

Dear Sirs,

I want to express my gratitude for the organization of this public consultation on such an important issue for the future of Europe and the world and ask kindly your attention for my participation..

**Which lessons from the 2020 framework and the present state of the EU energy system are most important when designing policies for 2030?**

Of the 3 goals of each energy policy ( security of supply, competitive prices, respect of the environment) the two first receive less attention from the EU. This is mostly the result of less plain competences of the EU in these fields.

The environmental policy has clearly the most ambitious goal: leading from 1990 to 2020 to a limitation of greenhouse gases with some 12 %, the policy wants during the same 30 years time span between 2020 and 2050 obtain a reduction of 6 times this value.

Certainly with the growing part of intermittent energy sources, the huge investments they will need and the unsustainable losses of value they infringe to other energy chains, the two other energy policy goals will stay problematic.

The perpetual European economic crisis is probably and at least partially linked to the energy and environmental policy in the EU. It is mainly because of this crisis that the environmental goals were achieved and this without problems of security of supply.

In fact, the main lesson is that the prolongation of the actual policy is not conceivable.

The downward trend of the ETS price underlines painfully that a system considered to be based on a market organization and to be the most efficient, has only a value in a worldwide identical approach.

The higher cost for the European producer and consumer resulting from the European environmental /climate policy can only be acceptable if all the other countries accept the same policy. If not important "environmental excises" on import from other countries are necessary. Such excises, if possible according WTO rules, will lead to higher consumer prices, certainly if the European market is too small for large enough scale benefits and the prices in the other countries stay lower than the European export prices.

The general lesson is that at least all other countries worldwide should follow the same policy regarding GHG emissions and if possible regarding renewables.

This is however very difficult if not unrealistic, since the EU policy leads to higher energy prices ( ETS ) or higher prices for energy consuming articles ( transport), unacceptable for countries with a lower living standard.

This policy cannot be extended on world scale, while such an extension is a condition sine qua non.

Another danger taught by the actual policy is that it is far from flexible enough to guarantee that technological innovation which has not a place in the general scheme but could bring real solutions will be livable. Also this is essentially the result of the environmental policy: power to gas, syngas, synfuel, recombining CO<sub>2</sub> for instance are not promoted, but only CCS.

## **Targets**

- Which targets for 2030 would be most effective in driving the objectives of climate and energy policy? At what level should they apply (EU, Member States, or sectoral), and to what extent should they be legally binding?
  - Have there been inconsistencies in the current 2020 targets and if so how can the coherence of potential 2030 targets be better ensured?
  - Are targets for sub-sectors such as transport, agriculture, industry appropriate and, if so, which ones? For example, is a renewables target necessary for transport, given the targets for CO<sub>2</sub> reductions for passenger cars and light commercial vehicles?
  - How can targets reflect better the economic viability and the changing degree of maturity of technologies in the 2030 framework?
  - How should progress be assessed for other aspects of EU energy policy, such as security of supply, which may not be captured by the headline targets?
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- Which targets for 2030 would be most effective in driving the objectives of climate and energy policy? At what level should they apply (EU, Member States, or sectoral), and to what extent should they be legally binding?

Binding targets on EU level are only feasible when the environment of the EU is not changing, or when identical binding targets are ruling all over the world. This is not the case, with as a consequence the need of a continuously changing policy, inducing legal and investment insecurity.

Binding targets on member state level are only feasible when the environment of the different member states –thus the world and the other member states - is not changing. This is not the case, with as a consequence the need of a continuously changing policy, inducing legal and investment insecurity.

Binding targets on individual or sectorial level lead certainly to the impossibility of the stakeholders to adapt to the changing environment, excepted by replacing the energy vector. Indeed, most industrial processes are already flirting with the highest efficiency rate possible. A binding target will necessarily lead to the shrinking of the production. The carbon leakage resulting from this shrinking will result in even faster abandon of industrial activities in Europe.

