

To: Energy Ministers of EU Member States

Cc: Commission President, Executive Vice-President for the European Green Deal and Commissioners for Environment, Transport, Energy, Industry; the Director General of DG Climate; the Chairs of the European Parliament Environment Committee; Industry, Research and Energy Committee; Economic and Monetary Affairs Committee; and Budgetary Control Committee; and Energy Attachés in Permanent Representations to the EU

Re: Input to the Transport, Telecommunications and Energy Council Meeting, Brussels, 2 December 2021

Brussels, 24 November 2021

Dear Minister,

On behalf of the European Environmental Bureau, I am writing to share with you our views on some of the issues on the agenda of the forthcoming Transport, Telecommunication and Energy Council. I invite you to take our concerns into account during final official level preparations as well as at the meeting itself. We have structured the letter according to our understanding of the 2 December Council Agenda that focuses on Energy.

Fit for 55 package - Directive 2012/27/EU on energy efficiency to implement the ambition of the new 2030 climate target (recast)

The Commission's proposal on the revision of the Energy Efficiency Directive (EED) strengthens the current 2030 EU energy efficiency policy by increasing the target for reducing primary energy consumption to 39% and final energy consumption to 36% below the projected energy use by 2030. It also enshrines 'Energy Efficiency First' as a key principle for policies and investments. However, both targets are still below the energy savings that are achievable and required to enable the transition to a fully decarbonized energy system needed for climate neutrality. [The EEB and CAN Europe study on a Paris Agreement Compatible grid](#) shows that by applying the best available technologies, a -46% final energy consumption reduction compared to the PRIMES energy model projections can be achieved.

Moreover, the energy consumption target is currently only set at EU level and is not binding for Member States. This approach will be an obstacle to the wider uptake of energy efficiency measures at national level and will delay action, as already shown by experiences with National Energy and Climate Plans (NECPs).

This new proposal contains some positive improvements, such as regarding the role of public bodies through Green Public Procurement that opens to global CO₂ emissions of buildings (embedded emissions).

Overall, there is significant room, and need, to increase the level of ambition on renovating the buildings stock, making the most of circularity and making full use of the funds available for a green recovery.

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We therefore call upon the Transport, Telecommunications and Energy Council to:

Strengthen targets and measures and ensure clarity of focus by

- Setting a binding energy efficiency target of at least 45% by 2030;
- Making the energy efficiency target binding at both EU and national level;
- Increasing binding annual savings obligations for industrial operators to align with 'new plant' EU Best Available Techniques energy efficiency performance levels;
- Do not allow for energy savings resulting from policies and measures focused on the use of fossil fuels to be counted as part of progress towards the energy efficiency target;
- Safeguarding the deletion of the 'alternative measures' approach;
- Requiring that Member States calculate and set their binding national contributions by using the formula in Annex I of the EED and delete the subjective criteria;
- Requiring that national trajectories are set according to a linear path and include binding milestones so that the Commission can activate the gap filler mechanism if needed.

Improve ambitions regarding the energy use of buildings given climate, energy and social win-wins by

- Increasing the ratio of buildings to be refurbished to 3% per year (of which 70% should be deep renovation) to fully decarbonise buildings by 2040 and promoting renewable-only energy solutions;
- Including provisions to switch to efficient and decarbonised heating and cooling by promoting fossil phase-out through the effective use of available funding to facilitate the transition to efficient and fossil-fuel free energy systems;
- Including a clear target on circularity that ensures low carbon renovations;
- Promoting one-step deep renovations and replacing the 'Nearly Zero Energy Buildings' concept, with 'Zero Emissions Buildings' that would include a wider approach on the whole lifecycle of both renovations and new buildings;
- Introducing a Global Warming Potential also for existing buildings.

More widely improve the revised EED by:

- Strengthening the role of energy communities in achieving the energy efficiency targets;
- Highlighting the multiple benefits of energy efficiency to help motivate update of measures.

