

Mr Rudy Volders
Ms Oana Valceanu
Cabinet of the President of the European Council
European Council

Brussels, 07 October 2020

Call to EU leaders: Top Priorities to ensure increased climate ambition by 2030

Dear Mr Volders, dear Ms Valceanu,

The signatories of this letter representing Europe's renewable and systemic energy efficiency value chains would like to thank you for the constructive meeting on the 8th of September. Since then, a lot has happened which further adds weight to our important dialogue. The European Commission (EC) announced its plan to increase the 2030 greenhouse gas emission (GHG) reduction target up to 55% in order to achieve climate neutrality by 2050. This would translate into increased final energy savings of at least 36% and a renewable energies' share of at least 38% by 2030, according to the EC's impact assessment.

We strongly welcome increased ambition which builds on the key pillars supported by our associations: the combination of the energy efficiency first principle with the transition to renewable energies, with a specific emphasis on the electricity, heating & cooling, building and transport sectors.

The good news is that technologies are available. However, barriers still prevent their uptake. Therefore, we need bold and urgent action from your side. You asked us to present you with a list of "pain points". Here are our top priorities, in no particular order. For more information about specific sectors, please refer to the annex.

- **The need to systematically apply the "energy efficiency first principle"** as an essential enabler for decarbonisation, by reducing energy demand and costs associated with energy production, infrastructure and use.
- **The need to recognise "flexibility" as a core driver** for the energy transition with dedicated measures to promote key elements such as efficient system management, energy storage, waste heat recovery and demand response technologies.
- **The need to actively facilitate customer choice** towards the most cost-efficient technologies with the highest impact in terms of energy efficiency and CO2 emission reduction, building on the huge potential of digitalisation with smart technologies and controls, and with measures aimed at creating a level playing field for all energy carriers.
- **The need to sustain European excellence in renewable energies** and their efficient use by further paving the way for the ambitious deployment of all renewables, with measures aimed at making use of and future-proofing Europe's energy infrastructure as well as unlocking investments into the deployment of new, innovative technologies.

To achieve increased 2030 targets, the European Commission announced to revisit all major energy and climate policies, delivering on cross-cutting initiatives such as the Energy System Integration Strategy and the Renovation Wave. This is the moment for you to step up efforts and to tap into the great potential of Europe's energy efficiency and renewables' industries.

As already said in our previous letter: We count on you. Now more than ever.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'A. Voigt', enclosed in a light blue rectangular box.

