

## EREF Press Release

### The EU Energy Union – a huge gap between ambition and willingness

Brussels, 3 February 2017

This week the European Commission published its second report on the State of the Energy Union which summarises recent activities and provides an outlook on the next steps of European Energy policy and priorities

EREF welcomes the exercise as such, since it introduces pathways towards a more holistic view of energy system change in the Union and the endeavour to link the priorities in the Energy Agenda with priorities in other key European policies such as the sustainable development goals , the circular economy or the new skills agenda for Europe.

Nevertheless, the report is not aligning the review of all energy related policies under the overarching priority to fully decarbonise the European Energy system by 2050 and to evaluate the Paris achievement potential for each of the pathways screened under this report.

The report suggests that emission reduction is a positive trend in the Union but does not consider whether this current decrease is sustainable and how it ensures reaching the 2050 decarbonisation target especially in light of the failed ETS. .

A coherent report should not gloss over serious shortcomings such as the renewed and continuing subsidy policies for old and incumbent coal and nuclear power plants and for nuclear new built. The report does not refer to own Commission's request of internalisation of externalities and what non internalisation means in consequence for the pathway towards a sustainable energy union.

By highlighting that most Member States were above their indicative trajectories for their 2020 RES targets two years ago the Commission asserts that the EU as a whole is on track for the targets, thus insinuating that no significant action is needed. Already the minute progress of only 0.4% in the last reported year should ring an alarm bell. And the bell should ring even louder when taking into account the lack of commitment in several Member States, frustrating citizens, investors and regions in countries such as Spain , Poland, Bulgaria, the Czech Republic.

**EREF a federation of national renewable energy associations from EU Member States represents all renewable energy sectors at EU institutions. Its objective is to promote the interests of independent power, fuel and heat production from renewable sources and to establish non-discriminatory access to the European energy market. EREF strives to create, maintain and further develop stable and reliable framework conditions for renewable energy sources.**

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The alleged probability that Europe reaches its 2020 targets for RES despite certain Member States going backwards is another attempt to disguise the blatant lack of ambition and willingness in these States. And it also means that where the target will eventually be reached the level of ambition for the respective national target may have been too low. Furthermore, it means that more ambitious Member States such as Denmark, Portugal, Germany and Austria will have done more and already delivered a de facto gap filler, saving Europe from complete embarrassment.

In this context the Commission missed an opportunity to question whether the minimum EU-wide 27 % target for 2030 would not need to be raised, since - despite the unambitious and, at times, restrictive RES national policies of certain Member States- the positive momentum in committed others would most probably suffice to reach it. Moreover, the dwindling commitment of certain Member States needs a strong answer by the Commission and Europe and new binding national targets. EREF will call on clear improvement in the debate on the legislative energy package.

There is a growing recognition, both locally and regionally, of the wealth-creating effect of lowering the fossil bill on citizens and public budget. The voters nowadays know about the job-creating effects of renewables and their central role to sustainable policies.

EREF welcomes that the Commission's address is focusing on the importance of citizens in the new energy systems. EREF however regards this as a fundamental energy system question. To sustainably enable citizens, energy cooperatives and independent power producers to participate in the European energy market on equal terms with established incumbents, continued national renewable energy remuneration schemes and priority access and priority dispatch are essential and required for the next decade. They are a precondition to enable sufficient incentives to invest in new renewable energy installations in a distorted market.

EREF is worried that despite the fact that the report is urging Member States to be Europe minded in their policies and not to create stranded costs situations, the Commission still forges ahead with policies and financial programmes to support new gas corridors and LNG terminals. For EREF the majority of such projects do not contribute substantially to securing energy supply for Europe or to the achievement of climate goals and entail an enormous risk of becoming stranded investment.

The European Union faces a massive missing money problem when it comes to urgently needed phase out of old nuclear plant and old carbon plants. Investments in new gas pipeline and terminals may be added to the list of mounting subsidies to the incumbent energy sector, sometimes hidden under capacity mechanism schemes. The state of the Energy Union report should be the place to start the debate for a structural reform programme enabling the Union to get rid of the old and dangerous legacy of nuclear and coal and to start phasing out fossil gas, encouraging societal consensus under clear and open conditions for change.

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EREF reminds that in 2015, the Commission in its Renewable Energy Progress Report highlighted the urgent need to develop a more ambitious policy. The now published progress report over 2016 shows once again that insufficient performance of several Members States persists.

“There is no reason for the EU to be complacent. Adequate governance is lacking and the EU is about to miss even the 2020 targets; and this is confirmed by the progress reports of the European Commission itself, although they do not draw the obvious conclusions from the facts. This is even more serious given the fact that the Paris Agreement on Climate Change has now been ratified, which sets key additional conditions for a strong and effective governance”, comments EREF President Dr. Savvas Seimanidis.

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