See also: [EEB contribution to the Renovation Wave consultation](#); [Coalition for Energy Savings EED position paper](#); [EEB Letter 'Ensuring ETS and IED consistency within upcoming "Fit for 55" Package'](#)

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Fit for 55 package - Amendment of Directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources to implement the ambition of the new 2030 climate target

The Commission's proposal on the amendment of the Renewable Energy Directive (RED) increases the EU's current 32% renewable energy target for 2030 to 40%. It is a good step forward, but unfortunately still far short of what is needed for the pathway to a decarbonised energy system. It is a missed opportunity to promote innovation and the roll out of cost-effective, job-creating solutions, already cheaper than fossil alternatives. In addition, the renewable energy target is only binding at EU level and the opportunity to reintroduce it as binding at national level has been missed in the proposal. The [EEB and CAN Europe study on a Paris Agreement Compatible grid](#) shows that a 100% renewable energy grid is achievable by 2040 with the right pull-and-push measures and a significant energy consumption reduction. We welcome binding targets for heating and cooling and decarbonisation plans at national level. However, in district heating, where a switch from fossil to renewable energy is urgently needed, a 2.1% annual renewables increase is not enough to be in line with full decarbonisation by 2040.

The strengthening of sustainability criteria for biomass is welcome but still too weak to ensure the health and resilience of ecosystems. While some steps forward have been made on sustainability criteria - such as the lowering of the 20MW threshold to 5MW and the recognition that stumps and roots should not be used - overall, the new provisions do not yet ensure that limited biomass resources will be used in the best way in the wider economy or prevent biomass burning having consequences for biodiversity or air pollution. This is a missed opportunity as existing legislation does not do enough to prevent the 400,000 premature yearly deaths in the EU due to air pollution.

We therefore call upon the Transport, Telecommunications and Energy Council to:

- Set a renewable energy target of 50% in final energy consumption by 2030;
- Reintroduce national binding targets for renewable energy;
- Provide for a combined approach between renewable energy (solar, wind, no new hydropower and very limited use of biomass), energy efficiency and wider environmental impacts;
- Keep fossil fuels-based technologies out of the scope of RED II (i.e. low-carbon fuels);
- Prioritise improvements of existing electricity grids, storage and demand-side measures over grid extensions;
- Prioritise the use of renewable and direct electrification in those sectors where viable alternatives already exist (e.g. buildings or light-duty vehicles);
- Ensure that biodiversity concerns and ecosystems' needs are reflected in the sustainability criteria to ensure no biodiversity loss, ecosystem degradation or weakening of the resilience of ecosystems;
- Ensure that the hierarchy for the cascading use of biomass is respected, meaning that energetic use, primarily as cogeneration and then as electricity and heat, comes last in the hierarchy, i.e. after the use of wood for construction and furniture, as feedstock for the chemical industry where no non-fossil alternatives exist, and for paper and pulp paper;

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- Revise provisions for Guarantees of Origin (GO) to ensure that additional renewable electricity is produced and strengthen the link between consumption promoted by GO and physical electrical production, providing information on carbon footprint and impact of different energy sources on air pollution.

See also: [EEB Hydrogen Position Paper](#); [EEB Burnable Carbon: What is still burnable in a circular cascading low carbon economy](#), [No more new hydropower in Europe: a Manifesto](#), [Fossil Gas Phase Out Manifesto](#)

Tackling rising energy prices

Building upon the key messages of [our letter](#) ahead of the Extraordinary Energy Council on 20 October, we would like to reiterate that **the current energy prices emergency in Europe is a wake-up call for more climate action, not less.**

While financial measures to tackle energy poverty and protect vulnerable energy consumers are necessary, these must be accompanied by the right push and pull instruments to drive change in national energy policies and influence the choices and behaviours of economic actors in the first place (energy and energy-intensive industries) and citizens as final consumers. This should be done with the aim to fully decarbonize the EU's energy sector as soon as possible, thereby reducing fossil-fuel dependency and risks of price impacts, and also supporting both household and national budgets by reduced bills.

There is no doubt that the EU's heavy fossil-based energy mix and its dependency on oil and gas imports is the main cause of the energy price hike in a global market led by speculation and volatility. It is also a fact that during last year's Covid-19 lockdown, [the EU's gas and electricity markets reported huge loss of profits](#) and EU Energy Ministers called for quick action to make up for this. Moreover, the nature of the energy market dominated by the merit order and coal/gas price setting is clearly an obstacle to reap the full benefits of renewables.

However, despite this well-known economic and regulatory context, some are still trying to instrumentalise the price hike to argue that the European Green Deal and the Fit for 55 Package – which is so far not even agreed upon and will not be enforced for at least two years - are to blame for the current energy price hikes. This political stance should be resisted at all costs.

