

To: Energy Ministers of EU Member States

Cc: Commission President, Executive Vice-President for the European Green Deal and Commissioners for Energy, Transport, Environment, Industry, Agriculture, Health and Food Safety and the Chair of the European Parliament Environment Committee

Re: Input to the EU Energy Council Meeting, Luxembourg, 27 June 2022

Brussels, 22 June 2022

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 EU Energy Council, including on how a range of items on the agenda are ever more important in light of the Russian invasion of the Ukraine – notably the Fit for 55 package given the multiple benefits of exiting from fossil-fuel dependency on Russia. We have structured the letter according to our understanding of the 27 June Council Agenda.

1 Revision of the Energy Efficiency Directive (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, and do not take into account the need to improve energy efficiency to enable fossil-fuel independence from Russia. The [Paris Agreement Compatible \(PAC\) scenario developed by EEB and CAN Europe](#) shows that by deploying 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).

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

- **Support, as a minimum, an EU 2030 energy efficiency target of at least 13%** compared to the projections of the PRIMES EU 2020 Reference Scenario in line with the Commission's proposal presented in the REPowerEU package (however, [recent analysis](#) shows that the cost-effective energy savings potential for 2030 has increased to at least 19% given the surge of energy prices).
- **Maintain the Energy Savings Obligation (Art. 8)** at an annual rate of at least 1.5% from 2024 onwards, as in the European Commission's proposal, to ensure the delivery of energy savings measures on the ground.
- **Maintain the ambition on renovation for public buildings (Art. 6):** we support the idea of public building being a strong driver for the market and public bodies leading by example: it would be a mistake to lower the share of public buildings renovation set by the Commission as this must be seen as an investment, not a cost.
- **Include social housing in the scope of public building renovation:** for the same reason, we believe that excluding social housing from the scope of the article would not create

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sufficient momentum in the renovation market and would also fail to address a key building sector to counter energy poverty.

- **Maintain the exclusion of saving from fossil heating** from the count for the achievement of the national target: this is essential to maintain coherence with the REPowerEU heat pumps rollout objectives.
- **Phase out fossil from efficient District heating (Art. 24):** district heating already today is looking more and more at renewable energy (heat pumps, solar thermal, geothermal) to replace fossil fuels. Accepting the use of fossil fuels beyond 2040 would lock us into fossil dependency.
- **Reinforce the target governance system** by complementing the binding EU target with national binding contributions. If the latter cannot be supported, back the French Presidency's proposal to limit deviation from the result of the formula to calculate the contributions by a maximum of 2% and the introduction of a "gap-avoider mechanism".

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

2 Revision of the Renewable Energy Directive

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 much awaited step forward, but unfortunately still falls short of what is needed for the pathway to a decarbonised energy system – as already recognised in the REPowerEU package in response to the Russian war in Ukraine. It is a missed opportunity to foster innovation and the rollout of cost-effective, job-creating solutions – which are already cheaper than fossil alternatives – and to promote a move towards independence from fossil fuels and more energy security while pushing down prices and strengthening resilience to price shocks.

In addition, the renewable energy target is only binding at EU level and the opportunity to reintroduce it as binding at national and sectoral level has been missed in the proposal. The [Paris Agreement Compatible \(PAC\) scenario developed by EEB and CAN Europe](#) shows that a 100% renewable energy system is achievable by 2040 by putting into place the right pull-and-push measures and through a significant reduction in energy consumption.

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

- **Increase the overall target to 50% (Art. 3)** in order to be in line with the Paris Agreement and to maintain the global temperature increase below 1.5°C. We think the present heatwave and drought Europe is experiencing and the massive floods we witnessed in the last years clearly speak in favour of this option.
- **Maintain the mandatory sectorial sub-targets and their ambition:** industry, heating and transport are the key markets for imported fossil fuels. Maintaining sub-targets is needed to create momentum in industrial transformation and ease the decarbonisation of the sectors that already have the most mature technologies: buildings and transport.

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- **Strengthen biomass' sustainability criteria (Art. 3):** evidence is there that with the existing criteria a lot of the biomass used in Europe comes from forests of high biodiversity. We call on the Council to ensure full compliance with the cascading principle in the use of biomass as any exception would inevitably lead to abuse. Additionally, we call on the Council to move from the risk-based approach to the precautionary approach so that the risk assessment can focus on forest holding (instead of the much broader sourcing area) and to make sure that mitigation measures, such as third-party certification, are always required.
- **Phase out the eligibility of solid biomass for residential and tertiary heating to count towards targets or receive subsidies by 2045:** biomass used in other sectors such as in power plants should no longer enjoy incentives, regardless of its use of CCS. CCS is a technology that is far from working at present, and it would likely not achieve any significant CO2 abatement while driving further consumption of forests.
- **Keep non-renewable energy out of the scope of the directive (Art. 1: 14):** Renewable fuels of non-biological origin (RFNBOs) should only refer to renewable-based hydrogen and derived fuels, and any other fuel of fossil origin should be treated elsewhere, no matter its CO2 abatement. Overall, RFNBOs should play a marginal role in the energy transition and should only be considered as targeted solutions for hard to decarbonize sectors such as aviation and industries requiring high energy densities (i.e. steel, ceramics).