Andrea Voigt,
On behalf of the coalition of organisations

ANNEX

Industry Group	Pain Point – Top Priority	Comments & Suggestions
Bioenergy Europe	Maintain sustainability criteria for bioenergy as defined in RED II	<ul style="list-style-type: none"> The RED II sustainability criteria for bioenergy have been agreed after a long negotiation process and implementation will start mid-2021 and be revised in 2023 already. Changes to the criteria or the timing as proposed in some EC Communications will entail severe consequences for bioenergy and our chances to reach carbon neutrality, knowing bioenergy is representing 58% of all RES and is essential in most Member States.
Eurelectric	Accelerate and simplify permitting processes to achieve a significant speed up of the pace of renewables deployment including climate critical infrastructure	<ul style="list-style-type: none"> A fast and thorough implementation of the new, simpler permitting rules in the revised Renewable Energy Directive is needed. The single contact point (meaning, one competent body responsible for permitting requests) as well as clear start and end dates for the permitting process should converge towards similar and comparable process durations across all Member States. Beyond this, a fast-track process for refurbishment and repowering of existing RES sites is key to roll out the best technology without needing to restart processes. A fundamental review of permitting processes is needed to ensure accelerated permitting for climate critical infrastructure including a review of TEN-E Regulation to speed-up permit granting for PCIs. Grid operators should benefit from the same fast and simplified procedures when realising grid modernization projects, new RES connections and adoption of new smart grid technologies.
European Alliance to Save Energy (EU-ASE)	Application of the Energy Efficiency First principle across sectoral policies	<ul style="list-style-type: none"> Energy efficiency is key to achieving the goals set out in the Paris Agreement on climate change and related greenhouse-gas emission reductions. According to the International Energy Agency (IEA), 76% of the European greenhouse gas emission reductions required to keep temperature increases below 1.5°C must come from energy efficiency. In other words, without bold energy efficiency policies, it will be impossible to reach Europe’s international commitments, maintain Europe’s global climate leadership, and prove the business case for climate change mitigation. In that respect, we call for the consistent application of the energy-efficiency-first principle across the whole energy system. This includes giving priority to demand-side solutions whenever they are more cost effective than investments in energy supply infrastructure in meeting policy objectives, but also properly factoring in energy efficiency in generation adequacy assessments.
Eu.Bac	Establish adequate funding schemes to deploy Building Automation and Control Systems in large non-residential buildings and install self-regulating devices for the separate regulation of temperature	<ul style="list-style-type: none"> Push for the deployment of cost-effective technologies with the highest impact in terms of energy efficiency gains and CO2 emissions reductions, such as the deployment of BACS in large non-residential buildings (as mandatory prescribed by the EPBD, Art. 14/15 par. 4) and of the installation of self-regulating devices for the separate regulation of the temperature (Art. 8, par.1)*. Funding schemes should be linked to the implementation of these measure, as already approved. According to the Waide study “The impact of the revision of the EPBD on energy savings from the use of building automation and controls”, full transposition of the BACS measures included in the revised EPBD could lead to: 64 Mt CO2 annual savings (peak in 2030), 450 TWh annual final energy savings (peak in

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		2035), Savings corresponding to 14% of total building primary energy consumption (by 2038), €36 billion energy bill savings triggered (peak in 2035), Value of energy savings exceeds the value of investments by a factor of 9 (comprised of a factor of 8.1 for residential buildings and 10.4 for non-residential buildings)
EuroACE – Energy Efficient Buildings	EuroACE – Energy Efficient Buildings	<ul style="list-style-type: none"> • Today the rate and depth of energy renovation in the EU is abysmally low and much too low to achieve long-term decarbonisation and climate goals. EuroACE acknowledges that the need to energy renovate our building stock is fully and widely recognised at EU level and in an increasing number of Member States. However, to guarantee that the energy-saving potential tied up in our building stock is released, minimum energy performance standards should be introduced that will require all renovations to reach a prescribed high level of energy performance by a fixed date in the near future. Our observation over several decades is that significant change in the buildings sector only occurs when it is regulated.
European Smart Energy Solution Providers (ESMIG)	Accelerate the deployment of smart energy technologies and services and promoting the use, access and protection of smart meters and the data generated	<ul style="list-style-type: none"> • Smart is green: the EU should fully harness the synergies of the dual digital and green transition, supporting sectors that have a high triggering effect on both, such as smart metering and consumer energy management technologies and services. There are still untapped opportunities and loopholes in legislation, enabling Member States not to deploy and use these technologies and services. We advocate for the acceleration of the roll out of smart meters across Europe and promoting the use, access and protection of smart meters and the data generated, empowering consumers in providing opportunities to create energy savings and improving cost-efficiency. Deployment of smart energy technologies should be extensively supported across all Member States, fostering innovation, new business models and securing Europe’s global leadership in the energy transition. A cost-efficient transition relies on economies of scale based on a) the acceleration of deployment of smart energy technologies and b) a modern and harmonized collaborative approach and regulation that fosters fair competition.
Ocean Energy Europe	Invest into research and innovation for new, innovative technologies	<ul style="list-style-type: none"> • Europe has successfully developed onshore and offshore wind as well as solar PV, to continue reaping the benefit of European excellence in renewables, new innovative technologies such as tidal, wave, geothermal or concentrated solar energies need to be brought to commercialisation. This requires EU investments in Research & Innovation – e.g. via Horizon Europe – as well as in capacity deployments, supported by financial instruments, such as the Innovation Fund
smartEn	Give a formal role to flexibility	<ul style="list-style-type: none"> • To achieve the climate targets in the energy sector, flexibility is essential to complement the uptake of renewable energy in an efficient system. The role of flexibility should therefore be formally recognised alongside renewable energy and energy efficiency as a core driver for the energy transition. This should be underpinned by concrete measures to leverage efficient system management, demand response and forms of storage. • Correctly implement the existing EU regulatory framework for DSF first, in particular the Electricity Market Design, and support this effort by allocating dedicated resources, to be identified through the national recovery and resilience plans. • Ensure that the system integration and electrification of transport, heating and industry exploits the potential of these sectors to smartly interact with the electricity system, e.g. by securing the rollout of smart charging infrastructure and building automation technologies.

