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Contribution to the EU consultation on the European Commission's Green Paper: A 2030 framework for climate and energy policies, COM (2013) 169 final

The AS Management & Consulting Sàrl welcomes the opportunity to contribute to the discussion on the European Commission's Green Paper: A 2030 framework for climate and energy policies, COM (2013) 169 final.

Nowadays the global financial crisis is posing many challenges to Europe's approach to climate change and energy policies. With the international climate change policy not clearly agreed and with the American economy still benefitting from its natural gas and the emerging economies that are demonstrating little willingness to decouple economic growth from growth in carbon emissions, the key question for Europe is whereas it would be still "convenient" to pursue the role of the "first mover disadvantage".

For investors in the energy and energy-intensive sectors the core question is whether the forecasted low carbon plan will still remain the dominant political objective beyond 2020.

We understand that the new proposed 2030 Framework is aiming to respond to the following questions:

- What type, nature and level of climate and energy targets should be set for 2030?
- How can coherence between different policy instruments be attained?
- How can the energy system best contribute to EU competitiveness?
- How can Member States' different capacities to act be taken into account?

The Green Paper constitutes the last opportunity to shape the future and its energy legacy for Europe.

Below, we outlined our response to the Green Paper's questionnaire:

Targets

Carbon pricing, by way of the current EU ETS, is a cost-effective and efficient way to reduce greenhouse gas emissions in the short term. But it proves to be insufficient to stimulate innovations and energy efficiency. For this, complementary targets and policies are needed. The targets for renewable energy have to date stimulated the development and cost-price reduction of several important low-carbon technologies. However, not all renewable energy is innovative or sustainable.

It's critical to get political agreement on a 2030 EU emissions target by the end of next year, to encourage the levels of investment that we need in low-carbon technology. Any target must be part of

a coherent policy framework that also seeks to minimize carbon leakage, so that all businesses can play their part.

There are a few aspects that should be taken into account for the EU 2030 Framework as follows:

- Member States should be free to pick the energy mix they prefer, and not be penalized for the choices they make – including on whether they choose nuclear to deliver their emissions reductions;
- Without Carbon Capture and Storage being rolled out in the near future, the chances of dealing with emissions globally are severely damaged. The EU should put itself in the forefront of CCS development, both for the climate and the commercial opportunities for our companies;
- EU measures such as product labeling and standards have delivered, and should continue to deliver, significant energy savings and drive innovation.

Little can be promulgated with absolute certainty with regards to the targeting 2030. However, it is clear that competitiveness and jobs creation are increasingly prominent considerations in policy making within the EU and understanding the implications and trade-offs with energy and climate policy is of growing importance.

A less complex and overlapping set of targets could perhaps offer some benefits within the context, with discrete regulatory initiatives introduced in a targeted manner.

We again are grateful for the opportunity to share our brief views on these issues and look forward to continuing the exchange of ideas and further elaborating our proposals.