planning towards 2050 by integrating the identification of offshore and onshore system needs and further considering hydrogen	From Q1 2024
	3. EU DSO Entity to support DSO grid planning by mapping the existence and characteristics of distribution development plans	Mid-2024
Introducing regulatory incentives for forward-looking grid build-out	4. Commission to propose guiding principles identifying conditions under which anticipatory investments in grid projects should be granted	Q1 2025
	5. Commission to issue guidance on cross-border cost sharing for offshore projects	Mid-2024
Incentivising a better usage of the grids	6. ENTSO-E and EU DSO Entity to agree on harmonised definitions for available grid hosting capacity for system operators and establish a pan-EU overview	From adoption
	7. ENTSO-E and EU DSO Entity to promote uptake of smart grid, network efficiency and innovative technologies	Q4 2024
	8. ACER, in its next tariff report, to recommend best practices in relation to the promotion of smart grids and network efficiency technologies through tariff design, focusing on consideration of OPEX in addition to CAPEX and benefit sharing	Q1 2025
Improving access to finance	9. Commission to identify tailored financing models and strengthen dialogue to address financing obstacles	From adoption
	10. Commission to increase visibility on opportunities for EU funding programmes for smart grids and modernisation of distribution grids	From Q1 2024
Accelerating deployment through faster permitting and public engagement	11. Commission to support permitting acceleration providing guidance and technical support on how to implement existing legislative tools and Member States to implement acceleration measures	2024-25
	12. Commission to launch a Pact for Engagement for early, regular and meaningful stakeholder engagement and regulatory support	From adoption
Strengthening grid supply chains	13. ENTSO-E and EU DSO Entity to collaborate with technology providers to develop common technology specifications and improve visibility of grid project pipelines, to facilitate investments in manufacturing capacity and secure supply chains	Q4 2024
	14. Commission to promote common technical requirements for generation and demand connection	By 2025

Developments in distribution networks and the workforce angle

- Joint EPSU/IndustriAll workshop on grids, 12 March
 - EU Needs for electricity grids: setting the scene
 - Presentation of the EU Grids Action Plan
 - Industry perspectives: ENTSO-E, EU-DSO Entity, Wind Europe, Solar Power EU, Eurelectric, IEA
 - EMBER Electricity Grids: Key Policy Actions
 - Eurelectric: DSOs
 - Overview of national challenges and activities: reports by affiliated organisations
 - An EU Grids Action Plan: Identifying trade union demands and recommendations



Water



EU Sectoral Social Dialogue Committees





EU framework agreement on Just Transition in the Gas Sector



Towards an agreement

- Joint commitment (2020) – Project (2021-2022) – Report (2023)
- A concrete tool to ensure a just transition pathway for the gas sector and its workers: a need for a EU framework agreement
- A trade union mandate (jointly approved by EPSU and industriAll Europe) and a concept note approved by Eurogas' board
- A negotiation team composed of members from both side
- 5 joint negotiations between July 2023 and February 2024



CHALLENGES AND OPPORTUNITIES FOR
EMPLOYMENT IN THE GAS SECTOR IN THE
CONTEXT OF THE EUROPEAN ENERGY
TRANSITION: ENSURING A JUST TRANSITION
FOR WORKERS



Towards an agreement



- An autonomous agreement as a first step
- Scope: “applies to all workers and employers in the gas sector and national and multinational companies operating in the European Union and the European Economic Area”
- Plan : Preamble – definitions – 6 clauses

A Just Transition framework for the gas workers

European Framework Agreement between Eurogas, industriAll European Trade Union and EPSU

Introduction

- While the twin energy-digital transition towards Climate Neutrality will profoundly change the European gas sector and lead to transformation at the company and workforce level, it will also pave the way for a future-proof gas industry. The European Green Deal and specifically the Hydrogen and Decarbonised Gas Package are going to impact the sector’s development with widespread implications for the present and future workforce. Organising training, upskilling, professional development programmes, and job-to-job transitions where necessary for the current workforce is a priority in many companies, while in others, attracting the future qualified workforce will be vital for the sector to transform.
- To ensure a Just Transition, companies must anticipate the changes that will occur to protect workers and ensure the company’s sustainability. For the transition to be economically successful and socially responsible, considerations should be integrated into a long-term strategy. For that to happen, there is a need to anticipate developments in both employment and working conditions, in particular where these may be changing, as well as in areas where new jobs will be created.
- A Just Transition is facilitated, and the impact of industrial changes softened, if companies engage in comprehensive social dialogue with their workforce. That means timely and effective information sharing and consultation with the workforce, alongside effective collective bargaining to negotiate programmes to facilitate training, upskilling, and where necessary, job-to-job transitions. Company level Just Transition Plans, or any other equivalent

