



**Europe's true commitment to a sustainable and competitive energy future:
Member states' positions on the EU's Energy roadmap 2050
June 2012**

Context

Since the communication from the European Commission (EC) on the Energy Roadmap 2050, in November 2011¹, energy ministries in all 27 Member States have been discussing an official European Council position. This official position will be agreed and presented at the Energy Council on June 15. The following analysis, prepared by CAN-Europe and based on leaked draft Council conclusions, outlines Member States' positions on different aspects of the Energy Roadmap as well as the benefits of the *no-regrets option*.

The *no-regrets* option

The European Commission's Energy Roadmap concludes that under any of the possible pathways towards a decarbonised energy system in 2050 (5 scenarios analysed), a significant increase in renewable energies and energy efficiency measures are necessary, together with a modernisation of energy infrastructure. These three necessary areas of focus have been called the *no-regrets option*. A European policy focus on these three options would: increase the competitiveness of the renewable energy industry, with the consequent creation of millions of green jobs and economic growth; reduce energy demand and thus dependency on imported fuels; and reduce the use of unsustainable and risky energy technologies (such as nuclear power).

Although some member states, such as the UK and Poland, still insist that they want to use dirty and risky technologies like coal and nuclear energy, Ministers are expected to recognise the three no-regrets options as the focus for future EU policy action.

However, while the need for an upgraded energy infrastructure is widely recognized, the support for large-scale deployment of renewable energies and the commitment to more efficient use of energy are threatened under the current Council position. The following three sections analyse the issues of renewables and energy efficiency in further detail, also taking a look at key Member State (MS) positions on these topics:

1. Technological choices

Thanks to the EU's 2008 commitment to a 20% renewable energy target by 2020, we have witnessed global leadership and technological innovation in European companies, as well as huge growth in sectors like wind power, photovoltaic (PV) and bioenergy over the past few years.

Nevertheless, some MS, such as the UK, France and the Czech Republic, continue to bet on nuclear power, even though this technology doesn't enjoy public support or acceptance, especially after the Fukushima catastrophe. Other governments, such as Poland, prefer to maintain their dependency on coal and rely heavily on Carbon Capture and Storage technologies (CCS), despite the fact that this technology has not yet been proven to be reliable, safe or cost effective on a commercial scale. Most likely CCS will not be commercially

¹ [□ Communication "Energy Roadmap 2050" \[COM/2011/885\].
\[http://ec.europa.eu/energy/energy2020/roadmap/index_en.htm\]\(http://ec.europa.eu/energy/energy2020/roadmap/index_en.htm\)](http://ec.europa.eu/energy/energy2020/roadmap/index_en.htm)



available before 2020, despite the huge financial efforts at national and European level (e.g., through the European Energy Program for Recovery-EEPR and the NER 300)^{2, 3}.

A strategy based on “technology neutrality⁴”, as some MS have suggested, would fail to provide a level playing field for renewables because:

- i) the grid infrastructure and the electricity market have been built and designed to favour the needs and abilities of large centralized plants (nuclear and fossil fuel based);
- ii) the liberalization of the market tends to favour technologies with a low capital cost, such as gas; and
- iii) conventional electricity generation has for several decades - and still does- benefit from huge financial support, which brings economies of scale and allows for the necessary investments in infrastructure.

Renewables have proven to be the only grouping of technologies that can address the three key energy policy objectives of the EU (economic growth and technological leadership, security of supply and environmental sustainability- including a timely decarbonisation of the power system).

CAN Europe believes, therefore, that further public support for renewable energies needs to be assured. Mandatory obligations beyond 2020 will give investors the right signal to continue investing and thus allow further growth of the sector.

2. Will to reduce our energy dependency

The *no-regrets option* points out that the introduction of energy efficiency measures is of paramount importance to slowing our rapidly increasing energy demand. **CAN Europe believes that reducing energy demand is the most economical way to fight climate change, reduce fossil fuel imports, increase security of supply and make the most efficient use of renewable energy technologies.**

A mandatory energy savings target, combined with a comprehensive set of policies, is the only way to ensure that MS and industry will undertake the necessary measures to achieve the energy reduction trajectory foreseen (and needed) in the EC’s Energy Roadmap. However, it is surprising to discover that only one MS (Belgium) is ready to introduce a mandatory target for 2030.