As a result, benchmarking seems the most indicated way, since it is independent from the produced quantities. However, it may not lead to distortion of the competition or infringement of intellectual property rights.

A more efficient alternative is a policy based on a shift to low carbon fuels and later on the use of modern renewable carbonated fuels. It is indeed more indicated to continue to use the existing infrastructure in energy production, transport, storage, distribution and utilization with low carbon fuels and with modern renewable carbonated fuels than to oblige the producers and eventually the consumers to invest huge amounts of money in the implementation of a (too) revolutionary climate and energy policy.

- **Have there been inconsistencies in the current 2020 targets and if so how can the coherence of potential 2030 targets be better ensured?**

It is clear that the 20/20/20 objectives were inconsistent: it is f.i. a general practice that the energy consumption is not lowered when the energy used is no longer fossil but from a renewable source. On the other hand, energy savings in one activity will easily be compensated by the consumer with more energy consumption in another activity.

Another problem is that the ETS-policy has addressed the 10.000 most important emission points, instead of the millions of small emissions points of house heating and cooling and of transport. Indeed, since the shrinking of the emissions in these sectors needs more time and will encounter more reluctance and opposition than in the industrial and power sectors, they should have been addressed in the earliest stage.

The efforts of the policy should be focused on the production of – preferably non-intermittent - renewable energy, and especially these vectors of energy that can be used by the existing systems of production ( of power), transport, distribution, storage and utilization. For instance: the use of syn-gas produced by power to gas, algae or bacteria's with CO<sub>2</sub>, biomethane, biofuels.

The CO<sub>2</sub> price in the ETS is too low to lead to effective long term investments in industry.

A better coordination between the DG's and also between the parliamentary commissions is indicated.

- **Are targets for sub-sectors such as transport, agriculture, industry appropriate and, if so, which ones? For example, is a renewables target necessary for transport, given the targets for CO<sub>2</sub> reductions for passenger cars and light commercial vehicles?**

One must be aware of the fact that the energy consuming building stock cannot be renovated on short notice, and that measures leading to higher heating prices will

lead to more emissions – not only of CO<sub>2</sub> but also of particulate if not of NO<sub>x</sub> and SO<sub>2</sub> with the growing use of wood and coal furnaces, to degradation of public health ( sickness, fires) and to environmental damages. Given the long term of the improvement of the building stock – if possible and accepted by the public ( problems of rented houses, older people, historical or ancient houses) – the leitmotiv must be to lead the consumer to fuels with less emissions of CO<sub>2</sub> and if possible of harmful substances.

A policy based on a shift to low carbon fuels, the use of district heating and later on the use of modern renewable carbonated fuels avoids this problem. It is indeed more indicated to use the existing investments( production, transport, distribution, storage and combustion) in low carbon fuels gradually replaced by modern renewable carbonated fuels than to invest in a too early stage huge amounts of capital in creating sufficiently dimensioned and smart electricity grids, transform the heating and power consuming appliances in the dwellings and in producing sufficiently renewable productions to offer the necessary security of supply.

As for the other millions of small emitting sources, i.e. the transport sector, one must be aware of the fact that the free movement of persons and goods is one of the essential corner pillars of the EU. Such a free movement is not possible without transport. The existence of a common market is linked with an important transport sector. To raise the price of this transport leads unavoidably to a shrinking common market, a shrinking competition, growing monopolies and higher prices.

The use of less CO<sub>2</sub> emitting transport is also here the solution: natural gas cars and vans, LNG lorries, heavy trucks and ships. A policy based on a shift to low carbon fuels and later on the use of modern renewable carbonated fuels is indicated. By this way it stays possible to use the existing investments in low carbon fuels and in the use of modern renewable low carbonated fuels, without imposing revolutionary changings in consumption and behavior to the consumers.

