



Committee of the Regions

ENVE-V-038

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OPINION

Green Paper on Framing 2030 Climate and Energy Policy

THE COMMITTEE OF THE REGIONS

- underlines the key relevance and role of the local and regional level in developing approaches to climate change and to the communities of the future; therefore deeply regrets the fact that local and regional authorities and the climate protection and energy saving measures they have already implemented have not once been mentioned in the Green Paper;
- recommends that the legally binding target for reducing greenhouse gas (GHG) emissions for the EU as a whole be set at 50% of 1990 levels by 2030, and insists that the Member States should agree separately amongst themselves on how to share the burden of emissions cuts;
- deeply regrets very low level of ambition presented in the EC Communication on "A policy framework for climate and energy in the period from 2020 to 2030"¹ and considers it essential that binding targets be set respectively for renewable energy (not only an EU-wide target of 27% and voluntary for Member States) and energy efficiency in addition to the overall emissions reduction target;
- is deeply concerned about the lack of funding opportunities at local and regional level and about the ongoing economic crisis, which hinder the central task of local and regional authorities in mitigating climate change and developing opportunities to adapt to it;
- considers it essential to be able to phase out subsidies for non-renewable energy and re-direct them towards renewable energy and energy efficiency; any auction revenues from continuing emissions trading, or any tax revenues if moving towards a carbon tax, must be directed towards effective measures by the Member States to mitigate and adapt to climate change;
- believes that energy independence and security of supply could be strengthened by further developing the single market for energy with the help of new interconnectors, small-scale energy production by consumers themselves, energy storage and smart grids, for example, and that diversity of sustainable energy sources acts as a buffer against price fluctuations;
- believes it is crucial to improve advice aimed at different consumer and demographic groups and to enhance the professional expertise of those responsible for using energy.

¹

COM(2014) 15 final

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Rapporteur

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Reference document

Green Paper - A 2030 framework for climate and energy policies
COM(2013) 169 final

**Opinion of the Committee of the Regions – Green Paper on
Framing 2030 Climate and Energy Policy**

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

1. underlines the key relevance and role of the local and regional level in developing approaches to climate change and to the communities of the future; therefore deeply regrets the fact that local and regional authorities and the climate protection and energy saving measures they have already implemented have not once been mentioned in the Green Paper;
2. calls on the Commission to use development, funding and monitoring schemes aimed at addressing climate and energy-related issues to support and encourage local and regional authorities and the Member States;
3. considers it essential that climate change be limited to less than two degrees of warming compared with pre-industrial levels;
4. considers it essential that a consensus be found on a binding international climate agreement at the UN's COP 21 Conference of the Parties in 2015, as decided at the COP 17 in Durban in 2011;
5. recommends that the legally binding target for reducing greenhouse gas (GHG) emissions for the EU as a whole be set at 50% of 1990 levels by 2030, and insists that the Member States should agree separately amongst themselves on how to share the burden of emissions cuts;
6. points out that the EU's single, legally binding emissions trading system (ETS) for fossil energy production covers more than 40% of Member States' emissions (excluding aviation emission trading). The proportion of emissions covered by emissions trading, and the inclusion of potential new sectors (e.g. land and sea transport) in emissions trading, should be agreed in connection with the target for reducing emissions. In its current form the ETS is not delivering the expected results due to a number of systemic problems which lead to an insufficient carbon price;
7. deeply regrets very low level of ambition presented in the EC Communication on "A policy framework for climate and energy in the period from 2020 to 2030"² and considers it essential that binding targets be set respectively for renewable energy (not only an EU-wide target of 27% and voluntary for Member States) and energy efficiency in addition to the overall emissions reduction target; stresses that the possibility of achieving 100% renewable energy

² COM(2014) 15 final.

for the EU by 2050 requires the EU to set realistic intermediate targets for 2030 and 2040 to be able to achieve this ambition;

