

8 RECOMMENDATIONS

**FOR AN ACCELERATED,
SECURE AND PARIS
COMPATIBLE ENERGY
TRANSITION IN THE EU**

**IN THE CONTEXT OF THE
INVASION OF UKRAINE**

March 2022



Russia's ongoing aggression in Ukraine is causing a major humanitarian crisis. On top of that, unfortunately the situation is proving, once more, how politically, socially and economically vulnerable Europe is due to its dependency on fossil fuels. Fossil fuels, their imports and subsidies come with an extreme cost not only for energy security, but for human rights, climate and social justice - a part of which is currently being paid by people's lives.

Europe's fossil fuel addiction is fuelling Russia's aggression in Ukraine right now, as well as other armed conflicts and authoritarian regimes in other parts of the world, where civilians have been and are being indiscriminately targeted. Moreover, increased gas prices have already had serious impacts on people living in Europe, with dire consequences for especially low-income people, and there are currently no safeguards against future price volatility due to the heavy role of fossil fuels in the energy mix. The EU is at a turning point for its energy transition and decisions taken these days will determine Europe's energy security in the next few years, as well as the Union's capability to deliver its commitment under the Paris agreement.

Different [communications from the European Commission](#) and Member States demonstrate that decision makers agree on the need for urgent action to change the current pattern, and to stop dependence on Russian energy supply. However, it is important to get the recipe for this change right in order to increase energy security, achieve our climate goals to prevent a worsening climate crisis while making sure that the people can fully take part in and benefit from the transition.

According to recent IPCC reports, there is still a window of opportunity to avoid the worst impacts of the climate crisis, but it is closing fast: effective adaptation to climate change is still possible only if greenhouse gas emissions drop drastically this decade. It is a now or never moment for the EU to prove its climate leadership at global level and get on the right energy transition track. To do so, the EU has two concrete occasions ahead:

- 1) Increasing the ambition of its climate and energy legislative proposals packed in the 'Fit for 55', with key legislative moments in May and June, and having energy savings and efficiency at the core of the accelerated energy transition needed;
- 2) Presenting an ambitious and detailed 'REPowerEU' action plan in May which will provide strong leverage to get on the right energy transition track to ensure energy independence and delivery of the Paris agreement, clearly avoiding false solutions -such as LNG and pipe imports from other countries, and nuclear- justified as diversification of resources.

Bold climate and energy policy will allow the EU to break free from its fossil fuel shackles while protecting its people from polluting and volatile energy sources, doing no harm to countries outside the EU.

And how to align policy processes, legislative proposals and solid measures to the challenge ahead? We know the main, solid ingredient for this recipe is already available. CAN Europe's Paris Agreement Compatible (PAC) scenario illustrates a pathway for the transition of the EU's energy system that is in line with the commitment to limit the temperature rise to 1.5°C.

We know that the EU can address the environmental and energy challenges through rapidly building an energy system that cuts greenhouse gas emissions by 65% in the year 2030. Taking concrete steps is more important now than ever. It is only a matter of will.

Below are 8 recommendations from CAN Europe to achieve an accelerated energy transition in the EU.

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Concrete plans must be immediately adopted to stop the consumption of fossil fuels starting with those from Russia, followed by other imports and local production in a socially just manner



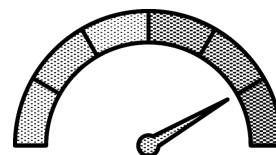
The Russian aggression of Ukraine makes it very explicit how fossil fuels and uranium finance oppressive regimes and wars in Europe and elsewhere. Implementing a Paris-compatible fossil fuel phase out (coal by 2030, gas by 2035 and oil by 2040 at the latest) is an imperative to stop fueling conflicts and the climate crisis.

This cannot be materialised without putting an end to fossil fuel subsidies inside and outside the EU. Phase-out of fossil fuels and subsidies notably requires immediate support to low-income people to upgrade their heating systems, and to support low emission transport modes and modal shifts in order to reduce dependency on fossil fuels.

CAN Europe calls for immediate plans to stop the consumption of fossil fuels and uranium coming from Russia, while the social and economic consequences of such a decision, within and outside the EU, is assessed ex-ante and effectively addressed paying particular attention to the most vulnerable people and developing countries.

The decline of fossil fuel imports from Russia and other countries should avoid by all means leading us to false solutions, such as prolonging coal use or reactivating coal power plants, investments in fossil fuel exploration in and around Europe, LNG terminals, large-scale unsustainable biomass use for energy production, or nuclear energy.

The overall energy consumption must decrease considerably within this decade



The Energy Efficiency First principle must guide the secure and sustainable energy transition. A fundamental shift in the existing energy production and consumption model must happen right now in order to prioritise energy efficiency and savings, so that only the energy needed is produced in order to avoid massive amounts of fossil fuel dependency. This includes energy efficiency measures and policies that support societal and lifestyle change.

