

Mr Werner HOYER  
Chairman of the EIB Board of Directors  
European Investment Bank  
100, Bd Konrad Adenauer  
L-2950 Luxembourg

Brussels, 14 October 2019

**Subject: Eurelectric reaction to new energy lending policy**

Dear Mr. Hoyer,

Ahead of the next meeting of the Board of Directors, Eurelectric welcomes the new ambitious energy lending policy proposed by the European Investment Bank (EIB, Bank).

Eurelectric supports the ambition of achieving a net-zero emissions EU economy by 2050<sup>1</sup> and believes that electrification will play a key role in this journey. The EIB new lending policy is a building block in the European decarbonisation strategy and we support the comprehensive approach to investing in four targeted areas that adequately reflect crucial investment needs of the future energy system.

To deliver fully carbon neutral electricity by 2045, investments of ca. EUR 100bn/year in clean energy generation, storage and demand response are needed<sup>2</sup>. In addition, yearly investments in distribution grids need to double to connect increasing amounts of decentralised renewables and to support electrification of transport and buildings. Public support will be pivotal for making these investments possible. A sound sustainable financial framework<sup>3</sup> will also be instrumental to foster private investments.

We welcome the Bank's commitment to invest into renewable based and carbon neutral technologies in line with the EU Long Term Strategy, as well as the recognition of the key role that electrification will play to achieve the long-term climate ambition. In this context, the proposed approach to gas infrastructure is a balanced one and should support the opportunities for sector coupling. In the power sector, efficient and flexible gas-fired generation may play a role during the transition period if less emitting alternatives are not technically and economically viable.

We also welcome the role of the Bank in supporting the Member States in the implementation of the National Energy and Climate Plans. More specifically, the creation of a tailored energy transition package to support the Member States and regions with a different starting point in the energy transformation is an important step forward. Transitional arrangements in lending criteria should be further detailed within this package to help heavily coal-dependent Member States in their transition journey. Burden sharing mechanism, linkage with existing funds and the proposed Just Energy Transition Fund under the Multiannual Financial Framework will be crucial. .../...

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<sup>1</sup> [Eurelectric, Net Zero by 2050: Key Enablers](#)

<sup>2</sup> [Eurelectric, Decarbonisation Pathways, 2018](#)

<sup>3</sup> [Eurelectric, Taxonomy consultation response paper, 2019](#)

The proposed energy lending policy will bring a significant contribution to the decarbonisation of the EU economy. The EU power sector calls on the Members of the Board to maintain the high-level of ambition, taking into account the technical reality of the power sector.

Sincerely,



Kristian Ruby, Secretary General of Eurelectric

**Copy :**

EIB Board of Directors

Mr Andrew McDowell, Vice-President of the EIB Management Committee

Ms Ditte Juul Joergensen, Director General DG ENERGY

Mauro Petriccione, Director General DG CLIMA

Marco Buti, Director General DG ECFIN

Klaus Dieter Borchardt, Deputy Director DG ENERGY