8. considers it essential that the national targets for increasing renewable energy and reducing energy use be made binding by each Member State, and that to this end, countries take the introduction of regional strategies as their basis; this would be more cost-effective and accord with the subsidiarity principle both nationally and locally;
9. is deeply concerned about the lack of funding opportunities at local and regional level and about the ongoing economic crisis, which hinder the central task of local and regional authorities in mitigating climate change and developing opportunities to adapt to it;
10. in the context of competitiveness, welcomes the Commission's proposal to discuss the usefulness of a target for industrial energy savings which would be based on energy intensity relative to GDP or Gross Value Added;
11. notes that, if the EU is to become truly competitive, it needs to fully embrace the economic, social, employment and environmental opportunities offered by the transition to a low carbon economy. Therefore considers it essential to be able to phase out subsidies for non-renewable energy and re-direct them towards renewable energy and energy efficiency; any auction revenues from continuing emissions trading, or any tax revenues if moving towards a carbon tax, must be directed towards effective measures by the Member States to mitigate and adapt to climate change;
12. believes that energy independence and security of supply could be strengthened by further developing the single market for energy with the help of new interconnectors, small-scale energy production by consumers themselves, energy storage and smart grids, for example, and that diversity of sustainable energy sources acts as a buffer against price fluctuations, makes the energy system less vulnerable and can decrease disruptions in supply; care must be taken in implementing the single market to ensure this does not lead to fewer opportunities for expanding decentralised and local energy provision;
13. is convinced that any further expansion of the single energy market in the form of new interconnectors must include a fair sharing of the burden between regions and that spatial planning requirements must be accommodated. Individual regions and landscapes must not bear a disproportionate share of the burden;
14. underlines that keeping prices reasonable and managing the tax burden on the public should be borne in mind when shaping policies at EU and Member State level. It also believes that the Member States should be urged to adopt specific measures for households and consumers who are vulnerable from the point of view of energy prices;

15. feels that it should be possible to better assess the long-term external benefits of phasing out non-renewable energy, such as public health and new jobs, and to marshal them in support of policy-making;
16. underlines that discussions on a comprehensive framework for climate and energy policies should cover the use of sustainably stored carbon (including construction in wood as well as wood products or cork) as a substitute for emissions-generating products. Moreover, all natural carbon sinks should be included, boosting forestry resources and agricultural, woodland and grazing production systems, as well as organic and conservation farming;
17. believes it is crucial to improve advice aimed at different consumer and demographic groups (according to age, sex, cultural background, socio-economic situation, etc.) and to enhance the professional expertise of those responsible for using energy;

A. Spatial planning and preparing for climate change

18. points out that local and regional authorities are chiefly responsible for long-term spatial planning, and with it the structure of communities in the future, including services that will be used by residents and businesses: clean water; sewage and waste processing; energy production and distribution; ICT networks; and roads, public transport and options for using soft transport. This basic infrastructure will provide the conditions for residents and businesses to adopt appropriate behaviours to reduce emissions;
19. underlines that local and regional authorities have broad relevance and an important role to play in mitigating climate change, preparing for and adapting to changes, and addressing energy issues. By providing services for residents, local and regional authorities consume energy themselves and are major sources of public contracts. Local energy production and local investment support the regional economy and employment;
20. regional markets play a key role within the EU energy market, making an outstanding contribution to the completion of the internal energy market;
21. notes that local and regional government is recognised by various players (the general public, Member States, the EU, international institutions and organisations) as important in practical cases of adapting to, and preparing for, climate change. Extreme weather phenomena, such as floods and storms, together with the power cuts they can trigger, are local events that cause human distress, underlining the importance of fire and rescue services and energy management. Mitigating climate change and strengthening communities' resilience are not alternatives to each other, but mutually complementary activities;

B. Climate target and COP21

22. points to the alarming latest data published in September 2013 by the Intergovernmental Panel on Climate Change (IPCC), according to which man-made global warming will amount to approximately 5°C by 2100. Warming in the northern hemisphere may be greater than average, and melting permafrost in tundra regions could speed up global warming even further. Increasing drought and more rainfall elsewhere will threaten food production and accelerate population movements. Extreme weather phenomena cause human suffering and significant damage;
23. believes that the UN's COP 21 Conference of the Parties on Climate Change in 2015 should achieve a consensus on extending the Kyoto Protocol with broad coverage. The countries that have signed up to the Kyoto Protocol's second commitment period of 2013-2020 produce 15% of the world's GHG emissions. Significantly expanding the protocol to cover other major industrialised and rapidly developing economies is key if a continued protocol is to be credible;
24. a determined effort must be made to combat carbon leakage and the global effects of unsustainable consumption must be taken into account;
25. notes that the EU is a major signatory to any climate agreement, being responsible for 10-11% of the world's total GHG emissions. The EU is aiming for green and sustainable economic growth and needed structural changes with a clear set of emissions reduction targets for 2030. The EU needs to be ready with its targets to negotiate on extending the protocol;

