

The EU power sector fully-fledged actions to empower citizens in the Climate Pact

Eurelectric comments

Eurelectric represents the interests of the electricity industry in Europe. Our work covers all major issues affecting our sector. Our members represent the electricity industry in over 30 European countries.

We cover the entire industry from electricity generation and markets to distribution networks and customer issues. We also have affiliates active on several other continents and business associates from a wide variety of sectors with a direct interest in the electricity industry.

We stand for

The vision of the European power sector is to enable and sustain:

- A vibrant competitive European economy, reliably powered by clean, carbon-neutral energy
- A smart, energy efficient and truly sustainable society for all citizens of Europe

We are committed to lead a cost-effective energy transition by:

investing in clean power generation and transition-enabling solutions, to reduce emissions and actively pursue efforts to become carbon-neutral well before mid-century, taking into account different starting points and commercial availability of key transition technologies;

transforming the energy system to make it more responsive, resilient and efficient. This includes increased use of renewable energy, digitalisation, demand side response and reinforcement of grids so they can function as platforms and enablers for customers, cities and communities;

accelerating the energy transition in other economic sectors by offering competitive electricity as a transformation tool for transport, heating and industry;

embedding sustainability in all parts of our value chain and take measures to support the transformation of existing assets towards a zero carbon society;

innovating to discover the cutting-edge business models and develop the breakthrough technologies that are indispensable to allow our industry to lead this transition.

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WG Climate Change & Decarbonisation

WG Social Sustainability

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The EU power sector fully-fledged actions to empower citizens in the Climate Pact

Eurelectric welcomes the proposal in the European Green Deal for a European Climate Pact to bring together, inform and inspire national, regional and local authorities, businesses, unions, civil society organisations, educational as well as research and innovation institutions, scientists, consumers groups and individuals. The COVID-19 crisis has forced the world into isolation, and yet formidable initiatives across society have proven the need and capacity of people to interact.

The current health crisis and its economic aftermath have not put climate change into a pause. Any type of stimulus package shall fully integrate the European Green Deal and bring forward the necessary investments for a rapid and green recovery.¹ Actions addressing both the economic and climate crisis need to identify and tackle potentially worsened effects on communities across Europe. Therefore, the European Climate Pact remains an important initiative for people to engage in projects together to keep track of the decarbonisation efforts and achieve a pan-European and sustainable recovery.

In addition, the European Climate Law should serve as a guideline to define policies, actions and strategies compatible with the climate objective. Supportive of the net-zero emission goal, our industry is committed to deliver carbon neutral power supply well before 2050 and achieve decarbonisation in end-use sectors (transport, buildings and industry) through electrification.² Increased energy efficiency, greater electrification with low carbon power and use of renewable and low-carbon gases in cities and communities can allow a cost-efficient energy transition for all citizens in Europe, enabling in turn a wide range of environmental benefits and business opportunities.

Eurelectric acknowledges the growing momentum among citizens to become active players in the energy transition.³ For more than a year, Eurelectric has indeed been travelling across Europe and debated with representatives from consumer associations, national and regional authorities, NGOs, the automotive industry and technology providers about the main solutions to engage citizens in the energy transition. Based on this very fruitful process, electricity suppliers have pledged to accompany citizens in the energy transition through 15 concrete actions.⁴ Similarly, local and regional authorities will be the frontrunners of the implementation of EU-level decisions to make Europe the first climate neutral continent by 2050.

Building on existing local and regional initiatives, the European Climate Pact could incentivise new partnerships in the energy transition. The European electricity industry has put forward a set of enablers to support a harmonised and open dialogue in the Climate Pact.

1. Sharing experience and learning from others in trusted and science-based dialogues

Achieving carbon-neutrality by 2050 requires the contribution of all actors involved. The European Climate Pact should be a place for everyone to communicate the efforts they have taken so far and share their thoughts on climate actions going forward. Eurelectric welcomes the ideas of a Climate Pact as a best practice platform and suggests to include tools that could track needs and bring solution providers together. Communications on innovative energy projects such as maps, videos

¹ [The Electrification Alliance, Call to EU leaders for a Green recovery, April 2020](#)

² [Eurelectric, Decarbonisation pathways, 2018](#)

³ [Eurelectric and Accenture, Sharing shared success: empowering citizens in the energy transition, 2020](#)

⁴ [Eurelectric, 15 pledges to customers: together for a sustainable, inclusive and smart energy future, 2020](#)

or virtual visits would allow frontrunners in clean technologies and services to share their best solutions.