- **How can targets reflect better the economic viability and the changing degree of maturity of technologies in the 2030 framework?**

Given the inconsistencies between the 2020 targets, the only useful objective is the shrinking of the CO<sub>2</sub> emissions, with a broad and open definition of technologies and fuels with emissions which will not be taken into account when calculating the emissions of CO<sub>2</sub> since they can be considered as renewable.

Today, the definition of renewables is rather narrow, and has created some unwanted effects on the food markets, food prices and food offer and aggravated the malnutrition problem.

Renewables should be defined as every energy vector using an inexhaustible or almost inexhaustible source of energy or produced with such an energy vector and energy vectors produced with emissions from their combustion, fermentation or oxidation on such a way that the new production of these energy vectors on the basis of these emissions will lead to a high degree of reuse of the emitted CO<sub>2</sub> or will have a short revolution of the emitted/reintegrated CO<sub>2</sub>.

Electricity produced by PV or by nuclear fusion are to be seen as renewables. The production of fuel by the reuse of CO<sub>2</sub> with the help of such electricity, but also of living elements ( algae's, bacteria's,...) and solar energy or earth heat are also to be seen as renewables. ( Syn-gas, biomethane,...).

The burning of wood is less renewable than the composting of leaves or annual plants and the use of that biomethane, since the revolution speed is much lower in case of most trees: burning a tree releases carbon imprisoned since decades and is in that way a source of additional emissions of CO<sub>2</sub>.

### **Instrument:**

- **Are changes necessary to other policy instruments and how they interact with one another, including between the EU and national levels?**
  - **How should specific measures at the EU and national level best be defined to optimise cost-efficiency of meeting climate and energy objectives?**
  - **How can fragmentation of the internal energy market best be avoided particularly in relation to the need to encourage and mobilise investment?**
  - **Which measures could be envisaged to make further energy savings most costeffectively?**
  - **How can EU research and innovation policies best support the achievement of the 2030 framework?**
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- **Are changes necessary to other policy instruments and how they interact with one another, including between the EU and national levels?**

Adequate policy instruments in the fields of transport and buildings are needed. Those instruments must act the "smooth way" in order to gain the needed support from the broad public: people can easily continue to drive old cars if new cars, even when consuming less, are too expensive, have a limited action radius, or need a long refueling time, and will again burn wood or coal in stoves if other energy sources are too expensive.

The use of low carbon fuels, emitting less CO<sub>2</sub> and NO<sub>x</sub> or almost no particles, offers an alternative to a policy which would search the limits of public acceptance.

Some of these fuels, in particular methane, are also renewable: this is the case not only for biogas but also for syngas produced with solar H<sub>2</sub> and CO<sub>2</sub> or renewable gas produced with algae or bacteria's on the basis of CO<sub>2</sub> or biomass.

- **How should specific measures at the EU and national level best be defined to optimise cost-efficiency of meeting climate and energy objectives?**

As mentioned above the conversion of the cars, house heating and industrial energy consumption to low carbon fuels or modern low carbon renewable fuels should be the core of the climate and energy objectives.

This gives also the possibility to start a long term and very important project to electrification of the European society. This project must be long term because as long as power is not 100 % renewable ( incl. nuclear fusion) it is more indicated to use the existing energy investments ( production transport, storage, distribution, combustion appliances) with low carbon and modern low renewable carbonated fuels than to invest in an unrealistic short time span huge amounts of money in creating the adapted electricity grids, inhouse equipment and productions necessary to offer the consumers the needed security of supply with the help of smart grid and smart meter technologies.

- **How can fragmentation of the internal energy market best be avoided particularly in relation to the need to encourage and mobilise investment?**

The question is rather if investment can be mobilized when there is no fragmentation of the energy market: in such a case not only the investments are (too) huge, but they also lead to monopolies.

It is a better policy to encourage and mobilize investments on regional and subregional levels.