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](#); [EEB RED III Policy Brief](#)

3. Revision of the Directive on the Energy Performance of Buildings

The revision of the Energy Performance of Buildings Directive is now under discussion within both the European Council and the Parliament. Based on the Council's first reaction in which a whole life carbon and circularity approach was overlooked and the level of ambition on Minimum Energy Performance Standards (MEPS) was reduced, 16 NGOs have prepared a letter to be sent to the national ministers ahead of the Energy Council meeting. The letter underlines NGOs' concern regarding the lack of policies related to the reduction of the embodied emissions, the full decarbonisation of buildings, the phase-out of fossil fuels heating and cooling systems and their link to the fight against climate change.

As noted in the NGO joint letter, we call upon the Transport, Telecommunications and Energy Council to:

- **Adopt common requirements for improving the energy performance of new and existing buildings** based on Minimum Energy Performance Standards (MEPS) and requirements for buildings operating with 'zero emissions. A blueprint for MEPS rollout for the entire building stock coupled with a baseline ZEB energy consumption limit for Member States to build on and implement will require a combination of leadership at both the EU and Member State levels to deliver marked progress by 2030.
- **Phase-out fossil fuel use.** The EPBD proposal should mirror proposals made by the REPowerEU and EU 'Save Energy' plans regarding the phase-out of fossil fuel boilers in

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Europe. The EPBD should align with those plans with respect to the phase-out of financial support to gas boilers, and go further by preventing the replacement of purely fossil fuel heating systems as part of energy renovations beyond 2025.

- **Ensure measurable decarbonisation and climate progress.** Tracking and limiting WLC or lifecycle GHG emissions as soon as possible is essential to understanding and limiting the carbon 2 emissions of buildings contributing to climate change. By encompassing operational and embodied emissions, WLC is relevant for new and existing buildings. Member States must therefore support requirements for harmonised measurement and reporting of WLC, at least, on new buildings by 2025 to enable setting up a building carbon budget, benchmarks and limits by 2030 towards climate neutral buildings before 2040.
- **Promote levers for lifecycle decarbonisation.** Member States should support EU level promotion of key levers for lifecycle decarbonisation. Therefore, in addition to targets and measures promoting the energy-efficiency first principle and low-carbon building systems (e.g., heat pumps), direct reference should be made to energy sufficiency, circularity, and the use of low carbon building and renovation solutions, including bio-based materials.

See also: [Letter to Energy Ministers of EU Member States calling for more ambitious EPBD](#), [EEB EPBD position paper](#)

4. Energy situation in the EU in the context of the war in Ukraine

The Russian war in Ukraine has underlined how fundamentally important it is for the EU to be fully energy-independent from Russia as soon as possible and invest all it can in finding ways to match energy demand in supply – looking at both the supply and demand side options. On the supply side the above mentioned transition to renewables is essential and on the demand side the energy efficiency directive measures are key – as are a myriad of measures to be taken today across the EU by decision makers at all levels - leveraging EU measures such as the National Recovery and Resilience Plan funding, and funding under the Multi-annual Financial Framework, as well as many national levers.

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 others) 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. Furthermore, the inclusion of gas in the taxonomy is patently counter to the EU's needs and objective to become independent of Russian gas.

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.

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

- Embrace the opportunities in the Fit for 55 package and REPowerEU to push for a future where decarbonisation is the norm, fossil-fuel dependency is history, and no one is left behind – but without resorting to deregulation. It is essential that the EU environmental acquis is maintained, respected and implemented, and that citizen and civil society consultation is maintained, if not strengthened to ensure full buy in of communities for the way forward;
- 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;
- 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;
- 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;
- Encourage national MEPs to vote down the taxonomy on 7 July in the European Parliament - not doing so will be in the Kremlin's interests;
- Introduce a “Ukrainian stress test” for nuclear power plants in Europe, building on the risks witnessed in the current invasion of Ukraine by the Russian army, as recently proposed by EEB and Nuclear Transparency Watch.

See also: [Letter: Input to the EU Environment Council Meeting, Luxembourg, 28 June 2022](#); [Joint NGO letter: Choosing the Right Path at this Turning Point in History](#); EEB and NTW [letter on Nuclear safety](#)

The Russian war in Ukraine creates an imperative need for fossil-fuel independence from Russia. The ever greater evidence that the climate catastrophes we are all experiencing and that will be an ever stronger source of impacts and crises in the future are not something we can live with or adapt to. Decision-makers must do whatever it takes to promote energy independence, slow the current climate trend and a move towards a 100% renewables future combined with the energy efficiency first principle and actions to avoid any wasted energy. You are in the driving seat for the EU and have a moral responsibility to lead the change we need for safeguarding our future.


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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,

A handwritten signature in black ink, appearing to read 'J. Wates', is positioned below the text 'Yours sincerely,'.

Jeremy Wates
Secretary General