Reflecting the holistic approach of the European Green Deal, the European Climate Pact can be a means to foster dialogues on topics including education as well as research and innovation, ultimately assessing ways to improve energy and resources efficiency, create green jobs, support innovation and stimulate economic growth.

Eurelectric and its members are long-time supporters of the EU ETS as a core instrument to allow predictable and efficient carbon pricing, allowing in turn significant GHG reduction.⁵ All sectors would need to contribute to decarbonisation efforts, hence it is essential that they be part of the European Climate Pact.

Therefore, the Climate Pact should focus on sectoral burden sharing and help promote GHG reductions in sectors that do not fall under meaningful carbon pricing signals or policy mechanisms. The Climate Pact should address governments as well as local and regional authorities and raise their awareness on energy efficiency and carbon-neutral electrification. Modernized district heating networks, electric heat pumps, decarbonised fuels in the heating sector as well as adequate solutions and zero-emission technologies to deliver on electro-mobility should be important priorities of the Pact to accelerate emissions reduction, improve air quality and enhance energy efficiency. This is key to anticipate and guarantee a cost-effective and future-oriented infrastructure planning.

Acceptance from all actors must be a central element in the European Green Deal. Strengthened infrastructure would be needed to manage all together high shares of distributed power generation, the uptake of e-mobility, the electrification of buildings and industry and the rapidly increasing urbanisation in Europe. Eurelectric would like to take the European Climate Pact as an opportunity to educate and raise awareness on energy efficiency as well as to improve confidence in low carbon energy and transition enabling technologies. Clarity on the costs associated with the different options to drive the energy transition and their link with environmental and economic advantages would be beneficial for citizens and stakeholders to fully take part in the transition and support the most effective policies.

2. Identifying the needs in regions and cities

Adapting to the big challenges of climate change will imply deep economic and social transformations at all geographical levels. While the EU is taking more ambitious steps, different starting points in cities and regions must be kept in mind.

Social acceptability and citizens' engagement in the process are critical so that climate policies take us to climate neutrality by 2050.⁶ The European Climate Pact could help developing the tools to identify, assess and tackle the specific needs of different parts of a community in a given geographical area. This is key to help anticipate the distributional effects of the climate and energy policies necessary for the energy transition, in order to address them through adequate measures. Supportive of the just transition principle, these measures should be designed to maximise socio-economic benefits while avoiding distortions, inefficiencies and adverse distributional impacts. In specific cases like those in the remit of the Just Transition Fund, tailored tools and community engagement will be necessary to successfully carry out the projects.⁷

⁵ [Eurelectric, Powering the Green Deal through a robust ETS and effective carbon pricing, April 2020](#)

⁶ [Eurelectric, Powering the Green Deal, 2019](#)

⁷ [Eurelectric, Shaping a Just Transition Fund fit for purpose, 2020](#)

Eurelectric has engaged in a constructive dialogue with players across the energy system, including representatives from the civil society as well as national and regional authorities, to understand what is holding back consumers from engaging in the energy transition.⁸ The Climate Pact could be a way to overcome the lack of information and the difficulty in accessing finance as well as clarify the benefits some projects can bring to a given community. The European Commission should develop the right tools to assist governments, cities and communities in engaging with citizens and coordinate their actions at state-level. This would ultimately allow a more active support and involvement of citizens in the energy transition.

By 2050, almost 83% of all Europeans will be living in urban areas.⁹ Strategic roadmaps for urban planning are crucial for local authorities to build a more comfortable and healthier living environment, with less noise, better air quality and increased energy efficiency. Actions of local and regional authorities to engage with the Renovation Wave initiative, promote energy efficiency in buildings or electrify public transport, can significantly improve citizens' well-being. Similarly, low carbon innovations in heat and cool production and transmission in urban areas where the district heating has been socially well accepted technology for many years will definitely contribute to the smooth social and cost-efficient environmental transition. But projects to support decarbonisation can be complex, and cities and regions often lack time, resources and human capacities as well as awareness and knowledge of funding opportunities. Partnerships and project development assistances are critical features in the Climate Pact for the right projects to succeed. Dialogue between all stakeholders involved will be essential in order to find solutions to common issues in line with the European Green Deal and Climate Law and private actors can contribute their expertise and solutions to the building of local roadmaps for urban planning.