Clause 1: A framework of anticipation and management of the transition at the company level



All companies shall adopt a Social Just Transition Plan to map and clarify employment and skills needs and the accompanying social measures



Composed of

- 1) A social impact assessment**
- 2) A mapping of quantitative and qualitative employment and skills needs and multiannual plans of employment, skills and training policies, working conditions' development**



Where unavoidable, binding social plans prioritizing outplacement in job with equal or better levels of working conditions

Clause 2: Ensuring a strong social dialogue for a Just Transition



**Respect of a worker to
join a union and social
dialogue. Full respect of
trade union rights**

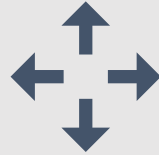


**Designation of just
transition workers'
representative(s)**



**Newly created jobs
should be covered by
collective agreements**

Clause 3: Ensuring a Job- to-Job transition



Strategic job transition and development discussion with workers' representatives

First, internal placements within the company

Second, within the same company group

Third, undertakings from the same or different economic sectors (via cooperation agreements)



Career development interviews with targets for training and lifelong learning (with involvement of workers' rep)

Clause 4: Quality training as the key to employment security



All workers shall have the right to suitable training to adapt their skills to their future jobs

To be updated regularly

Independent from the skills maintenance program



Recognise importance of in-person training

Accessible for vulnerable groups, promoting inclusion and diversity

Good quality apprenticeships

Leading to certification

Cost born by employer

Clause 5: Strong diversity at the workplace



**Diversity,
equity and
inclusion**



**Prevention
and
elimination of
discrimination**



**Equity and
inclusion
strategy in
the Social
Just
Transition
Plan**



**Link
attractivity
and DEI

Retain
senior
workers**



**Equal
wages,
WLB,...**



**Policy
against
sexual
harassment**

Clause 6: Implementation



Autonomous social partner agreement

Signatories – EPSU, IndustriAll, Eurogas

Commits members to implement the agreement, following the implementation guidelines

Non regression clause

Most favorable condition



To be implemented by social partners at the appropriate level – whether national, sectoral or company

Social partners should report ‘preferably jointly’ on the implementation

Clause 6: Implementation



Implementation guidelines for each clause

EX:

- 1. Social Just transition Plans**
- 2, Proportion of workers covered by collective agreements, JT worker representative,...**
- 3, Number of dev interview**
- 4, Suitable training plans, percentage of workers trained, number of apprenticeships**
- 5, distribution of data in the workforce...**



Creation of a monitoring committee

Composed of 7 members from each signatory parties

Meet once a year

Receive national implementation report

Resolve problems on implementation

Report to SSDC Gas

Next steps

- EPSU: vote in the UT Standing Committee 5th March; vote in the Executive Committee 21 March
- IndustriAll: Consultation of executive committee via written procedure (4 weeks)
- Eurogas: vote of board members
- Signature on the 19 April (in presence of Nicolas Schmit)
- Agreement enters into force six months after signature
- First monitoring committee meeting one year later
- Future possibility to take elements for a Directive



SSDC Electricity

- Project: towards attractive workplaces and a just transition in the European electricity sector.
- Recognises the need for trained and qualified workers in the electricity sector to carry out the energy transition.
- Aims to arrive at a shared diagnosis of the most pressing challenges and develop recommendations to decision makers.
- Report addressing three priorities: just transition and mobility; attracting and retaining a qualified workforce; education and training.
- Guidelines for national social partners to tackle the same challenges.



SSDC Electricity

- Next steps: administrative issues to finalise with the application; will probably launch in June.
- Eurelectric proposal to have joint conclusions/joint statement from all meetings.