Under the current policy framework, if one assumes the June adoption of an Energy Efficiency Directive without mandatory targets (very likely), MS would only achieve 10-14% energy efficiency by 2020, significantly missing the 20% voluntary target under the 2008 EU Climate and Energy package.

² □ The NER 300 is the world’s largest funding programme to support demonstration projects for CCS and innovative technologies to tap renewable energy sources (RES). NER300 is so named because it will be funded from the sale of 300 million emission allowances held in the New Entrants Reserve (NER) of the EU Emissions Trading System (ETS). http://ec.europa.eu/clima/policies/lowcarbon/ner300/index_en.htm

³ □ The EEPR is a €4bn EU programme that was set up in 2009 to co-finance projects (59 so far, among them CCS), designed to make energy supplies more reliable and help reduce greenhouse gas emissions, while simultaneously boosting Europe’s economic recovery. <http://ec.europa.eu/energy/eepr/>

⁴ A technology neutrality approach implies an energy strategy in which investments on low carbon technologies are triggered only by market mechanism (specifically the Emission Trading Scheme) and when a mandatory target is set on CO₂ emission, without setting a specific technology target (for instance renewables).



Deviations from forecast energy consumption have significant implications on the related GHG emissions reduction and renewable energy targets. While higher energy demand may increase the carbon price under the Emissions Trading scheme (ETS) with the consequent positive effect, it would also increase the cost of achieving a 20% Renewable Energy target because more generation capacity would be needed and thus more energy infrastructure for transmission and distribution would also be required. Therefore, CAN Europe supports *reducing* energy demand in Europe. Reduced energy demand would also help the EU turn the tide on our increasing dependency on expensive – and politically volatile – energy imports.

3. Ambition after 2020

On June 15th, at the Energy Council meeting, Member States will ask the European Commission to propose an energy policy framework for 2030, most likely with new mandatory renewable energy targets for 2030. Whether setting mandatory renewables targets must be done urgently is a subject of debate. Long-term targets provide financial stability, which is key for industry investments into infrastructure. However, given the current financial situation, the lack of commitment in the UN international climate negotiations and the convergent approach to reducing public expenditures in Europe (including financial support to renewable energy), we can only expect Member States to propose a very weak target for energy efficiency and renewable energies by 2030.

The EC's Energy Roadmap concludes that under all decarbonisation scenarios, a minimum of 30% of renewables would be needed by 2030. This presents a very conservative estimate, taking into account the historical and current impressive growth of the sector⁵, the fast cost reduction trend of renewable technologies⁶ and that, under the business as usual (BAU) scenario, a 25% renewables share would be reached anyway.

During council negotiations, Belgium correctly pointed out that a 45% RES target could be set if accompanied by appropriate energy efficiency measures. The 45% target for renewables has been proposed by the European Renewable Energy Council (EREC)⁷, which represents the wider renewable energy industry community and is supported by several environmental organizations.

CAN Europe supports an ambitious 2030 renewable energy target as an important driver for emissions reductions and avoid technology lock-in effects from carbon intensive coal and gas plants or expensive and risky nuclear and CCS technologies. Not setting such a target means missing a unique chance for Europe to remain global leaders on technologies that are truly sustainable and based on unlimited energy sources. Taking this opportunity would help Europe exit the economic downturn with the creation of millions of green jobs⁸ and an increase in industrial competitiveness.

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⁵ Between 2005 and 2010, the renewables sector has witnessed market growth of 25% for wind, 49% for PV, 38% for Biodiesels, 25% for CSP, 17% for Solar thermal heating, etc. [Renewables 2011 Global Status Report](#), REN21

⁶ The cost of PV has decreased about 70% between 2000 and 2010, including a decrease of 48% just in 5 years (from 2005 to 2010). The cost of onshore wind power has decreased about 60% since 1984 and about 10% between 2008 and 2012: *Renewable Energy: a major player in the European energy market*, EC [COM/2012/271]. [PV competing in the energy sector](#), EPIA. [Pure Power](#), EWEA

⁷ <http://www.erec.org/media/publications/45-by-2030.html>

⁸ In just 5 years, the renewables industry increased its work force from 230,000 to 550,000. [Roadmap for moving to a competitive low-carbon economy in 2050](#), EC, March 2011. http://ec.europa.eu/clima/policies/roadmap/index_en.htm