C. Experience with 20-20-20

26. notes that to achieve its objective of cutting emissions by 20% by 2020, the EU is using a common, binding ETS; binding national targets for renewable energy consumption; a target for energy efficiency; and an increase in biofuels as a share of overall transport fuels to 10%. There is also a consensus in the Energy Roadmap 2050 on reducing emissions by 80-95%. A low-carbon, green economy has been placed at the heart of the Europe 2020 strategy;
27. points out that the energy efficiency Directive should be being implemented now, and that the Directive on the energy performance of new and existing buildings has been passed into law. Energy and climate change have featured prominently in research and funding schemes, such as Intelligent Energy Europe. Low-carbon regional development will be a priority in the next Structural Funds programming period. There have also been efforts to source investment from the European Investment Bank's ELENA scheme. Consumer appliances have been targeted with the ecodesign and energy labelling Directives, with encouraging results;
28. points out that the EU ETS covers carbon-intensive industry and energy production installations. A segment of emission allowances is allocated free of charge based on a

benchmark system, favouring carbon leakage sectors (threatened by relocation of production in third countries) and heating and cooling production in combined heat and power plants. The emissions cap will decrease linearly by 1.74% per annum. Proceeds from the auctioning of certificates go to the Member States. Since the price is currently below EUR 5 for one ton of greenhouse gas emission, emissions trading cannot set the course for climate protection policy that was hoped for.;

29. notes that emissions trading, which is to continue through to 2020, has led in recent months to certificate prices that offer little incentive for investment in low-emission technologies and therefore sees in the political agreement on so-called backloading, which provides for a time limit on the removal of surplus CO₂ certificates, a possibility for countering this. In this way, a short-term, temporary stabilisation of the ETS can be secured;
30. nevertheless believes that despite the agreement on backloading, structural reform of the ETS is needed. The ETS can be stabilised in the long term by ambitious EU climate policy objectives and a simultaneous reduction in the number of emissions certificates. In addition, a solution must also be found for the permanent removal of surplus certificates from the market;
31. notes that the emissions reduction targets at EU level for 2020 are being met. Energy consumption has fallen in the Member States and there has been a shift towards renewable energy. Policy instruments have included national taxes, investment subsidies and feed-in tariffs. Unfortunately, taxes are being used primarily to repair governments' balance sheets, and only secondarily to steer energy use. The recession and structural changes in industry have reduced consumption and emissions at the cost of employment;
32. notes that the binding targets for renewable energy and for energy efficiency should mutually reinforce each other. Since the overall aim is a reduction in the GHG emissions, energy savings should come from fossil energy consumption first and foremost but it is clear that even renewable energy should not be wasted and that the cheapest energy of all is the one that is not used;
33. is concerned about the possible consequences of state aid rules related to ETS allowing Member States as from 2013 to provide compensation for part of the indirect ETS costs for the most electricity intensive sectors. Agrees with the European Commission that the 2013 framework for state aid rules on energy and environment needs to address this issue;
34. underlines that the objective of making energy production within the ETS increasingly renewable needs to be coordinated with other efforts aimed at encouraging energy consumers to invest in their own renewable energy or cut their own consumption. The price of emissions allowances must be sufficiently high to encourage the shift in production towards renewable energy;

D. A binding emissions reduction target for 2030

- 35. believes that the target for reducing GHG emissions should be set at 50% of 1990 levels by 2030 and be made binding. A binding target on overall emissions, as well as targets for energy efficiency and renewables, would give the public, businesses and policy-makers confidence that GHG emissions will steadily fall;
- 36. insists that Member States should arrive at a consensus on how to share the burden of meeting the 2030 target for reducing emissions. This burden should be shared in a fair way, taking into account each Member State's economy, prevailing emissions structure, measures already taken, and environmental conditions. Part of the target can be met using mechanisms under the UN climate agreement;
- 37. feels that a decision should also be taken on extending the EU's common, binding ETS beyond 2020, and, in particular, on how emission reductions should be divided between the emission trading sector and other areas of activity. Emissions trading has an impact on energy production. Revenue from auctioning emissions allowances should be put towards measures to more effectively mitigate and adapt to climate change;

