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Committee on Industry, Research and Energy

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DRAFT REPORT

on a 2030 framework for climate and energy policies
(2013/2135(INI))

Committee on the Environment, Public Health and Food Safety
Committee on Industry, Research and Energy

Rapporteurs: Anne Delvaux, Konrad Szymański

(Joint Committee meetings - Rule 51 of the Rules of Procedure)

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on a 2030 framework for climate and energy policies

(2013/2135(INI))

The European Parliament,

- having regard to the Commission Green Paper ‘A 2030 framework for climate and energy policies’ (COM(2013)0169),
- having regard to the Treaty on the Functioning of the European Union and in particular Articles 191, 192 and 194 thereof,
- having regard to Regulation (EU) No 994/2010 of the European Parliament and the Council of 20 October 2010 concerning measures to safeguard security of gas supply,
- having regard to Directive 2012/27/EU of the European Parliament and the Council of 25 October 2012 on energy efficiency,
- having regard to the Commission White Paper entitled ‘Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system’ (COM(2011)0144) and to the European Parliament resolution of 15 December 2011 on the Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system¹,
- having regard to the Commission communication entitled ‘A Roadmap for moving to a competitive low carbon economy in 2050’ (COM(2011)0112) and to the European Parliament resolution of 15 March 2012 on a Roadmap for moving to a competitive low carbon economy in 2050²,
- having regard to the Commission communication entitled ‘Roadmap to a Resource Efficient Europe’ (COM(2011)0571) and to the European Parliament resolution of 24 May 2012 on a resource-efficient Europe³,
- having regard to its resolution of 21 November 2012 on the environmental impacts of shale gas and shale oil extraction activities⁴,
- having regard to its resolution of 21 November 2012 on industrial, energy and other aspects of shale gas and oil⁵,
- having regard to its resolution of 22 November 2012 on the Climate Change Conference in Doha, Qatar (COP 18)⁶,

¹ Texts adopted, 15.12.2011, P7_TA(2011)0584.

² Texts adopted, 15.3.2012, P7_TA(2012)0086.

³ Texts adopted, 24.5.2012, P7_TA(2012)0223.

⁴ Texts adopted, 21.11.2012, P7_TA(2012)0443.

⁵ Texts adopted, 21.11.2012, P7_TA(2012)0444.

⁶ Texts adopted, 22.11.2012, P7_TA(2012)0452.

- having regard to the Commission communication ‘Energy Roadmap 2050’ (COM(2011)0885) and to the European Parliament resolution of 14 March 2013 on the Energy Roadmap 2050, a future with energy¹,
 - having regard to the Commission communication ‘Renewable Energy: a major player in the European energy market’ (COM(2012)0271) and to the European Parliament resolution of 21 May 2013 on current challenges and opportunities for renewable energy in the European internal energy market²,
 - having regard to the Commission communication ‘Making the internal energy market work’ (COM(2012)0663) and to the European Parliament resolution of 10 September 2013 on making the internal energy market work³,
 - having regard to the Commission report entitled ‘The state of the European carbon market in 2012’ (COM(2012)0652),
 - having regard to the Commission communication entitled ‘An EU strategy on adaptation to climate change’ (COM(2013)0216),
 - having regard to Rule 48 of its Rules of Procedure,
 - having regard to the joint deliberations of the Committee on the Environment, Public Health and Food Safety and the Committee on Industry, Research and Energy under Rule 51 of the Rules of Procedure,
 - having regard to the report of the Committee on the Environment, Public Health and Food Safety and the Committee on Industry, Research and Energy, and the opinions of the Committee on Development and the Committee on Employment and Social Affairs (A7-0000/2013),
- A. whereas security of supply, competitiveness and climate objectives are of the utmost importance for the EU, are inextricably linked and must be addressed and considered on an equal footing;
- B. whereas this is acknowledged in the Treaty on the Functioning of the European Union (TFEU), which stipulates that the objectives of the Union’s energy policy include the functioning of the energy market, security of supply, energy efficiency, energy saving, renewable energy and interconnections;
- C. whereas the international community committed to limit global warming to 2 °C during the 21st century at the Copenhagen summit in 2009;
- D. whereas Eurostat figures show that the EU has reduced its CO₂ emissions by 16.97% between 1990 and 2011 and is on track to achieve its 2020 target in this regard;
- E. whereas the IEA estimates that the EU is responsible for only 11 % of global greenhouse

¹ Texts adopted, 14.3.2013, P7_TA(2013)0088.

² Texts adopted, 21.5.2013, P7_TA(2013)0201.