However, an environmental and energy policy reaching the goals with much less investment needs is the best alternative. This is possible by continuing to use the existing infrastructure of production, transport, distribution storage and combustion of low carbon fuels, with a gradually arrival of modern renewable carbonated fuels and preparing the way for a new electrification of the society. This will make it possible to evolve progressively and at almost no cost to a society using only renewables and clean electrical power.

- **Which measures could be envisaged to make further energy savings most costeffectively?**

This question is essentially linked to the heating and transport sector, since cost efficiency is already extremely high in the industrial and power sectors.

We have already explained the measures regarding climate.

For cars, the increased electronic active and passive safety measures should lead to the possibility to build lighter cars with the same or even better safety performances; as a result the consumption will be lower (and even more when the engine is downsized and coupled to a small energy recuperating system assisting the engine when needed).

Older cars should be taxed annually or on the basis of their consumption. The higher speed lanes on motorways should be reserved to the less consuming cars, while the other should drive on the lane for lorries and trucks.

The consumption and emissions of motorbikes should be reduced drastically.

For buildings, aside the energy efficiency criteria for new dwellings, the measures should focus on facilitating energy saving and energy efficiency investments in public buildings, social housings, rented dwellings and in dwellings owned by older people.

Design a stable ETS with higher CO<sub>2</sub> prices in order to make industrial investment decisions on the long term less insecure.

- **How can EU research and innovation policies best support the achievement of the 2030 framework?**

Research and innovation policies should be open policies, not limited to renewables in the narrow way, but assisting the research of creating renewable fuels by extracting CO<sub>2</sub> from the air or from CCS and using algae, bacteria, renewable electricity.

Today, industrial or demonstration projects of syngas sequestering CO<sub>2</sub> on a renewable way are lacking the needed financial support from the European authorities.

### **Competitiveness and security of supply**

- **Which elements of the framework for climate and energy policies could be strengthened to better promote job creation, growth and competitiveness?**
- **What evidence is there for carbon leakage under the current framework and can this be quantified? How could this problem be addressed in the 2030 framework?**
- **What are the specific drivers in observed trends in energy costs and to what extent can the EU influence them?**
- **How should uncertainty about efforts and the level of commitments that other developed countries and economically important developing nations will make in the on-going international negotiations be taken into account?**
- **How to increase regulatory certainty for business while building in flexibility to adapt to changing circumstances (e.g. progress in international climate negotiations and changes in energy markets)?**
- **How can the EU increase the innovation capacity of manufacturing industry? Is there a role for the revenues from the auctioning of allowances?**
- **How can the EU best exploit the development of indigenous conventional and unconventional energy sources within the EU to contribute to reduced energy prices and import dependency?**
- **How can the EU best improve security of energy supply internally by ensuring the full and effective functioning of the internal energy market (e.g. through the development of necessary interconnections), and externally by diversifying energy supply routes?**

- **Which elements of the framework for climate and energy policies could be strengthened to better promote job creation, growth and competitiveness?**

Certainly must be avoided that the climate and energy policy are job killing. Carbon leakage is one way of job killing. Another, probably more important, is the disappearance of industry in Europe because of the climate and environmental framework and the loss of competitive advantage. Jobs created in the renewables are very temporary since other countries take them over at lower cost. On the other hand, one must take into account that the people working in the vanishing European industries cannot easily be transferred to the services sector. It is essential to keep European industry alive and competitive.

- **What evidence is there for carbon leakage under the current framework and can this be quantified? How could this problem be addressed in the 2030 framework?**

Recent calculations indicate that some 20 % of the jobs lost are directly due to carbon leakage. However, more lost jobs are indirectly due to carbon leakage, because they are the result of the climate and energy policy.

Also this problem can be addressed by the shifting to low carbon and new renewable carbonated fuels, instead of imposing the socio-economic environment inefficient efforts to mute to an economy based on carbon free renewables only.