Lunch



EU Wind Power Action Plan

- Ambition to reach 45% renewables requires a massive increase in wind installed capacity.
- Expected growth from 204 GW in 2022 to more than 500 GW in 2030.
- Challenges include: insufficient and uncertain demand, slow and complex permitting, lack of access to raw materials, high inflation and commodity prices, unsupportive design of national tenders, increased pressure from international competitors and risks on availability of a skilled workforce.



EU Wind Power Action Plan

- Acceleration of deployment through increased predictability and faster permitting.
- Improved auction design.
- Access to finance.
- A fair and competitive international environment.
- Large-Scale Skills Partnerships for Renewable Energy.
- Industry engagement and Member States commitments.



EU Wind Power Action Plan

In their updated NECPs, going beyond the current legal obligations, Member States should develop comprehensive 10-year plans for the deployment renewables, in particular wind, with an outlook to 2040... This will give visibility to the manufacturing industry as well as to grid operators to timely develop the necessary grids to integrate renewables (through network development plans).



EU Wind Power Action Plan

The Commission will adopt an action plan for grids... including both transmission and distribution levels. Building on the framework for trans-European energy networks, the action plan will help accelerating key cross-border electricity infrastructure projects to be included in the first list of projects of common interest and projects of mutual interest following the adoption of the revised regulation on the Trans-European Energy Networks. These projects will be crucial to integrating increasing volumes of renewables and advancing energy system integration.



EU Wind Power Action Plan

The action plan will include measures to address bottlenecks hampering grid reinforcement and expansion, including cross-border cost sharing, and manufacturing, which are crucial to help to unblock a larger number of onshore and offshore wind projects, trigger investment in wind projects in coastal Member States and transport infrastructure towards landlocked regions in Europe and in this way create additional demand for wind equipment. The grids action plan will also facilitate anticipatory investments to ensure the necessary grid development. It will aim to both accelerate the deployment of new infrastructure by addressing permitting bottlenecks, as well ensure better use of the existing grid, for example by increasing visibility of existing capacities.



How can Europe's electricity grids support the expansion of wind power?

- Situation in the UK, Simon Coop, Unite.



How can Europe's electricity grids support the expansion of wind power?

- What is the situation in your country?
- Are the grids privately or publicly owned/operated and how does this impact connection of renewables?
- What role do you see for the public sector in building-out of transmission and distribution networks, reinforcing existing grids and increasing their flexibility?



EPSU Position: EU Climate Reduction Targets 2040

- New Commission recommendations published last week (90% reduction of the EU's net greenhouse gas emissions by 2040).
- Next Commission will submit a legislative proposal to make this target mandatory, as required under the EU Climate Law.

“Austerity measures scupper the ambitious climate goals of the EU. The 2040 emissions reduction target will be impossible to reach without economic governance rules that protect and encourage green, digital and social investments. This public investment must be accompanied by social conditionalities. No public money should go to companies that do not conclude collective agreements with the unions.”



EPSU Position: EU Climate Reduction Targets 2040

- Austerity measures will prevent the EU from meeting the 2040 target.
- Quality public services are crucial to achieving the EU's decarbonisation efforts.
- Social partners must be involved at both European and national, sectoral and cross sectoral level.
- The evidence-based emissions reduction target must be accompanied by a dedicated Just Transition Directive.
- More needs to be done to address the root causes of energy poverty.
- There needs to be stronger accountability for companies that undermine the EU's efforts to reduce emissions.



EPSU Position: EU Climate Reduction Targets 2040

What is the state of play of the National Energy and Climate Plans (NECPs) in your country? Is/in what way is your union working to influence them?



Waste



Emerging health and safety risks in the waste sector

- New research on new and emerging risks in the waste sector (heat, digitalisation...)
- Joint workshop with EPSU LRG Committee in early Autumn to present the report.



SUEZ agreement

- Builds on the 2014 health and safety agreement.
- Addresses different health and safety risks, such as climate change, exposure to harmful agents, medical follow-up for certain employees, hazardous equipment and machinery and harassment in the workplace.
- The aim is to negotiate concrete actions rather than just define principles.



Recruitment and Organising in the Utilities Sector



Congress 2024 – Programme of Action and preparation



Thank you!