The energy prices spike comes at a time when Europe has agreed to strengthen its policy measures and instruments to contribute to avoiding the worst impacts of climate change on our life on the planet. It also comes in the aftermath of the Covid-19 crisis, which has shown the correlation between the degradation of our environment and the uptake and spreading of new diseases and has provided an urgent reason for all governments to rebuild their economies in a more resilient and sustainable way.

Domestic heating, private transport and the energy and energy-intensive industry, like all other economic sectors, need to become climate-proof and fossil-fuel-free. Delaying the transition means contributing to making prospects worse for everyone. It will also backfire politically, undermine the EU's position as

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presented at the UNFCCC COP26 in Glasgow and risk weakening the chances of complying with global commitments to limiting warming to 1.5°C.

The EU must make the most of the funds that are there, exceptionally strengthened by the Next Generation EU recovery plan and the related National Recovery and Resilience Plans (NRRPs). Other new economic and financial instruments, such as the Carbon Border Adjustment Mechanism which, if designed well, can support more climate ambition, both in the EU and outside, the Climate Social Fund and a revised Energy Taxation Directive internalising environmental costs, can support the economic and social transition. Furthermore, meaningful [carbon pricing](#) and the internalisation of the costs of pollution, which are still lacking across most of the EU, are key to enforcing the ‘polluter pays principle’ and can help incentivise the transition. They can also raise funds for the radical transformation of the energy sector while leaving no one behind.

In parallel to these measures, the EU must stop subsidising fossil fuels in all forms — especially in EU funding (through the EU Budget, the NRRPs and the future Social Climate Fund) and public funding through hidden subsidies (energy taxation schemes amongst other) and the State Aid rules (CEEAG and GBER), which still support gas as a transition fuel and even coal in certain circumstances. The revised Industrial Emissions Directive (IED) and ongoing processes for industrial transformation under the EU industrial strategy should drive the transformation of industry to sustainability through a combined approach of regulatory measures with market-based instruments.

We therefore call upon the Transport, Telecommunications and Energy Council to:

- Accelerate commitments to and spending on energy efficiency, building restoration, and changes in domestic heating towards renewable energies, using NRRPs funding, MFF support and additional national funding;
- Support a transformative energy and climate agenda at EU and national level to reduce, and eventually eliminate, dependency on fossil-fuels, risk of price impacts on consumers and burdens on domestic and national budgets;
- Embrace the opportunities in the Fit for 55 package to push for a future where decarbonisation is the norm, fossil-fuel dependency is history, and no one is left behind;
- Secure the Social Climate Fund and make this the flagship programme to decarbonise European homes by 2040 at the latest, first and foremost through structural upgrades of building and heating systems;
- Implement the Social Climate Fund in a way that ensures sufficient money can quickly flow to people facing fuel hardships and enable them to improve the energy efficiency performance of their homes, reducing their energy demand and hence energy bills;
- Use already existing resources, such as the Just Transition Fund and the Modernisation Fund, to fund zero-carbon and zero-pollution projects, and not to perpetrate fossil fuel lock-ins;
- Make the most of the economic and financial opportunities in the Next Generation EU recovery plan and the Fit for 55 Package (Energy Taxation Directive, CBAM, ETS) as well as the review of the industrial Strategy and the Industrial Emissions Directive to drive the necessary changes;

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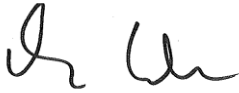
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- Stop subsidising fossil fuels in any form and reform fiscal measures to internalise the costs of pollution, make renewable heating and cooling cheaper than fossil heating and generate funding to address the social impacts.

Beyond any doubt, the climate catastrophes we are all experiencing are not something we can live with or adapt to and decision-makers must do whatever it takes to slow the current climate trend. You are in the driving seat for the EU and have a moral responsibility to lead the change we need for safeguarding our future.

Thank you in advance for your consideration of these points which support the ambitions of the European Green Deal and will help catalyse progress in meeting the environmental challenges facing Europe and the planet. This will respond to scientific evidence and also support EU and national legitimacy in the eyes of a public which broadly supports increased action at EU level to protect the environment.

Yours sincerely,



Jeremy Wates
Secretary General

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