Name of organization:

Contact person:

Telephone:

Preliminary remarks

Cooperatives Europe is the European organisation representing cooperative enterprises in Europe. Cooperatives Europe defends the interests of its members and increases the knowledge about the cooperative enterprise model through advocacy, development and communication. More than 163 000 enterprises operating under the cooperative model across Europe are key players in a multiplicity of economic and social areas.

Cooperatives Europe welcome the consultation organized by the Commission on the energy framework 2020 – 2030. Europe, as a world leader on the development of technology and renewable energy sources should lead its energy transition towards a more efficient and clean energy market.

Questions and answers of the consultation:

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

Binding targets, when well designed, achieved significant emission reductions and promoted the switch to Renewable Energies. This has been demonstrated via the implementation of the renewables directive. Therefore this principle needs to be maintained in the 2030 framework.

Where binding targets to reach the 20-20-20 targets are missing, failure happened, as can be evidenced with the 20% energy efficiency target, which so far has failed.

The current ETS system has failed thereby undermining the market system rationale. A market system can only function, when all actors are included and are treated equally. Allowing to use international certificates, as done by a number of European multinational, beats that logic. The ETS system needs therefore credible reform and should be considered only as one potential tool to achieve the 2030 targets, yet with much less relevance as put forward in the 2020 framework..

The 2020 strategy did not consider the importance of local and regional renewable energy initiatives and especially the central role of European citizens - not only as consumers of energy, but as the main actors. Yet citizens have been the driver of the energy transition, in particular via jointly owned schemes, such as renewable energy cooperatives or community-owned schemes. Citizen ownership and co-decision in the energy transition will boost social acceptance but also help to better organize the energy demand, stabilize the internal energy market and reinforce indigenous supply sources.

4.2. 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 sectorial), and to what extent should they be legally binding?

With the evidence of the 20:20:20 framework in mind the 2030 framework should have 3 binding targets at EU level for energy efficiency (of at least 35%), renewables (minimum of 45% share) and greenhouse gas emissions (minimum of 50% reduction). These EU level targets need to be broken down into 27 individual national level targets ensuring an equal burden sharing approach.

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

Energy savings and renewable targets need to be defined first with the share of renewables based on the level of the efficiency target. On the basis of this the resulting greenhouse gas target and the allocations for the emissions trading scheme can be calculated, similarly as the national targets under the effort sharing decision.
• 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 CO2 reductions for passenger cars and light commercial vehicles?
Sub-targets are in general not desirable. Regarding the transport sector, emphasis should be placed on technology neutral measures to promote CO2 reductions.

• How can targets reflect better the economic viability and the changing degree of maturity of technologies in the 2030 framework?
Binding targets drive policy decisions and give investment signals. No binding targets will give no incentive to efficiency and the switch to renewables. Industry needs long-term stability to develop the necessary technologies in Europe to achieve the set targets.

• 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
An in depth upfront analysis need to be made about existing, planned and potential for new sustainable power plant installations, existing and planned infrastructure and interconnection.

4.3. Instruments
• Are changes necessary to other policy instruments and how they interact with one another, including between the EU and national levels?
The EU ETS should be adapted not only to the current renewable and efficiency directives but also to the 2030 targets. Streamlining policies are fundamental. Overlapping targets and a variety of implementation measures water down the effectiveness of each other. For example, the waste legislation has to keep into better consideration energy and climate targets.

• How should specific measures at the EU and national level best be defined to optimise cost-efficiency of meeting climate and energy objectives?
National binding targets, derived from EU level targets, will give best investment signals and clarity on the pathways that need to be taken by national industries.

• How can fragmentation of the internal energy market best be avoided particularly in relation to the need to encourage and mobilise investment?
Fragmentation could be avoided by organizing the demand of energy. Energy cooperatives as well as other local and regional schemes cluster demand together. This is as a step forward towards better governance of the energy market

Decentralized energy production schemes are to be promoted, such as renewable energy cooperatives and community-owned energy schemes. Decentralization will lower the threshold for investments requiring less heavy national and European investments. To mobilize citizen investments, remuneration schemes should be put in place. This will empower business ventures from a bottom-up perspective keeping the monetary sources within the region of origin.

• Which measures could be envisaged to make further energy savings most cost-effectively?

4.4. 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?

• 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?

Complete liberalization was shown not to lead to fair competition. Equality on competition terms should be granted for small and medium companies. Transparency on the distribution of aids and

taxes should be shown and supporting mechanisms should help the development of RES.

• 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?
Decentralized production schemes not only tackle energy poverty and energy loses, but also help in generating a more independent energy market backed on indigenous sources and diversification of supply. Grids interconnection should be tackled in a local way, following a centripetal methodology.

Energy extracted from non-renewable energy sources should not be taken as an option. Shale gas, coal and lignite represent a threat for the development of a long-term stable energy market. It should not be encouraged given the risk it will crowd out finance for renewables and undermine GHG reduction targets

4.5. Capacity and distributional aspects
• Are new financing instruments or arrangements required to support the new 2030 framework?
The Intelligent Energy Facility has supported local and regional initiatives and should therefore be strengthened, receive more funding.