



Friday, 12 July 2024

Dear Minister,

As Europe's leading NGO coalition fighting dangerous climate change, we are writing to you on the occasion of the Energy Council meeting next Tuesday, 16th of July in Hungary to convey our positions and some concerns to the discussion points on the agenda. **We welcome the focus on key topics such as the National Energy and Climate Plans (NECPs), a flexible and integrated electricity system, and sustainable heating and cooling technologies.** These policies and measures will shape our societies not just for the coming years but for decades. **It is crucial to set them right from the beginning to benefit everyone and avoid potential mistakes on the road to a fossil-free, socially just and climate neutral European Union.**

Mind the NECPs ambition gap

By June 30, Member States should have submitted their final NECPs, however, only five countries met the deadline. **NECPs are crucial for delivering the EU's 2030 climate and energy objectives** and also its international decarbonisation commitments. CAN Europe's analysis - alongside the European Commission's - [concluded](#) that the NECP updates have to be drastically improved¹. **Three main areas on which we are particularly concerned** and on which ambitious actions are necessary:

- a) **The overall ambition gap needs to be closed**, NECPs should deliver **at least** the objectives agreed in the Fit for 55 package, bearing in mind that the costs of the transition are substantially lower than the cost of inaction. Going beyond the minimum targets and aiming for a Paris Agreement-compatible energy transition pathway would deliver even more socio-economic benefits, [amounting to at least 1 Trillion Euros until 2030](#).
- b) **The NECPs drafts largely neglected the obligation to map and phase out fossil fuel subsidies**. Harmful subsidies must be phased out, with investments redirected from fossil fuels towards a 100% renewables-based, just energy system. Member States should provide a clear mapping of fossil fuel subsidies, along with phase-out dates and socially fair pathways in their NECPs.
- c) The NECPs still give **too much room for false solutions such as fossil gas and nuclear energy**. Infrastructure like power plants, pipelines and LNG terminals, with lifespans of 25-40 years, risk locking the EU into outdated technology beyond 2050. Billions of euros should be redirected from these investments to renewable energy, energy efficiency, and grids to support a genuine energy transition.

¹ The last Commission assessment on the draft NECPs estimated a reduction of the GHG emissions of 51%, which is far from the 55% objective. It is even further from what is necessary for the EU's fair share to keep the temperature rising under 1.5°C, for which Europe needs overall emissions [reduction of 76%](#)



An interconnected, flexible and resilient electricity system

On May 30th, the European Council approved conclusions on the EU's electricity grid infrastructure, proposing measures for an interconnected and resilient electricity network to ensure energy security and achieve decarbonisation. Further steps are needed to develop infrastructure that supports competitiveness **without harming nature or burdening households**. Under the Hungarian Presidency, we recommend Member States:

- a) Explore new financing options, at the national and EU level, to **dedicate adequate resources to grid modernisation and expansion**, particularly at the distribution level.
- b) Investigate the designs of grid tariffs to **protect low- and middle-income households from rising network costs**, and to ensure they benefit from new flexible technologies.
- c) **Unlock the full potential of non-wire alternatives to grid expansion**, such as energy storage, demand response, local flexibility, and smart grids; to avoid over-development, reduce external dependencies, prevent stranded assets, optimise material usage, and ease pressure on communities and nature.

A new European Heating and Cooling Strategy

CAN Europe recommends a [new European Heating and Cooling Strategy](#) that maximises the social benefits of climate action. An ambitious and robust strategy should **prioritise connecting buildings with local heat sources like geothermal or solar thermal, deploying renewable-based heat pumps, and decarbonised district heating**. In coordination with the overall strategy, specific roadmaps should be developed for renewable heat pumps (launch of the long-delayed Heat Pump Action Plan), for geothermal energy (as called for by the European Parliament), coupled with a structural reduction of energy consumption for heating and cooling needs through building renovation.

We hope you take these considerations into account and act for a sustainable, socially just, and secure European energy system. Deep energy transformation in this decade is critical to avoid cataclysmic climate impacts and keep the 1.5°C target of the Paris Agreement attainable.

Yours sincerely,

Cornelia Maarfield
Head of Energy, CAN Europe