Public Consultation:
Green Paper on a 2030 framework for climate and energy policies

AFM+E Aussenhandelsverband für Mineralöl und Energie e.V
Jägerstrasse 6
10117 Berlin
Germany

ID Number 33629954785-84

Answers to key questions

1.1. General

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

Answer: The politically motivated desire to set separate targets for reduction of greenhouse gases, use of renewables, and increase in energy efficiency, is understandable from a historical perspective, but has led to fragmented policies in the EU member states. It has often caused significant distortion in trade. Greater efforts need to be paid to creating a level playing field across the EU when legislating, rather than just setting objectives without monitoring the way in which these are implemented by individual Member States. Many legislative initiatives have resulted in major bureaucratic obstacles, which are troublesome particularly for SMEs. It is therefore advisable to find a simpler approach for the 2020 to 2030 period, focusing on reduction of greenhouse gases and avoiding distortions in trade between member states. The EU's future climate and energy policy has to be designed for the member states to move forward as a convoy again.

1.2. 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 sectoral), and to what extent should they be legally binding?

Answer: It would be desirable to set a binding GHG reduction target for all EU member states. The target must be achieved on a sector-neutral, technology-neutral basis. It is essential to set a tight timeframe for implementation by the national states, to minimise the departure of individual states from the "climate convoy". A perfected EU Emission Trading System will have a key role to play in this context. The competitiveness of the EU economies and companies has to be given equal weighting with the goal of GHG reduction.

- 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?

Answer: Security of supply should be a top priority and is automatically addressed as we work to improve energy efficiency and the diversification of the fuel mix. However, the EU should be coherent in the way it addresses security of supply of individual energy sources (e.g. oil versus gas).

1.3. Instruments

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

Answer: One key problem for the internal market and the freedom of movement of goods is the large number of very diverse acts and ordinances, particularly on biofuels. It is urgently necessary to achieve rapid and radical reduction and simplification of the different national biofuel regulations in favour of a harmonized approach. Another issue is that some EU members traditionally try to be at the forefront of achieving certain targets. That means they leave the European convoy and contribute - temporarily - to the fragmentation of the European market. This tendency needs be addressed.

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

Answer: Greater stability, coherence and predictability of the EU legal framework are needed to avoid confusion to the industry and stakeholders. The administrative and financial burden of measures must be assessed more thoroughly. The importance of the SME sector in the EU energy market should not be underestimated. The EU must recognise that shortcomings in EU legislation often translate into increased administrative and financial burden which is likely to drive up the cost of energy to the detriment of the European economy as a whole.

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

Answer: An important step would be to focus policy action within the EU for promotion of next generation biofuels, in particular by systematic, cross-border support for research and development.

A technology-neutral approach must be at the heart of EU research and innovation policies.

1.4. 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?

Answer: To improve security of energy supply, Europe needs diverse energy sources, i.e. no discrimination of any energy source. Energy policies also need to be technology-neutral and should impose no additional administrative burdens, particularly for SMEs.

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

Answer: Administrative burdens are the main concerns for SMEs. Unfortunately, legislation is a key contributor to increasing costs, e.g. biofuels, the fuel quality directive, energy taxation. The clean transport package currently under discussion will also have cost implications.

Every new legislative measure has to specify precisely the administrative costs for companies, and to engage in discussion on them.

1.5. Capacity and distributional aspects

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

Answer: New financing instruments are not necessary, particularly if policy makers focus on reducing GHG emissions, as demanded above. We reject additional tax burdens on individual fuels to finance other fuels – and such additional taxes should not be included in the new framework.

The EU should exploit the existing instruments available to the full, before thinking new measures, and restore former levels of financing to EU research funding. Savings can also be made by smarter regulation and a better understanding of the market environment in which operators are working, particularly SMEs which have been particularly hit by the economic crisis and reduced access to credit.