Response to Commission Consultation on a 2030 framework for climate and energy policies

Respondent
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General

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

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?

Post 2020 targets should continue the policy of the current EU climate and energy package and have general emission reduction commitment complemented with specific targets for ETS sector and renewable energy. Complementary targets are needed to secure true reductions in industrial emissions and enhancement of renewable energy. Continuation of the principles of the current climate and energy package would be crucial for the long-term investments already made to reach the 2020 targets as well as to secure future investments and technology development.

- Have there been inconsistences 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_2 reductions for passenger cars and light commercial vehicles?

Target for transport biofuels is needed. CO_2 reduction targets for cars will push car manufacturer to produce more energy efficient motors while the use of biofuels can reduce transport emissions even more. Transport biofuels and CO_2 reduction targets for cars are thus complementary.

- 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?

For example by following the use and development of EU domestic energy sources and respectively the use and development of imported energy sources and their balance. In addition to climate aspects energy policy has a variety of other effects - such as security of supply, employment, competitiveness of EU industries etc. - and they should also be taken into account when creating EU policies.

Instruments

- Are changes necessary to other policy instruments and how they interact with one another, including between the EU and national levels?

Reaching EU's climate and energy commitments requires a variety of coherent policy measures. One key aspect in this regard is a functioning and guiding emission trading scheme. The current scheme with limited geographical scope and substantial surplus of carbon allowances supports real emission reductions neither in EU nor globally. Climate change cannot be solved by EU itself and therefore EU's priority should be the broadening of emission trading scheme to a truly global system.

Reaching EU targets is not only about guiding policy framework but also about concrete financial tools. The new EU Framework Programme for Research and Innovation - Horizon 2020 - should have energy and climate -related R&D investments among top priorities.

The EU should also give political support and required financial tools in order to enhance decentralized, small scale energy production and its access to national power grid. Rural areas and especially agriculture and forestry farms have a huge potential to produce renewable bioenergy not only to their own needs but also to be sold locally, regionally and even nationally thus substituting imported energy which in many cases is fossil fuels. This would contribute both towards emission reduction target and renewable energy target and increase EU's energy self-sufficiency. To make this happen, EU should support such measures in its Cohesion and Rural Development policies. EU should also synchronize its sectoral policies in order to allow national solutions and support schemes which directly support the achievement of EU's climate and energy commitments. Unfortunately this is currently not the case.

EU must aim at increased use of domestic energy resources. The prerequisite for this is the vast and efficient use of EU's own energy sources with primary focus on renewable energy. In this respect EU should do its best to support renewable energy instead of hindering its use through various requirements such as the planned sustainability criteria for solid biomass. In case there is a sustainability problem outside the EU then EU should have the courage to create policies which tackle the problems where they exist without causing artificial burden and barriers for EU production. The same principle should guide the debate and actions on biomass carbon neutrality where the EU should not punish domestic biomass for emissions which are mainly related to imported biomass.

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

General comments on instruments:

It is essential that national circumstances are fully taken into account in EU policies and that adequate flexibility is guaranteed for MS when implementing these policies. Countries should have adequate national competence to define the most suitable tools and measures based on their circumstances and strengths. This approach should be supported by transparent target setting and follow-up as well as credible monitoring systems which would build trust among MS and help avoid free riders.

EU must avoid looking at climate and energy questions from climate view only and purely as an internal EU issue without connection to surrounding world. In the globalized world economy it is essential that the effects of EU's decisions on EU and MS economy, competitiveness and employment will be analysed and fully taken into account. Being a forerunner in climate and energy policies shall not turn into naivism and shall not lead to a situation where EU hangs itself into commitments no other country outside EU is willing to adopt. This would severely weaken the competitiveness of EU economy and lead to carbon leakage and more emissions in countries where no strict emission reductions exist.

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?

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?