³ Texts adopted, 10.9.2013, P7_TA(2013)0344.

gas (GHG) emissions and the proportion is set to decrease in the future so that, even if it has limited capacity in lowering global emissions by means of unilateral action, it has a significant role to play in particular; as regards the achievement of a binding agreement in Paris in 2015 whereas the EU therefore has to define a clear position;

- F. whereas investors and industries need a clear and long-term framework for EU climate and energy policy with greater levels of certainty in order to encourage long-term private investment and reduce the risk associated with this;
- G. whereas the Commission communication on Energy Roadmap 2050, endorsed by the European Parliament, states that energy efficiency, renewable energies and energy infrastructures are 'no-regret' options and that adequate policies and instruments should be taken into account so as to foster European competitiveness;
- H. whereas the EU spent EUR 573 billion on imported fossil fuels in 2011 and its dependency on energy imports is expected to grow;
- I. whereas studies indicate that upgrading the grids is the best way to improve the internal market, reduce energy costs and boost the competitiveness of industry;

Targets

1. Welcomes the Commission Green Paper on a 2030 framework for climate and energy policies and expects the European Council to address these issues with realistic but ambitious responses;
2. Asks the Commission to take a multifaceted approach, the efficiency and cost-effectiveness of which ought to be enhanced by coordinated and coherent policies that address in equal measure issues such as competitiveness, energy security and climate objectives (e.g. GHG emission reduction, renewable energy sources and energy efficiency);
3. Calls on the European Council to keep up the progress made at EU level and set ambitious but realistic objectives for the 2030 EU policies that take account of the economic, social, environmental, international and technological contexts, and to establish a clear, stable, long-term and cost-effective framework for industries and investors;
4. Is of the opinion that support schemes, if better used, could be an appropriate tool to incentivise the development of renewable energy sources (RES) and energy efficiency; sees an important role for the Commission in providing guidance in this regard;
5. Notes that some RES should now be considered mature energy sources and their subsidies should therefore be phased out on time order to be able to reallocate these to research and development (R&D) programmes and RES that are not yet cost-effective; asks the Commission to study the impact of RES priority dispatch on general energy costs;
6. Stresses that increased energy efficiency and energy savings will play an essential role in the decarbonisation of the energy sector;

7. Asks the Commission to develop better methods and tools for calculating and monitoring progress which could help to draw up a more consistent EU approach to energy efficiency; believes that more should be done to help EU industries to further reduce their energy intensity;
8. Notes that as one of the cornerstones of the EU's climate and energy package, the EU Emissions Trading Scheme (ETS) should be able to best fulfil its main function, the reduction of GHG emissions, and respond efficiently to economic downturns and upturns; recalls that the main objective of the EU ETS is to reduce GHG emissions and not to provide investors with sufficient incentives to invest in low-carbon technologies, as these should be seen merely as a secondary objective and not as a basis for evaluating if the scheme works as intended;
9. Notes that the EU needs a comprehensive policy framework for 2030 that encourages investment in and the long-term decarbonisation of non-ETS sectors; therefore calls on the Commission and the Member States to review the non-ETS targets while preserving the flexibility for Member States to define their own ways of meeting their effort sharing targets;
10. Sees an important role for cogeneration in increasing energy efficiency in the future;

Coherence of policy instruments

11. Asks Member States for better cooperation and interaction at EU level in order to make national measures more consistent;
12. Recalls that a clear, coherent and consistent policy and regulatory framework is key to helping stimulate the necessary investments in the 'no regrets' technologies defined in the Energy Roadmap 2050 in a cost-effective and sustainable way;
13. Asks the Commission to examine the interactions between climate and energy objectives in order to achieve the most efficient policies at EU level, taking into consideration not only national GDP but also each Member State's capacity;
14. Believes that Member States and regions should be encouraged to improve cooperation in order to optimise the efficiency of renewables expansion; in this context, the Commission has an important role to play as a facilitator in coordinating, financially supporting and preparing appropriate analyses of renewable energy resources and potential for the Member States;
15. Calls on the Commission to submit an analysis of how renewable energy sources can be developed sustainably, taking into account environmental impact, aspects related to dependency on raw materials and life cycle and, above all, how to support stable sources of renewable energy such as hydropower, biomass or geothermal power;
16. Urges the Commission and the Member States to integrate the resource efficiency agenda as comprehensively as possible into all other policies;
17. Asks the Commission to assess the evolution of energy savings in the EU;

