

Questionnaire:

Energie/ Energy:

- Welche Auswirkungen sind für die nordrhein-westfälische Energiewirtschaft im Rahmen des Brexit zu erwarten?
- *What effects can be expected for the North Rhine-Westphalian energy industry in the context of Brexit?*

North Rhine-Westphalia and its industry will be impacted by Brexit as part of a European MS participating in the Internal Energy Market. This creates uncertainties around the functioning of the internal energy market once the UK leaves the EU, energy trading and the impacts on the functioning of the EU ETS and the price of EUAs.

- Mit welchen Herausforderungen sehen sich Energieproduzentinnen und –Produzenten sowie Netzbetreiberinnen und –Betreiber im Rahmen des Brexit konfrontiert?
- *What kind of challenges do the producers and network operators in the energy sector in North Rhine-Westphalia face with Brexit?*

Disruption of mutually beneficial investments is one of the major risks faced by both producers and network operators. For example, the Northern Seas have vast renewable potential which can help decarbonise Europe. This relies on increase interconnection between EU MSs to optimise renewable generation. There is a pipeline of electricity interconnector projects between the UK and Ireland and a number of other European countries (incl. Belgium, France, the Netherlands, Denmark and Norway) to help reinforce Europe's power grid. These projects need to attract various sources of finance and will not move forward without deep levels of ongoing cooperation. Failing to realise these projects would impose unnecessary costs on customers across Europe including in the UK. Due to the close proximity of the NRW region, this could impact its energy policy, should it currently include such projects in its forecast of what needs to be built and its future generation mix.

- Wird sich der Brexit auf Kooperationsprojekte zur Entwicklung neuer Formen der Energieversorgung auswirken?
- *Will Brexit affect collaborative projects developing new forms of energy supply?*

Energy supply actors, as well as other actors of the energy system, may be impacted by the uncertainty caused by Brexit on the energy market as projects looking at new forms of energy require funding and cooperation among countries. The UK is a world expert in offshore wind technology and deployment and as such brings expertise to the EU in the field.

- Wie wirkt sich ein Brexit auf die Zusammenarbeit vom Vereinigten Königreich und NRW beim Energiemarkt aus? Inwieweit könnte nach einem Brexit noch ein Energiehandel erfolgen?
- *How does Brexit affect cooperation between the United Kingdom and NRW in the energy market? To what extent could energy trade still be pursued after Brexit?*

The IEM has had significant benefits for consumers in both the EU and the UK, and has improved security of supply while allowing to better integrate renewable electricity. In this regard, Eurelectric would like to raise the potential impacts that Brexit may have on market integration and energy trading, as significant part of the trading venues (mainly brokers) used for hedging energy risks are located in the UK. Energy trading may thus prove to be less efficient and therefore more costly. The EU and the UK should therefore maintain a common regulatory approach to avoid regulatory arbitrage and to ensure fair competition between market participants.

Klima/ Climate:

- Wie wird sich der Brexit auf das europäische Emissionshandelssystem ETS, dessen Weiterentwicklung und die Einhaltung der Pariser Klimaziele auswirken?
- *How will Brexit affect the European Emissions Trading Scheme ETS, its further development and adherence to the Climate Goals of the Paris agreement?*

The EU Emissions Trading Scheme (EU ETS) provides a key role in delivering carbon reductions across the traded sectors and the UK has been a key actor in setting and supporting the scheme. The EU ETS is also fundamental to the functioning of the Single Energy Market on the Island of Ireland.

Brexit could impact the overall balance of the EU ETS, as the UK is currently a net supplier of allowances. It may also contribute to weakening the EU's ambitions to reform the ETS ahead of phase IV (2021-2030).

It is not clear however at this stage what impact the UK leaving the EU ETS might have on the climate goals set out in the Paris agreement. It is also worth noting that, as advocated by Energy UK representing energy suppliers and generators, the UK government is currently exploring how the UK could set up its own UK ETS and link it to the EU ETS.

- Besteht die Wahrscheinlichkeit, dass das Vereinigte Königreich von verbindlichen Emissionsgrenzwerten für industrielle Tätigkeiten in Zukunft abweicht und bspw. auf andere Formen der Emissionsbegrenzung umsteigt?
- *Is there a likelihood that the UK will deviate from mandatory emission limits for industrial activities in the future? If so, could the UK switch to other forms of emission limitations?*

The UK government has stated that the UK is committed to maintaining environmental standards after the UK leaves the EU and will continue to apply the existing successful model of integrated pollution control.

The current state of affairs with British politics makes it difficult at this stage to provide further information as some bills, such as the environmental bill, are still being debated.