E. Country-specific targets

- 38. notes that country-specific subtargets for renewable energy and energy efficiency can be used alongside emissions trading to achieve a binding common target for reducing emissions. These targets must be formulated in a way that provides an indicative choice of instruments, given the differences existing between countries. This is the best way to ensure cost-effectiveness, selection of the most appropriate measures and the order in which they are implemented, and to avoid potential overlaps and clashes between different guideline measures and policies, such as emissions trading;
- 39. points out that conditions for using renewable energy sources vary between the Member States, depending on factors such as raw materials, natural environment and their energy production and transmission systems. Differences in the energy efficiency of buildings are also wide;
- 40. believes that country-specific subtargets will allow the economies and businesses of the Member States to develop the skills, technology, new innovations, the development of rules for integrating small-scale energy producers into networks or for their own consumption, and use of local natural resources that are most appropriate for them. The results will be applied in the other Member States via the internal market. This also guarantees compliance with the subsidiarity principle;

F. Guidelines for EU climate and energy policy

41. considers that the main goals of EU climate and energy policy should be to ensure an energy supply that is environmentally, socially and economically sustainable as well as safe and secure. This requires improved energy efficiency, use of indigenous renewable energy sources and the development and introduction of innovative energy technologies. This will help to reduce greenhouse gas emissions and improve public health and the state of the environment, while also creating jobs;
42. points out that global market prices, emissions trading, but also the current system for funding improvements in energy efficiency and the promotion of renewables, new technology and taxation, or various combinations of these factors, are making energy more expensive. These higher energy prices are certainly positive, as they encourage emissions reduction, and the development of alternative renewable energies and energy saving, while steps should be taken to ensure that the costs do not affect more vulnerable population groups or businesses unreasonably. The rational use of efficient, competition-based market economy instruments for the energy sector can keep price rises down to an unavoidable minimum;
43. asks the European Commission to promote measures that facilitate the spread of micro-production of energy and its integration into the distribution grids and to ensure in this process that the consumers can fully benefit from affordable energy;
44. notes that energy consumers can influence their own energy use and choices. Impartial advice for individuals or to mobilise various consumer groups is therefore very important. Energy audits indicate potential energy savings that could be made by improving maintenance and information systems. In addition, information systems could provide information on the energy savings achieved;
45. believes that energy independence and diversity provide a cushion against price changes, improve economic and political autonomy and sustain economic activity. Renewable energy and energy-saving innovations create local vitality and new business activity;
46. urges that the measures proposed by the European Commission be sufficient to empower consumers and combat energy poverty, and calls for special attention to be paid to protecting vulnerable consumers;
47. points out that energy sources are different for each Member State. Energy independence can be improved by developing internal energy market policy. Security of electricity supply can be improved and consumption peaks evened out by linking transmission networks between different countries. For wind and solar power, linking smart networks or storing energy help to level production peaks;

48. believes that to achieve the emissions reduction target for 2030, it must be consistent with and integrated and mainstreamed into the Union's other policies. A promising example of this is the focus on the 2014-2020 ERDF period being part of the effort to transition to a low-carbon society;