- **What are the specific drivers in observed trends in energy costs and to what extent can the EU influence them?**

The policies leading to the loss of the existing infrastructure energy infrastructure ( natural gas, oil, traditional power generation) and imposing on short term gigantic investments in new energy infrastructure ( transfer to an almost exclusively electrical driven society, smart grids, new renewable power plants ) will certainly lead to high energy costs, creating energy poorness and additional loss of jobs. This policy must be abandoned and replaced by a policy based on new renewable fuels using the existing transport, distribution, storage and consumption infrastructure.

- **How should uncertainty about efforts and the level of commitments that other developed countries and economically important developing nations will make in the on-going international negotiations be taken into account?**

Other countries have the commitment to promote national welfare and the freedom to reach that goal on the most efficient way. It must be feared that they continue to refuse to the European policy. The minority position of the European policy should lead to question its justification.

- **How to increase regulatory certainty for business while building in flexibility to adapt to changing circumstances (e.g. progress in international climate negotiations and changes in energy markets)?**



Only when the evolution of the regulatory framework is all over the world the same, the EU industry will be able to adapt to changing instruments without further losing its competitive position.

- **How can the EU increase the innovation capacity of manufacturing industry? Is there a role for the revenues from the auctioning of allowances?**

Subsidizing, by revenues of auctioning or by other means, is in accordance to European policy never a correct and sustainable way to obtain sustainable progress and welfare. Further, such a policy would lead to procedures in the framework of the WTO.

- **How can the EU best exploit the development of indigenous conventional and unconventional energy sources within the EU to contribute to reduced energy prices and import dependency?**

In the first place, the EU must accept a more progressive transfer to a low carbon economy, promoting the use of low carbon fuels. In the second place, the EU must broaden the definition of renewables: also the carbonated fuels, produced with renewables or extracting CO<sub>2</sub> from the atmosphere or from CCS should be taken into account and promoted.

- **How can the EU best improve security of energy supply internally by ensuring the full and effective functioning of the internal energy market (e.g. through the development of necessary interconnections), and externally by diversifying energy supply routes?**

Missing links in the natural gas and power grid connections should be built.

The rapid construction of CSS and of plants transferring CO<sub>2</sub> on a renewable way to renewable carbonated fuels should be made possible and promoted.

The construction of LNG terminals should be promoted.

#### **4.5. Capacity and distributional aspects**

- **How should the new framework ensure an equitable distribution of effort among Member States? What concrete steps can be taken to reflect their different abilities to implement climate and energy measures?**
- **What mechanisms can be envisaged to promote cooperation and a fair effort sharing between Member States whilst seeking the most cost-effective delivery of new climate and energy objectives?**
- **Are new financing instruments or arrangements required to support the new 2030 framework?**
- **How should the new framework ensure an equitable distribution of effort among Member States? What concrete steps can be taken to reflect their different abilities to implement climate and energy measures?**

This question is only to be asked in the case of the existing energy and climate policy. A policy based on a shift to low carbon fuels and later on the use of modern renewable carbon fuels avoids this problem. It is indeed more indicated to use the existing investments in low carbon fuels and in the use of renewable carbonated fuels than to invest huge amounts of money in creating at short notice correctly dimensioned electricity grids and sufficiently renewable productions which are able to

offer the necessary security of supply, avoiding by this way the need of the equitable distribution.

- **What mechanisms can be envisaged to promote cooperation and a fair effort sharing between Member States whilst seeking the most cost-effective delivery of new climate and energy objectives?**

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- **Are new financing instruments or arrangements required to support the new 2030 framework?**

This question is only to be asked in the case of the existing energy and climate policy. A policy based on a shift to low carbon fuels and later on the use of modern renewable carbon fuels avoids this problem. It is indeed more indicated to use the existing investments in low carbon fuels and in the use of renewable carbonated fuels than to invest huge amounts of money in creating at short notice correctly dimensioned electricity grids and sufficiently renewable productions which are able to offer the necessary security of supply, avoiding by this way the need of new financing instruments and arrangements.

Kind regards

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