European heating sector urges Parliament to support EU ETS reform

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Organisations involved in the European Union’s heating sector have jointly called on the European Parliament to implement the findings of the EU Emissions Trading System report.

A vote is set to take place on the revised ETS in parliament on Tuesday and Euroheat and Power, COGEN Europe, the European Heat Pump Association and the European Federation of Intelligent Energy Efficiency Services have urged the Parliament to approve its contents.

Paul Voss, Managing Director of Euroheat and Power told Decentralized Energy, “For all its imperfections, the ETS has a vitally important job to do in driving the market towards a decarbonised future. Any delay in enacting these sorely needed reforms is a waste of time that we simply don’t have.”

EU ETS is the corner stone of Europe’s climate and energy policies, but it can only retain this status if it begins to demonstrate its ability to send an effective CO2 price signal to the market. Since its inception, due to a series of economic, regulatory and market factors, the ETS has struggled to deliver on this basic ambition.

The proposed revised document was adopted by the Parliament’s Environment Committee on 15th December 2016. It promises to both strengthen the carbon price signal and promote innovation in new sustainable technologies.
Currently, heating accounts for more than half of the EU's energy consumption. The decarbonisation of the heating sector will therefore play a fundamental role in achieving the ambitious Energy Union goals and meeting the EU's climate targets. This has also been established by the European Parliament's EU Strategy on Heating and Cooling adopted in September 2016.

According to a statement from the heating sector, “We have already witnessed tremendous progress in the sector with significant developments in such areas as district heating and cogeneration, as well as the increasing uptake of renewable heat from geothermal, solar and heat pumps technologies. To continue the progress, we need the right investment environment and policy incentives to reduce our dependency on fossil fuels and embrace renewable heat. An effective EU ETS is an essential piece of the puzzle.”

“The adoption of an ambitious EU ETS will send a reaffirming message that the EU is committed to leading the global climate action and respecting its obligations under the Paris Agreement. The Environment Committee took a step in a right direction, and the European Parliament should follow it.”