Exchange of views with the Committee on Federal and European Affairs and Regional Relations of the Bavarian Landtag

25 April 2023, virtual meeting

Meeting report

Participants: Members of the Committee on Federal and European Affairs and Regional Relations of the Bavarian Landtag

Elisabeth Werner, Deputy Secretary General (SG) (SG.D.2)

In an introductory presentation, Elisabeth Werner set out the main initiatives to advance the green and digital twin transition. In the Q&A session, the Committee Members raised the following issues:

- the importance of maintaining the competitiveness of EU economy. In this context, the impact of the Inflation Reduction Act in the USA was emphasised. It was suggested to simplify procedures and accelerate the disbursement of already existing EU financial support. It was also suggested to reduce the complexity of the regulatory framework, which would be too constraining on regional authorities and companies alike.

- Questions also revolved around the reform of the Electricity Market Design. Members asked about the role of the ‘merit order’ and about measures to promote energy storage. There was also interest in the Commission’s action to promote the hydrogen sector and put in place the necessary infrastructure. Members also asked
about the state of play on electricity grids expansion, in particular smart grids. With regard to biomass, the Commission was asked if it would consider strengthening the role of the regional authorities in biomass governance. The Commission was also asked how it would support research on nuclear fusion.

- The topic of water availability and water management was raised with questions about initiatives in this area.

In her reply, Elisabeth Werner explained the Electricity Market Design proposals, in particular how it would incentivise longer term contracts, the role of the merit order, as well as measures on demand response and energy storage. On hydrogen, she explained the main pillars of the EU hydrogen policy as set out in REPowerEU. There was a regional dimension to biomass, which would be reflected in the revised Renewable Energy Directive. Elisabeth Werner stressed the importance of keeping the regulatory burden as limited as possible and underlined the Commission’s efforts for a flexible regulatory framework, e.g. by reducing reporting obligations or promoting regulatory sandboxes. Water management would be an increasingly important topic, but at this stage the Commission would not work on a major new initiative in this area. On nuclear fusion, the Commission supports ongoing research activities, such as the ITER project.

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