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Solar Heat Europe	Implement carbon pricing and further promote on-site renewable heat sources	<ul style="list-style-type: none"> • A game changer carbon pricing: Implement mechanisms that consider negative externalities of fossil fuels in the heating sector and adjust their prices while protecting the global competitiveness of the European industry. Such revenues should be fully reverted to families and companies, to support their investments into energy efficiency and renewable heat sources. • Promote the use of on-site renewable heat sources (RES-H) such as solar thermal, for buildings, namely for building renovation, for district heating networks, including in 4th generation DH, and for industries, both for low and medium temperature industrial processes. Locally generated RES-H should be a priority target, pushing for a faster transition and facilitating it by means of equity and debt financing tools, directed either to renewable industries or to renewable heat projects and utility-scale solar heat installations.
Solar Power Europe	Facilitate administrative procedures and infrastructure investments	<ul style="list-style-type: none"> • Administrative procedures are still a critical barrier to the ambitious deployment of solar capacities in Europe. Member States should hold a debate the actions they are planning to take to remove lengthy and burdensome procedures in order to support the development of large-scale solar projects and the deployment of on-site solar, in line with increased climate ambition, the Renovation wave initiative, and the objectives of the Recovery & Resilience Facility. • Energy infrastructure deployment – significant delays for solar deployment due chronic under-investments in EU electricity grids both at distributed level (ex: Netherland, France) and transmission level (ex: Spain, Portugal). • Visibility on market development: this means RES targets, CO2 targets, green H2 deployment perspectives, and avoiding retroactive changes – with far more concrete & robust NECPs needed
T&D Europe – Europe’s technology providers for the electricity grid	Drive the modernization and future-proofing of Europe’s electricity networks	<ul style="list-style-type: none"> • Delivering on ambitious climate and energy objectives: The highest potential lies in the digitalisation of the distribution network. In practice, this means investing in monitoring and control systems as well as in microgrids solutions that are needed to allow demand responding to increasingly variable generation patterns. • Promoting European technology sovereignty and leadership: The grid technology sector is of strategic importance for Europe’s ability to maintain and future-proof its electricity system. The critical issue with innovation and technology in Europe is its rapid, large-scale deployment. The main challenge is to bring innovations to market. • Unlocking investments in Europe’s electricity networks: Europe needs a modern, affordable and digital energy system if it wishes to become the world’s first carbon-neutral continent. The electricity grid infrastructure is at the centre of the energy system. We need therefore to ensure that it is future-proof: robust, smart and ready to adapt to new business models and green solutions. It is in the common European interest to make it happen.
The European Association for Electromobility (AVERE)	Stronger car and van CO2 targets in 2025-2030 to increase the supply of electric vehicles across Europe	<ul style="list-style-type: none"> • Set an EU-wide phase out of new internal combustion cars and vans (including hybrids) and allow individual member states to ban engines earlier