3. Pledges from the EU power sector to accompany citizens, cities and regions in the energy transition

The EU power sector is committed to the deployment of carbon neutral electric solutions for all citizens.

- In the Climate Pact, energy suppliers and energy service providers can be trusted partners and support every consumers with educational resources and products for a rapid transition to a low carbon society.
- Switching to electricity will bring immediate and tangible improvements for cities and regions. Eurelectric and its members have pledged to provide their expertise to local authorities and communities in planning and deploying the infrastructure needed for the energy transition, from charging stations for electric vehicles to small scale initiatives for renewables, smart grids, or prosumer projects.¹⁰
- Raising awareness on the benefits of sector coupling and sector integration is key and our sector is convinced that cross-sectoral investments, projects and initiatives will accelerate the overall GHG reductions across all sectors of Europe's economy.

In order to achieve the commitments within the Climate Pact, reporting and monitoring obligations should be considered. There already are many ways to communicate progress and the electricity sector suggests to adapt the best existing practices to the Climate Pact needs. Any option must ensure that reporting and monitoring rules are designed with attention to stakeholders' capacities. The criteria within the Climate Pact would need to limit the administrative burden and link to

⁸ [Eurelectric and Accenture, Sharing shared success: empowering citizens in the energy transition, 2020](#)

⁹ European Commission numbers

¹⁰ [Eurelectric, 15 pledges to customers: together for a sustainable, inclusive and smart energy future, 2020](#)

funding availability in order to allow stakeholders to fully commit to ambitious climate actions. Eurelectric and its members have always advocated for effective engagement of stakeholders through the proposed national and regional consultations for the preparation of National Energy and Climate Plans (NECPs).¹¹ Such tool from the Governance Regulation could also be used by governments to outline in the Climate Pact progress on national measures and policies as well as public-private initiatives at the local level to achieve a full energy transition. The European Commission should provide targeted technical support in this field during development of national strategies, plans and funding programs, as well as for the next revision of the NECPs.

4. The European Commission must support initiatives to optimise the results of the Climate Pact

Eurelectric welcomes the proposal from the European Commission to offer targeted support for projects under the European Climate Pact.

First, the European Climate Pact can incentivise efforts by giving high visibility to projects that contribute with significant GHG reductions as well as promoting excellent initiatives and their impacts on citizens.

Additionally, technical assistance is crucial for pioneering projects to flourish. As the EU is seeking for more cooperation and dialogue among sectors, the European Commission could facilitate the removal of administrative burdens and establish policies, strategies and actions that should pursue sector integration. New technologies and business models can unlock all the benefits from positive synergies across value chains in different sectors at local, regional and national levels.¹² The European Commission already supports the organisation of multi-sectoral dialogues in European regions and cities. One example could be the annual Covenant of Mayors Investment Forum, gathering hundreds of local and regional authorities, businesses, consultants and investors to foster cooperation on climate and energy projects. Similar networking and matchmaking events under the Climate Pact can help create the partnerships needed in cities and regions. Events like the EU Sustainable Energy Week (EUSEW) are also good opportunities for stakeholders to showcase actions, share experience and establish a good working partnership going forward.

Mobilising financial facilities is key for the projects to become a reality. Conditions for research, development and demonstration in the energy field need to be optimised. Public-private collaborations are essential in the development phases to push for more mature technologies. Additionally, boosting the deployment of projects that have a business potential requires adequate public funding. The Executive Agency for Small and Medium-sized Enterprises (EASME) has advised many SMEs in applying to EU programmes and tendering procedures. The European Investment Bank (EIB) and its programme like the European Investment Advisory Hub (EIAH) or the European Local Energy Assistance (ELENA) should continue to provide financial, technical or market feasibility assistance in municipalities to help project promoters make the right investment decisions. Including such financial support and advisory services in the European Climate Pact could further help building the capacity of stakeholders to invest in local projects in energy, housing and transport. Any type of public support scheme needs to be aligned with the principles of the Climate Pact and match the investment process in terms of timing and length of funding.

¹¹ [Eurelectric position on the proposal for a regulation on the Governance of the Energy Union, April 2017](#)

¹² [Eurelectric recommendations for a Smart Sector Integration Strategy, April 2020](#)

Eurelectric pursues in all its activities the application of the following sustainable development values:

Economic Development

- Growth, added-value, efficiency

Environmental Leadership

- Commitment, innovation, pro-activeness

Social Responsibility

- Transparency, ethics, accountability