A strong signal for a structural change should come from the European Parliament and Member States, which must support a binding energy efficiency target of at least 45% by 2030 and reinforce the Energy Efficiency Directive currently under revision.

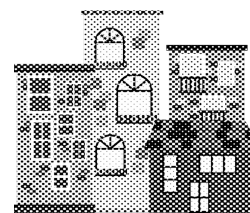
An immediate rollout of measures that can be implemented quickly such as maintenance and optimisation of heating systems and roof insulation should be coupled with measures that are transformational such as deep renovations, stronger standards for more efficient appliances and shifting to electric vehicles.

Furthermore, policies should be put in place to reduce transport-related fossil fuel consumption and incentivise a shift towards public and less transport. This includes incentivising and supporting the development of low-price public transport, bicycle and other active modes of mobility, as well as passenger and freight rail transport. All flights to locations served by direct trains should no longer be allowed. Low-emission zones must be expanded in cities, and speed limits must apply to drop fossil fuel use in the short term.

Individual behavioural change such as avoiding personal car travel, buying local food in season, and reducing the room temperature where possible can have immediate effects on consumption levels.

The equity principle must be respected to balance the needs of different parts of the society while ensuring the overall level of consumption decreases drastically. It should also guide alleviating energy poverty.

Deep building renovations must start immediately



All energy efficiency and savings potential of buildings must be fully tapped into by the EU and the Member States. Without securing deep renovations first, all the precious energy sources will literally fly out of the window.

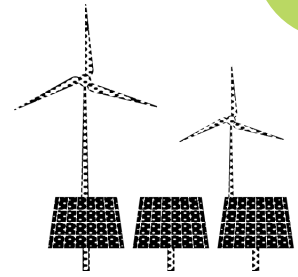
Households risk experiencing more and more difficulty in paying their energy bills, with the most impacted being the people with the lowest incomes and more socially vulnerable, unless they live in resilient buildings.

The European Parliament and Member States must support a swift adoption of the buildings' legislative proposal (EPBD) with increased ambition including binding measures to trigger higher rates of deep renovation. Mandatory minimum energy performance standards for all existing buildings must be a part of it.

National renovation programmes must be rolled out, coupling the thermal insulation of buildings to reduce their energy use with measures promoting the shift to renewable heating solutions, particularly targeting the worst-performing buildings and those occupied by low income, vulnerable and energy poor households.

Member States should make use of the available EU and national funds to provide financial support and incentives to accelerate the needed deep renovation, and ensure technical assistance through advisory tools such as one-stop-shops at local level.

At least 4X the amount of installed solar and wind energy capacities must be added every year - compared to 2020



The overall EU share of renewables across different sectors must be at least 50% by 2030, and this means massive renewables deployment every year will substantially cut fossil fuel dependence.

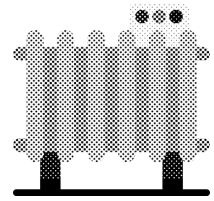
The European Parliament and Member States must work together to reinforce the renewables legislation (RED) revision to achieve the scale of investments needed to stop fossil fuel dependence.

Such an increase must be enabled and its potential, particularly from solar PV and wind, must be unlocked by bringing down the barriers that hinder their accelerated deployment, and improving permitting with local community involvement and nature protection at its heart. It means countries in the EU must reduce the administrative burden and put in place proper and efficient spatial planning in close cooperation and dialogue with all relevant stakeholders.

Adequate resources and staff capacity should be allocated without delay. Fast track residential and commercial solar rooftop PV installations must be made accessible by mobilising direct funding and support schemes for residents and local communities, prioritising the energy poor.

Energy communities are a valuable tool in order to accelerate the energy transition and sufficiency in a just and fair way. Member States should finalise their national assessments of potentials and barriers for self-consumption/energy sharing, and renewable energy communities, by the end of 2022, with an action plan with yearly milestones with specific objectives to create renewable energy communities.

A rapid shift towards renewable heating systems must start with scaling up heat pumps



No fossil-fuel-based boilers must be installed in new and renovated buildings after 2025. Replacing old heating systems in buildings with renewable energy heating solutions, such as heat pumps powered by renewable electricity, must speed up as they can significantly decrease dependence on fossil fuel imports.

Member States should design dedicated support schemes to homeowners and tenants to ease the access to heating solutions, and implement them starting from the lowest income and less-resourced households. National-level processes to determine the priority households which are more exposed to energy price volatility should kick-off immediately.

The transformation of district heating systems to incorporate 100% renewable energy should accelerate by fully tapping into the available EU funds, such as the Modernisation Fund and Cohesion Policy Funds, as well as national financial support mechanisms. Forward-looking national heating and cooling plans to set adequate energy infrastructure and maximise energy savings and fully reap local renewable heating potentials must be put forward immediately.

