To: Miguel Arias Cañete - Commissioner for Climate Action and Energy

Concerning: Communication on the Energy Union with a forward-looking Climate Change Policy

Brussels, 18th February 2015

Dear Commissioner Arias Cañete,

On behalf of the European Environmental Bureau, I am writing to share with you our views on some of the issues related to the upcoming communication on the Energy Union with a forward-looking Climate Change policy. I invite you to take our concerns into account during final preparations for the communication and the implementation of the next steps.

We welcome your support in Riga and in the last days for making efficiency first the abiding motto for the future policy for the new European Energy Union. Efficiency first is the consistent, most cost effective and quickest way to create jobs, strengthen the competitiveness of our businesses and fight energy poverty in Europe. A warm home, thanks to sealed windows and innovative, efficient heating typifies what efficiency first is about and the progress European citizens deserve. We are convinced it is essential to include the efficiency first concept by name in the Energy Union communication to reach out to people and lay the path for businesses to follow.

At the same time, we are concerned that under a heading of energy security Europe will lock itself into fossil-based energy infrastructure that will leave Europe with stranded investments and a failed climate policy. Shale gas, nuclear power plants and new coal contain high environmental risks, require high upfront investments and lack the support from European citizens. An energy savings test that ensures fair economic comparison between energy supply and energy efficiency can avoid silos, integrate the various dimensions of the Energy Union and prioritise investments in energy efficiency when they make more economic sense. Recent surveys have shown that over nine in ten Europeans demand support for improving energy efficiency by 2030. Efficiency first means backing these demands with effective actions.

Just as our import dependency poses an economic problem and a security problem, it is also an environmental problem. Unless we moderate our energy demand and limit global climate change the losses and costs to our environment, our biodiversity, and our climate cause a net welfare loss of 1.8% of the current GDP. Efficiency first is the right message to address economic, social and environmental concerns from stakeholders across Europe.

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1 Half or more of Europeans are worried about air pollution (56%), water pollution (50 %) and climate change (50%) (Special Eurobarometer 416 & Special Eurobarometer 409)
2 over nine in ten respondents (92%) think that it is important for their government to provide support for improving energy efficiency by 2030 (Special Eurobarometer 409)
3 In case of a global temperature increases by 3.5°C, climate damages in the EU could amount to at least €190 billion, a net welfare loss of 1.8% of its current GDP (JRC 2014 Climate Impacts in Europe. The JRC PESETA II Project)
4 €110 bn net saving on consumer expenditure (VHK Ecodesign impact accounting for EC 2014)
5 Ecodesign, Energy Labelling, Energy Star and Tyre Labelling measures have created 0.8 million extra direct jobs for industry, wholesale and retail sector (VHK for EC 2014)
6 320 Mt CO2 equivalent (7% of 2010 EU-total) less greenhouse gas emissions
Existing legislation in the area of eco-design, labelling, buildings and energy efficiency provide cost-effective and job-creating measures. We welcome your initiative to revise this legislation to keep the global gold standard for energy efficiency in Europe.

The energy label and Ecodesign Directive are a great example of successful policies. A recent report for the Commission has shown the tremendous potential of these policies for 2020 and 2030 horizon\(^7\). An additional study conducted in the context of the review of this policy for the Commission\(^8\) has given clear priorities for action to unleash further potential.

A joint proposal revising both the Ecodesign and the Energy Labelling Directives at the same time could help better align and partially merge work processes, making their implementation even more efficient and effective. As a leading member of the ‘coolproduct campaign’, the EEB has developed key recommendations for more effective Ecodesign and Energy labelling policies\(^9\) that we believe the forthcoming Energy Union should facilitate.

In addition to the existing legislation, a strong governance mechanism is needed to make efficiency first matter and ensure the contribution of the European Energy Union to an appropriate 2030 framework for climate and energy policies.

For the discussion on the 2030 governance we must ensure accountability of governments towards measurable and ambitious outcomes and improve the transparency via comprehensive planning and harmonized reporting, which allows for robust monitoring, verification and enforcement.

In addition it is necessary to review the current policies on their consistency with staying below a 2°C global temperature rise and reassess the viability of strengthened 2030 targets for a 40% end-use-savings in 2030 in the upcoming Communication as also supported by the EP. We also must look into domestic greenhouse gas (GHG) emissions reductions of at least 60% and ensure that least 45% of energy is coming from sustainable renewable energy.

If Europe were to opt for a weak, light-touch governance and insufficient targets, we would fail to deliver on our long term climate and energy goals and face losses in many environmental areas.

Thank you in advance for your consideration of these points.

Yours sincerely,

Jeremy Wates
Secretary General

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\(^9\) EEB - coolproducts (2014): Key recommendations for more effective Ecodesign and energy labelling policies in the EU, briefing paper