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		<ul style="list-style-type: none"> • Ensure sufficient funding through the MFF, Next Generation EU, & Connecting Europe Facilities (CEF) instruments to support the e-mobility sector (with emphasis on EV charging infrastructure sector) in order to support the uptake of zero emission technologies in short & medium term • Assess and deliberate on allowing Member States to remove VAT for purchases of Zero Emission Vehicles, a key incentive to lower the cost of EVs for consumers. • Support an ambitious plan for jobs for Europe, including using the Just Transition Fund and the future ETS revenues for reconversion plans and skills development in the regions that today rely on fossil fuel economy
The European Association for the Promotion of Cogeneration	Prioritise the use of high efficiency cogeneration over the separate and inefficient production of heat and power on a range of increasingly renewable energy sources.	<ul style="list-style-type: none"> • Support “energy efficiency first” across energy generation, transmission, distribution and use • Promote energy systems integration to maximise the local uptake of energy efficiency and renewable energy sources across electricity, heat and gas • Fully account for the efficiency and decarbonisation benefits of high efficiency cogeneration, which has cost-effective potential to double from 11.3% of electricity & 16.5% of heat today, up to 20% of electricity and 25% of heat in Europe by 2030. This will help deliver up to 350 Mt of CO2 cuts, equivalent to approx.. 30% of the needed additional ambition to reach -55% GHG reductions by 2030.
The European Biogas Association	Include renewable gas in the scope of renewable energies	<ul style="list-style-type: none"> • Include also renewable gas in the scope and underline its role complementing renewable electricity in a carbon-neutral Europe. Biogas should primarily be used where it brings the highest socio-economic and environmental benefits – typically sectors that are difficult to electrify. Biomethane does not need excessive investments in new infrastructure; it profits from the existing gas grid, gas boilers & heat pumps, CNG cars, etc. Therefore, gaseous and liquified forms of biomethane have a great potential to substitute natural gas use in industry, heating and transport sectors, including sea transport and heavy long-haul transport.
European Industrial Insulation Foundation (EiiF)	Application of the Energy Efficiency First principle across sectoral policies, in particular strengthening energy efficiency standards to immediately tap existing “low hanging fruit” potentials in industry.	<ul style="list-style-type: none"> • Without an ambitious energy efficiency strategy and bold policies the goals set out in the Paris Agreement and the EU net zero target in 2050 will not be met. These goals can only be achieved with the support and participation of all key sectors including the EU’s industry and energy supply. Strengthening energy efficiency and management standards will make a big contribution to the European Green Deal and the Green Recovery, consequently adding value to the European economy by increasing competitiveness and creating safer, better working conditions.
The European Geothermal Energy Council	European Risk Insurance Scheme for geothermal drilling and other sources, inclusion of geothermal district heating in TEN-E	<ul style="list-style-type: none"> • Insurance: Establish an EU-wide Risk Insurance Scheme for geothermal drilling and potentially other sources. This dramatically reduces the largest cost of drilling, which accounts for 40-70% of total lifetime costs for geothermal projects. This makes the geothermal electricity and district heating and cooling the cost-competitive solutions for cities, regions, rural communities and manufacturing industry. • TEN-E: The scope of the Trans-European Networks for Energy (TEN-E) and Connecting Europe Facility must be expanded to prioritise investment in geothermal district heating and cooling solutions. This is the

