

Towards a resilient Energy Union with a forward looking Climate Change policy

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Introduction

The Energy Union is an important opportunity to build a common vision for the future of the European Union's energy system by setting a transformative agenda, which will lead to a 100% renewable energy future and an end to fossil fuel use by the middle of this century. This is urgently needed if the EU is going to do its fair share of the effort needed to avoid dangerous climate change and keep global temperature rise well below 2°C. Based on current indications, it appears that this great opportunity risks being missed by failing to maximise the benefits of decarbonising our economy and protecting the climate. This paper is intended to present some initial NGO views on the issue. We urge the European Commission to place renewables and energy efficiency at the heart of the Energy Union, and accelerate the removal of polluting and dangerous energy technologies from the EU's energy system.

Renewables and energy efficiency at the heart of the Energy Union

Renewables and energy efficiency already deliver greenhouse gas emission reductions, hundreds of thousands of jobs and decrease the EU's energy import needs. At a time when many sectors are stagnant or in decline, renewables and energy efficiency are a European success story. To further reap the social, economic, environmental and security benefits of the two, the Energy Union should be built around the objective of an efficient 100% renewable-based energy system by 2050. One that puts energy savings first, while striking the right balance between large-scale energy generation and transmission projects on the one hand, and initiatives that stimulate a smart and distributed system based on small-scale generation on the other. The same principle should apply to the planning of the external dimension of the Energy Union. The EU should send a clear message to neighbour countries that are members of the Energy Community that they need to be working towards long-term decarbonisation goals. This is especially relevant to the Western Balkan countries seeking to become EU members in the next decade.

The Commission must:

- Ensure that the 2020 climate and energy targets are met by all Member States, and meaningful policies and legislation for renewable energy and energy efficiency will exist after 2020.
- Ensure that the policies to be adopted under the Energy Union will further promote renewable energy and energy efficiency, also allowing the European Union to increase its 2030 climate target before the Paris Summit. This would help ensure the future global agreement moves all countries to contribute their fair share to avoiding dangerous climate change.
- Introduce a mandatory 'savings test' when considering building new generation or transmission capacity; i.e. a mandatory requirement to consider all options to deliver a secure energy supply, thus placing demand-side options on an equal footing with supply-side options.



- Ensure the role and benefits of community energy are explicitly recognised and that a stable regulatory framework is put in place, so member states can provide support to community energy projects
- Ensure that the Energy Community is equipped with stronger enforcement mechanisms and a forward looking climate policy which should - together with more ambitious renewables and energy efficiency targets - enable it to become a complementary part of the Energy Union.

Move away from polluting and dangerous energy technologies

Existing policies have failed to shut down the dirtiest fossil-based power plants, or even deter plans to exploit unconventional fossil fuels and indigenous lignite and coal reserves. There is a real danger that this will trigger conflicts with local communities and lock the EU into polluting energy technologies that are incompatible with longterm greenhouse gas emission phase out objectives. Meanwhile, today's energy system is oversized, and markets are still designed around polluting and dangerous energy sources, preventing further deployment of renewable energy and energy efficiency. European countries are spending billions of Euros on fossil fuel subsidies. All means available to ensure the EU is not locked into a high carbon future should be urgently prioritised, thereby accelerating the EU's energy transition. The solution is a progressive framework relying on carbon pricing, renewable energy and energy savings that will decarbonise our energy system.

The Commission must:

- Drive an immediate phase out of subsidies for fossil fuels and nuclear energy. Policies should not allow for any continued or new subsidies for polluting or dangerous energy, including unconventional fossil fuels and indigenous lignite and coal reserves.
- Develop new market rules that suit and reward flexible and truly clean and sustainable energy solutions such as renewables and efficiency.
- Ensure investments in infrastructure made under the Energy Union framework do not create the potential for future price or supply shocks linked to fuel costs.
- Propose a stringent reform of the ETS, and introduce the Market Stability Reserve in 2016.
- Complement the ETS, with an Emissions Performance Standard, which would reduce the carbon intensity in the energy sector to prevent lock-in of the most-polluting power infrastructure.

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Climate Action Network Europe is Europe's largest coalition working on climate and energy issues. With over 120 member organisations in more than 25 European countries, CAN Europe works to prevent dangerous climate change and promote sustainable climate and energy policy in Europe.