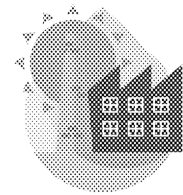
Local and regional authorities should work jointly with social housing projects, civil society organisations, energy communities and energy companies to end consumers' dependence on fossil fuels for heating in a just and fair manner, respecting the partnership principle.

Flexibility options must be rolled out for the energy market



In order for an energy system to rely on the variable renewable energy sources solar PV and wind, flexibility options must interact smoothly, ensuring a stable grid and security of supply. In order to decrease exposure to dangerous and volatile fossil fuels, the energy markets must be upgraded to facilitate the use of all flexibility options such as thermal and electricity storage, demand side response, renewable gap fillers as well as the optimised operation and extension of grids. This broad range of solutions complements the seasonal and daily output variability of solar PV and wind. All public and private finance instruments must be mobilised to accelerate the roll-out of these solutions.

Energy and resource sufficiency targets must be included in industrial ecosystem transition pathways

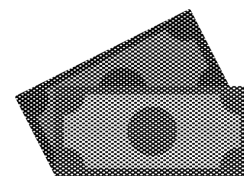


Without clear targets for reducing industrial greenhouse gas emissions as part of action plans to achieve European Green Deal objectives, major industries will continue their dependence on fossil fuels with no phase-out deadlines and even increase their energy consumption. This is especially the case for the energy-intensive industries of cement, chemicals and steel.

Setting out clear sufficiency targets will enable immediate business decisions that reflect the need to reduce and limit the demand, and will accelerate the overall energy transition. Transition pathways need to strengthen synergies between circular economy, resource use reduction and energy savings. Rapid roll-out of flexibility options in the energy system must enable a lower consumption of the industry and allow a faster uptake of renewable energy sources.

Energy intensive industries must immediately act to use all available public and private funding streams, including but not limited to the ETS Innovation Fund, to reduce their exposure to fossil fuels. No State Aid to bailout energy intensive industries should be given without the requirement to present a plan to align with Paris-compatible objectives.

All financial flows (public and private) must support the energy transition



The European Commission must exclude all possibilities to finance fossil gas related projects in the totality of EU instruments including the Cohesion Fund, the Just Transition Mechanism, the European Regional Development Fund (ERDF), the Modernisation Fund, 'InvestEU', and State Aid rules for Member State finance as soon as possible. People in Europe cannot afford one cent spent in new fossil fuel infrastructure to create a lock-in to fossil fuels.

Recovery and Resilience Plans (RRPs) must be adjusted: Member States must consider, and the European Commission must encourage replacement of fossil gas investments in RRP's with investments in renewables, energy savings, energy efficiency and the decarbonisation of the transport sector. This should be accompanied by a fast-track greenlighting process by the European Commission for such adjustments. Investments and reforms relating to the energy transition that are already in RRP's must be front loaded for the Commission to accelerate disbursements needed for those specific budget lines. The RRF's loan facility must be mobilised to increase investments in the energy transition.

The best use of the cohesion funds must be made as the programming is still going on. Member States must increase the climate ambition of Operational plans for the cohesion policy funds under the EU Budget 2021-27 by maximising the resources dedicated to renewables, energy efficiency, energy savings, and sustainable mobility infrastructure.

State Aid support must be climate proofed. The Commission must tie any relaxation of State Aid rules for supporting or bailing out carbon intensive energy production and industries with strict climate conditionality rules. The requirement to prove that aid will not cause a lock-in to fossil fuels, and not contradict the Union's 2030 emission reduction targets in the recently adopted 'Climate, Energy and Environmental Aid Guidelines' (CEEAG) must apply, both to short term relaxed State Aid rules, as well as Rescue and Restructuring Aid. Member States must be required to publish restructuring plans and emissions reduction commitments for the companies receiving aid, proving that such aid will help reduce their exposure to fossil fuels.

Investments in the just energy transition must be unleashed. The European Parliament must vote against the labelling of both fossil gas and nuclear as 'sustainable' investments in the EU taxonomy. Not doing so would be a historic mistake as the much needed boost in private finance for sustainable renewable energy, energy savings and energy transition would flow towards false and expensive solutions. The EU fiscal framework must be reformed to incentivise public spending in energy transition and close the green investment gap.

Member States must use all their revenues generated by the EU Emissions Trading System (ETS) for climate action domestically and in developing countries. A significant portion of finance within the EU should go to accelerate the energy transition and to support households, in particular low-income and vulnerable people.



CAN Europe stands in solidarity with the people affected by the Russian aggression in Ukraine that is causing a humanitarian crisis. We wish for de-escalation and urge all parties for the protection of civilians from the attacks.

People all over the world, Ukraine and Russia are already weakened by the impacts of climate change and COVID. We don't want another armed conflict to bring more instability and loss of life. [Read our statement.](#)

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