The Legal Conditions for Water Utilities Eco-innovation as Energy Smart Water Utilities

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From a brown to a green economy

Renewable energy

and

Resource efficiency

are important elements
Interdependent and climate-sensible services with a high ‘carbon footprint’

Sector-specific solutions versus need for multifunctional strategies

- EU policy on resource efficiency and low carbon energy
- Environmental policy integration – cf. Article 11 TFEU

Combining all needs?

Smart water utilities – combining the needs for:

Water & energy services as ‘services of general interest’

Energy security by renewable energy production

Electricity and heating, balancing and storage of electricity in “smart grids” ,

Public-private partnerships – e.g. on investment
**Smart Energy: A solution to the future energy challenges**

**The energy system of yesterday**

**Characteristics:** Uni-directional grid; Production followed demand; Predictability and stability; Little customer awareness around energy; Overcapacity in the grid

**The energy system of tomorrow**

**The Challenge**

- Integration of volatile wind power
- New customer demands: electric vehicles, solar power, heat pumps
The EU “Climate and Energy Package” combines

- **marked-based instruments** (such as cap-and-trade systems, tradable permits, green certificates, and environmental agreements), supporting the market and correcting market failures

- **environmental performance instruments** (such as standards/certification, and sustainability criteria/recognition or certification)

- **fiscal instruments** (such as green-taxes, charges, feed-in tariffs and other subsidies) that shift tax burden from labour to environmental impact and energy,

- **traditional command-and-control regulatory instruments** (establishing rights and duties that can be enforced)
EU’s promotion of RES

• Mandatory national overall targets and measures for the use of RES
• The principle of integration
• Regulating all RES-sectors
• Solidarity mechanisms to promote sustainable development
• Interplay with other directives
  • Part of the “Climate and Energy Package”
  • Connected to the “Third Legislative Package”
  • Interaction with the Energy Efficiency Directive & the Waste Directive
Nationality or EU harmonization?

With focus on:

- 40 years old acts – amended several times each year
- three state authorities (Ministry for the Environment; Ministry for Climate, Energy and Buildings; and Ministry of Business and Growth),
- 98 municipalities restricted by unwritten principles and by statutory rules – for example on loans and investments
- publicly owned water utilities as system operators (Water Sector Act)
- Public-private partnerships

Administrative specialization and protection of the private business interests against competition from publicly owned water utilities