18. Calls on the Commission to set up an easily accessible, online best practice database for resource efficiency;

Energy security

19. Underlines the importance of an energy strategy focused on boosting energy security and economic and industrial competitiveness in the EU, job creation, social aspects and environmental sustainability by means of measures such as the diversification of supply routes, suppliers and sources and by increasing the deployment of RES;
20. Stresses that, when bringing about security of supply, Member States must be able to take advantage of all of their indigenous energy resources in accordance with policies that ensure the safe and sustainable exploration, extraction and use of these resources;
21. Stresses that as the EU pursues its goal of energy security, emphasis needs to be shifted towards a model of energy interdependence between Member States by ensuring the swift completion of the EU internal energy market; believes furthermore that completing the EU supergrid infrastructure linking the north, south, east and west will enable the EU to make the best use of the comparative advantages of each Member State, and calls for further support for decentralised and micro-scale energy production and smart energy infrastructures in all Member States; stresses, therefore, the need for strong coordination between Member States' policies and for joint action, solidarity and transparency in view of the fact that national energy policy decisions can affect other Member States; suggests that it would be desirable to determine whether and how the expertise and facilities of the Agency for the Cooperation of Energy Regulators (ACER) could be put to use in carrying out the above tasks;
22. Believes that the lack of full implementation of internal energy market legislation remains one of the main obstacles to completion of the single market; highlights the importance of eliminating remaining infrastructure bottlenecks and instances of market failure and of ensuring that no new barriers to electricity and gas market integration are created;
23. Stresses that energy end consumers – individuals, SMEs and industry alike – are at the very core of the internal energy market and that they should benefit from lower energy prices, be duly protected, and accurately informed by ensuring easy access to information; for this purpose, calls on the Commission and Members States to achieve, as a matter of urgency, the completion of the internal market, security of supply and the interconnection of networks as requested in Article 194 TFEU;
24. Notes that in order to ensure security of supply there must be enough capacity to meet demand in peak periods and in periods of (political or technological) difficulties and that excess capacity or backup must therefore be ensured and maintained; points out the need for storage and more grid flexibility as a response to the intermittence of some sources of RES;
25. Notes that some Member States, being energy islands, are still totally isolated from the European gas and electricity networks and continue to pay higher prices for energy, which adversely affects their competitiveness; points out that without substantial infrastructure investment, the commitment of the European Council that no Member State should remain

isolated from the EU networks by 2015 cannot be fulfilled for those Member States will be broken; favours in this regard the swift completion of the internal energy market;

26. Asks the Commission to investigate the potential of energy storage in the EU and the various possible technologies in this area;
27. Stresses that modernising the existing energy infrastructure and building new, intelligent and flexible infrastructure for the generation, transmission, distribution and storage of energy is essential for a stable, well-integrated and well-connected energy market, and emphasises that large-scale investments should be made in parallel with investments in regional or even local networks;

Fostering the competitiveness of the EU economy

28. Believes that an open and transparent internal market, where all EU and third country companies respect the *acquis communautaire* in the field of energy, can help strengthen the negotiating position of EU energy suppliers vis-à-vis external competitors;
29. Calls on the Commission to launch a study analysing new and cost-efficient market designs with a view to ensuring reasonably priced electricity to consumers and to preventing carbon leakage; asks therefore the Commission to come forward as soon as possible with an additional assessment and recommendations for further actions to prevent the risk of carbon leakage caused by reallocation of production facilities outside the EU, focusing in particular on additional scenarios in which limited or no further global action is taken on carbon emission reduction;
30. Notes that the EU's main competitors on the global market place great emphasis on technological developments, innovation and improving industrial processes; notes also that their economies grow at a much faster pace than the EU; concludes that the EU must give priority to R&D and innovation;
31. Invites the Commission to develop a way of measuring competitiveness between the EU and its main competitors which could, for example, be based on fiscal policies, R&D, innovation, industrial energy prices and regulatory burdens;
32. Strongly underlines that any future EU policy must address the comparative strengths and weaknesses of its economy, particularly with regard to any free trade agreement the EU signs up to, especially in light of the planned free trade agreement (TTIP) with the US where energy prices have been decreasing significantly while efforts to reduce GHG emissions are not on par with the progress already achieved in the EU;

Acknowledging the differing capacity of Member States

33. Welcomes the Commission's remarks that the EU climate and energy targets impact differently on each Member State and their citizens, and that this justifies working on a more equitable effort sharing basis, taking into account a country's GDP, achievements in reducing emissions since 1990, emissions per capita, economic potential and potential for renewable energy sources and energy efficiency;

34. Underlines, in line with Article 194 TFEU, that Member States are the ultimate decision makers as regards their energy mix and should be able to use and develop different approaches for technologies and energy sources that are environmentally sound and socially and economically acceptable;
35. Points out that the main trend of planned actions should focus on implementing action scenarios that take account of existing potential in Member States, prospects for the development of cost-effective new technologies, and the global impact of implementing the proposed policy, in order to be able to propose reduction objectives for the following years;
36. Notes that access to capital, even for heavy industry sectors, is often a barrier to investment in cleaner technologies; therefore asks the Commission to study the possibility of creating a fund that could help to leverage investment, possibly financed by a share of ETS revenue;

The EU at international level

37. Notes that, at present, some emerging and developed countries are engaged in differentiated climate policies and investments, including also implementation of their own emissions trading schemes;
38. Notes that it is important for the EU to maintain its leading role and for Member States to speak with one voice in order to define a strong and common position to defend during the 2015 Paris negotiations that will aim at reaching a new global climate binding agreement;
39. Instructs its President to forward this resolution to the Council and the Commission.