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		<p>quickest way to decarbonise 25% of households in the EU within 7 years, halve the €266 billion energy import bill and solve the security of supply threats.</p> <ul style="list-style-type: none"> • Establish an Internal Market for Heat: Heat makes up half of the EU’s energy consumption but there is no single item of legislation to govern European heat markets, to have a carbon pricing for heat and put renewable energy and energy efficiency at the forefront • Renovation Wave must prioritise modernisation of existing fossil-based individual heat appliances and district heating and cooling systems to geothermal energy and combined with other renewable h&c solutions. • Geothermal lithium: This is the only zero-carbon and low-environmental impact solution to the safe extraction of significant quantities of lithium extraction in the EU. To maximise its potential, dedicated finance is required to map geothermal lithium resources across the EU as well as prioritise investment in new geothermal capacity.
The European Heating Industry Association	Accelerate the replacement of old and inefficient heating systems installed, with new and efficient, renewable-based ones	<ul style="list-style-type: none"> • Today below 4% of heating equipment is replaced annually. If this was increased to 5% / year, greenhouse gas emissions from the heating sector will be cut by 40% by 2030. This will have great impact on the overall EU emissions, because heating and hot water production represent 80% of the energy consumption of buildings in Europe and buildings account for 36% of the EU CO2 emissions. An accelerated introduction of efficient heating technologies is also crucial for the development of renewables in heating. Electric and hybrid heat pumps use electricity extremely efficiently and can operate flexibly, thereby reducing the need for grid reinforcement (some will be needed anyway), reducing operating costs where dynamic pricing is well implemented and integrating more variable renewables. Efficient thermal technologies, e.g. gas and hybrid heat pumps, condensing boilers, fuel cells, micro-cogeneration systems facilitate the introduction of decarbonised and renewable gases, biomass, liquid fuels – as well as make use of existing energy distribution systems. Solar thermal can be coupled with heating technologies for even higher performance. Europe will need the contribution of all heating technologies to achieve carbon neutrality in buildings, due to different conditions at national, local and even building level.
The European Heat Pump Association	Dedicate specific funding support for countries recovery efforts, in coordination with their NECPs	<ul style="list-style-type: none"> • Acknowledging heat pump technologies as a no-regret solution for a successful renovation wave in existing and new policy: Acknowledging the importance of heat pumps to implement the energy efficiency first principle, Strengthening synergies in existing policies, Setting up a massive roll-out plan for heat pumps, Putting in place schemes with numeric targets to replace fossil fuel heating by sustainable alternatives • Addressing the up-front costs of a heating and cooling renovation through dedicated financial flows and removing barriers for new business models: Funding the renovation of the heating and cooling stock, Steering Member States’ support towards low carbon heating and cooling, Enabling industrialised renovations

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		<ul style="list-style-type: none"> • Designing energy prices to guide customers towards the most energy-efficient and cheapest decarbonization options: Balancing taxation of different energy carriers, Internalise carbon pricing, Design tariffs that valorise demand-side flexibility • Informing consumers and facilitating energy renovations: Informing consumers about benefits from heat pumps, Educating the construction sector, Simplifying and facilitating renovation through industrialization and digitalisation
The European Partnership for Energy & the Environment	Recognise the vast potential of cooling to decarbonise heating	<ul style="list-style-type: none"> • Carbon neutrality can only be achieved if heating and cooling are addressed TOGETHER as a matter of urgency. Cooling can make a major contribution to decarbonisation by reducing the energy demand for heating, adding flexibility to the grid, and electrifying the heating sector. • How? By ensuring the recovery of waste heat from cooling (typical examples include datacentres and supermarkets), using and storing thermal energy, providing demand side flexibility and contributing to electrify the heating sector with heat pumps that can do both, heating and cooling.
The European Renewable Energies Federation	Implementing the transition to fully decarbonised and decentralised energy system that is based 100% on renewables	<ul style="list-style-type: none"> • Strengthen citizens and community energy policies and ownership, to exploit the widely untapped potential of individual and collective self-consumption of renewable energy, for the sake of rapid and effective decarbonisation, providing guidance and recommendations for transposing the Clean Energy Package • Support and funding schemes for small and medium-sized RE projects and installations (“Think Small” approach) • Accelerate the pace at which Member States are decarbonising their societies, and encourage to develop and implement ambitious NECPs, including strategies and policies that match the EU’s commitment to reaching the Paris Agreement • State Aid Guidelines must be consistent and support the Green Deal, with clear indication provided to Member States how to assess and align state aid with climate targets. Support mechanisms for the renewables sector must be defined from now on as matters of “public interest”, and therefore no longer evaluated under the state aid umbrella.
The European Solar Thermal Electricity Association	Implementation of auctions acknowledging the value of storage	<ul style="list-style-type: none"> • Concentrated solar thermal technologies (CST) stand out with their flexible long-term storage asset (>15h). CST is ready to: 1. deliver today manageable green energy even at night and 2. decarbonise not only power but also heat sectors via industrial heat and hydrogen production. The main pre-requisite is the implementation by Member States of auctions acknowledging the value of storage (various durations, uses and times of energy production).
Wind Europe	<i>Comments already submitted directly to Rudy Volders</i>	