Europe, a world leader in energy & climate

Europe is a world leader in energy & climate. Its policies are among the most progressive that exist globally, ensuring effective protection of people’s interests both as citizens and customers. Recent achievements are numerous but here are some of the most important ones:

Fighting climate change together

The EU leads the clean energy transition and fight against climate change worldwide. It has committed to reduce emissions by at least 40% by 2030 and the European Commission has just come forward with eight different scenarios towards deep decarbonisation, including pathways achieving a net-zero emissions economy by 2050. In 2018, the EU put its flagship instrument – the EU-ETS – back on track. It also increased its targets for renewables and energy efficiency, as well as new CO2 emission standards for cars and vans, trucks and other heavy-duty vehicles.

Achieving an integrated European energy market

The achievement of a true Energy Union has been a key priority of the EU institutions and a joint project of the Member States over the past few years. The EU energy market has greatly progressed towards more integration and more harmonisation. This allows businesses to trade standard products across borders, stimulating competition between service providers and generators, ultimately providing a more secure, affordable and sustainable energy for consumers. The Energy Union also increases cooperation and solidarity between the Member States, ensuring energy security of supply and making the energy system more reliable for consumers.
Leading the way on data protection

People are increasingly preoccupied with the use of their personal data calling for further protection. To address these risks and concerns the EU has set ambitious standards with the adoption of the General Data Protection Regulation (GDPR) applying to all companies and organisations operating in the EU since May 2018. It gives control to individuals over their personal data and simplifies the regulatory environment for international business. In the energy sector, these new rules ensure an effective protection of consumers in the context of increasing digitalisation, from smart meters to smart homes.

Empowering consumers in the energy transition

Europe has some of the strongest rules on consumer protection in the world and they have just been enhanced in the energy sector with the Clean Energy Package and the New Deal for Consumers. Everyday operations like billing, switching energy supplier or getting a new contract after moving home will become easier and quicker for consumers. Consumers and citizen communities will get access to reliable and clear information on electricity and service offers thanks to certified online price comparison tools. They will also be enabled to produce, store or sell their own electricity, allowing them to take advantage of renewable technologies and digital solutions.

Enabling innovation

Investment in new and infant technologies is expensive and commercially risky for companies, thus public money is often needed to support them. With funding programmes such as Horizon Europe, worth 100 billion euros, and with initiatives such as the EU Battery Alliance, aimed at creating a competitive and sustainable battery manufacturing sector in Europe, the EU is a key enabler of innovation. It supports the deployment of numerous energy technologies, from renewables and storage to smart grids and electric vehicles that decrease reliance on gas and oil imports, spur jobs creation and empower consumers to take an active part in the energy transition.
The next 5 years are critical for maintaining EU leadership in energy and climate

Only a strong and united EU will be able to address the most pressing challenges we are facing as a society, most importantly, climate change, security of supply and just energy transition.

The EU must recognise the role of carbon neutral electricity in decarbonising Europe

Recent demonstrations show the aspiration of EU citizens to live in a world where climate change is addressed seriously. Today, 60% of the EU electricity generation does not emit CO2 and it is feasible to reach a 100% carbon-neutral electricity supply by 2045 thanks to recent cost reductions in renewables and energy storage. Electricity will be the key energy carrier to achieve the goals of the EU Long-term Strategy. Clean electricity could increasingly be used to heat buildings with heat pumps and to decarbonise the transport sector. Electricity can also produce heat for the industry or generate hydrogen which, in turn, can be used to produce cleaner chemicals and steel.

- The EU must promote electricity to reduce emissions in transport, buildings and other industries through adopting the relevant standards and supporting the deployment of the charging infrastructure needed for electric mobility.

The EU can make the energy transition fairer for all European regions and citizens

The EU needs to address climate change in a socially responsible manner. It must enable cost-effective decarbonisation while ensuring that the potential negative impacts on business, employment and living conditions are limited. To create the maximum of attractive and competitive green jobs and to support companies, regions and local communities currently relying on carbon intensive activities, a Just Energy Transition Fund needs to be adopted as part of new EU budget. It would help carbon intensive regions and support workers with developing new skills. Such funding should complement existing EU funding instruments, should be easily accessible by EU regions and used more effectively to catalyse a just transition.

- The EU must mobilise additional financial resources to catalyse a just transition towards a carbon neutral.
The EU can facilitate investments in innovative and clean technologies

To achieve its 2030 targets in line with the Paris Agreement, including a 40% cut on CO2 emissions, the EU must find some €180 billion a year. This requires the EU to adopt a clear policy for long-term and cost-efficient investments in innovative and clean technologies. The financial sector has a key role to play towards these goals. The sustainable finance legislation can help channel finance towards investments supporting the energy transition. More needs to be done to redirect investments towards sustainable technologies and businesses, finance sustainable growth over the long term, and contribute to the creation of a carbon neutral, climate-resilient and circular economy. Considerable investments in electricity grids are also necessary to power the transition and make the system smarter, enabling synergies between sectors of the economy. Distribution grids especially will be critical to integrate renewables, electric vehicles and smart homes.

- The EU must develop a clear policy framework for long-term and cost-efficient investments in innovative and carbon neutral technologies.

The EU can help keep energy prices in check

Over the past 10 years, taxes and levies in households electricity bills have constantly increased (+70% between 2008 and 2017). Today, they represent no less than one third of an electricity bill on average across Europe. This not only increases energy poverty, but also discourages consumers from investing in electrical appliances even though electricity is increasingly decarbonised. Instead, it makes customers switch to other – more polluting – forms of energy such as oil and gas.

- The EU must launch an ambitious debate with Member States on reforming tax policies and making sure that they serve the energy transition.

The EU must develop an ambitious long-term industrial strategy

Industry is the engine of innovation, productivity, growth, exports and employment. Our industrial structure is undergoing a deep transformation driven by decarbonisation, digital technologies and new business models. Thus, an ambitious industrial strategy is required to ensure that Europe stays competitive on global markets and can preserve its social market model. This also requires developing technologies that use less energy, reduce waste and avoid pollution, while investing in the right skills for the workforce.

- The EU must put industry at the top of the political agenda and swiftly present an ambitious long-term industrial strategy with clear indicators and governance, fostering innovation and investments in clean technologies.