G. Regional and local level taking the lead

49. notes that many of Europe's towns and cities have on their own initiative launched ambitious programmes and practical projects to slow climate change. International examples of local projects include Agenda 21, launched at the 1992 Earth Summit, which over the last two decades has enabled nearly ten thousand local authorities to implement policies and initiatives focusing on sustainable development and, in particular, on improving the environment, reducing greenhouse gas emissions and adapting to climate change, the Climate Alliance and the ICLEI's Cities for Climate Protection. The Energy Cities group is doing useful work on energy issues. The "European Energy Award" programme for energy efficient local authorities takes a comprehensive approach to encouraging them to greater energy efficiency, climate protection and use of renewable energies. More than a thousand local authorities are already signed up. The CEMR has produced a publication for local decision-makers entitled "Save energy, save the climate, save money". One example of many local initiatives to achieve carbon neutrality might be that of Växjö municipality in Sweden, which aims to achieve carbon neutrality by 2030. And in Finland, 14 carbon-neutral ("HINKU") municipalities are collaborating with local businesses, policy-makers and residents with the aim of achieving an 80% reduction in emissions while promoting the green economy. The municipal climate protection campaign (CCP Finland) includes 53 local authorities, and 115 local authorities have a climate strategy. The Covenant of Mayors initiative comprises thousands of towns and cities that have sustainable energy action plans and emissions reduction programmes. Many local and regional energy agencies set up with EU funding are now helping to provide energy advice;
50. points to consumer-driven energy-producing cooperatives, such as the one in Beckerich in Luxembourg, and micro-generation by households or businesses to supply their own energy, as examples of new approaches. These are forcing traditional energy production players to change both the rules governing access to networks and the energy production costs associated with these new methods, and energy consumers are also becoming energy producers. For instance, bi-directional electricity transmission may be possible via existing energy networks;
51. underlines the need to strengthen the impact of EU initiatives for local sustainability such as the EU Covenant of Mayors, the Smart Cities and Communities initiative and other EU-funded projects, Local Agenda 21 as well as the adaptation network for local and regional authorities that has been proposed in the EU strategy on adapting to climate change. In this regard, work should be stepped up to establish a common methodology for implementing adaptation plans and to foster pooling of experience between local and regional authorities;

H. Buildings and transport

- 52. notes that buildings account for some 40% of energy consumption and over one third of EU countries' carbon emissions. For financial reasons and to minimise periods where premises are uninhabitable, renovations are deliberately done step by step and building by building. The energy consumption of new buildings should be close to zero;
- 53. notes that particular care is called for in designing, building and monitoring new buildings and buildings to be renovated, as energy may be wasted through poor use and habits. It is important to employ proficient energy-saving practices, such as regular maintenance, renovation and monitoring of energy-generating and consuming plants, and guidance for users or residents of premises is crucial. The importance of EU countries pooling examples of best practice needs to be stressed;
- 54. recommends that the Member States, and in particular local and regional authorities, adopt programmes aimed at reducing energy consumption in public buildings. Such programmes should cover not only energy plants but also the introduction of methodologies to involve building users in savings and efficiency measures;
- 55. thinks that centralised heating methods in built-up areas, such as district heating, as well as co-generation (CHP), are energy-efficient and to be recommended in respect of air quality. District cooling is the most energy-efficient cooling method, harnessing for instance the cooler temperatures of waterways. District cooling saves considerable electricity compared with separate cooling systems for buildings and premises. It is important that the call for nearly zero-energy buildings be formulated in a way that does not discriminate against such communal energy supply systems;
- 56. notes that renewable wood and processed wood products can replace concrete and steel, which require substantial energy to produce, as well as non-renewable natural resources such as gravel and coal. Building with wood provides a long-term carbon sink and is associated with low lifecycle emissions;
- 57. points out that transport accounts for almost 20% of greenhouse gas emissions in the Member States, of which 60% come from private vehicles. With the Commission's proposal for a Directive on alternative propulsion systems, a wide choice of fuels will become available for road transport. It is not yet certain what potential technology or technologies will prove effective and marketable in the different Member States. Local and regional authorities can require use of low-emission fuels in public transport;
- 58. points out that increasing importance is being attached to sustainable land-use planning, which must take into account bioclimatic factors in these times of climate change as regards energy consumption in urban areas and traffic, but also people's quality of life;

59. stresses that, in addition to developing low-emission fuels, alternative propulsion systems and reassessing the use of public transport, more attention needs to be given to urban-planning, economic and social measures that can reduce traffic (e-government, teleworking) and change people's behaviour (car-sharing, self-limitation);
60. points out that, in the area of energy production and distribution, but also with regard to public transport, there should be greater focus on participatory models in order to build greater consensus among the population and accelerate changes in patterns of consumption;
61. stresses the importance of continuing to develop smart grids and strengthen remote energy supply concepts in order to ensure controlled, efficient distribution of power, heat and air conditioning.

Brussels, 30 January 2014

The President
of the Committee of the Regions

Ramón Luis Valcarcel Siso

The Secretary-General
of the Committee of the Regions

Gerhard Stahl

II. PROCEDURE

Title	Green Paper - A 2030 framework for climate and energy policies
Reference(s)	COM(2013) final
Legal basis	Article 307 TFEU. Optional referral.
Procedural basis	
Date of Commission letter	27 March 2013
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Previous Committee opinions	
Date of subsidiarity monitoring consultation	