



Climate and Energy



Posted by: **Climate Action Network Europe**



2014 CAN Europe's Climate Pledge

Combatting climate change is one of the main challenges of our time. It is a core objective of the EU's environmental policy, but also plays into many different policy areas ranging from energy and industrial policy to finance, migration and international cooperation. The decisions taken by MEPs today will determine the EU's ability to cope with substantial ongoing challenges: achieving a socially just and clean energy transition, making the European economy sustainable and adhering to the long-term objectives of the Paris Agreement.

Climate Action Network (CAN) Europe is Europe's **largest coalition working on climate and energy issues**. With over 130 member organisations in more than 30 European countries – representing over 44 million citizens – CAN Europe works to prevent dangerous climate change and promote sustainable climate and energy policy in Europe.


For the European Parliament elections in 2014, CAN Europe reached out to MEP candidates asking them to sign a pledge on climate action and show commitment to make climate action one of their top priorities during their term. A total of 450 candidates signed on to the pledge of which more than 70 MEPs from 25 different countries got elected or reelected.


By signing the pledge, the MEPs [promised to support an urgency debate on climate action](#) at the start of the European Parliament's activities, make the support for climate action a prerequisite for any potential candidate of the European Commission and support an ambitious EP position on key climate and energy issues. Those are in particular the post-2020 climate and energy policy framework and the setting of ambitious and binding targets for greenhouse gas emission reductions, renewable energy deployment and energy efficiency.


Additionally, CAN Europe conducted an assessment of the climate performance of the MEPs and political groups for the previous parliamentary term (2009-2014). Take a look at the [results by political groups](#), the [results for all individual MEPs by country](#), the [methodology](#) and a [summary](#).

Conclusion on behalf of the EU of the Paris Agreement adopted under the UN Framework Convention on Climate Change

Vote Breakdown

 610
For

 38
Against

 31
Abstain


Absent

325 votes required

to pass.

The Paris Agreement adopted by the UNFCCC parties in December 2015 sets the collective goal of limiting global temperature rise to 2 degrees Celsius above pre-industrialised levels whilst making efforts to limit the increase to 1.5 degrees. The [European Parliament's consent to ratify the Agreement](#) not only underlines the EU's international commitment to take a lead on climate

action, but also entails that the Union needs to reconsider and readjust its currently insufficient energy and climate instruments. ([Votewatch data](#))

Key issues

Climate

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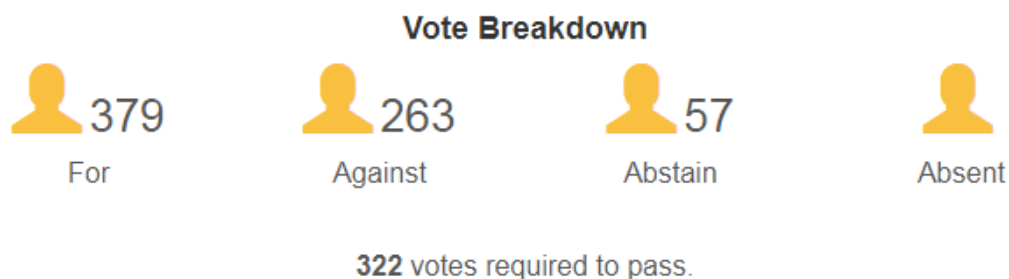
The EU [ETS](#), a **cap and trade system** of emission permits covering over 40% of total EU greenhouse gas emissions notably from energy utilities, manufacturing industry and aviation, has so far failed to generate a sufficiently high carbon price. In February 2017, the European Parliament adopted its position on reforming the scheme. Unfortunately, the Parliament did not manage to bring the system in line with the Paris Agreement objectives, [risking to waste another decade](#) for effective carbon pricing under the ETS.

A more ambitious compromise struck in the ENVI committee failed to secure a majority in the plenary, mainly due to a split of the S&D group. This is why several key amendments on climate ambition were lost or watered down substantially: The annual rate reducing the overall number of allowances was not increased and therefore does not make the emission reduction trajectory compatible with a pathway that supports the Paris Agreement goals (AM150). At the same time, many heavy industry sectors will keep receiving free allowances which means that they will not pay for their pollution. Particularly, MEPs decided to continue issuing free allowances to the cement sector which

faces only little risk of carbon leakage (AM84). Parliamentarians even expanded free allocation by granting a further exception to waste gas which will mostly benefit operators from the steel industry (AM165).

The final position was rejected by 94% of the Greens/EFA and adopted only by a thin majority of 379 votes in favor (absolute majority: 376 votes). This majority was formed by the EPP, ALDE and a split fraction of 101 S&D members.

Enhancing cost-effective emission reductions and low-carbon investments



The second main instrument tackling greenhouse gas emissions in the EU, covering nearly 60% of total emissions, is the **Effort Sharing Regulation (ESR)** which the Parliament voted on 14 June. It sets national emission ceilings for sectors not covered by the ETS, in particular transport, agriculture, waste and buildings. Despite some improvements with regards to the way the overall amount of carbon emissions per member states is calculated, the European Parliament **failed to translate** its numerous recent statements reaffirming the EU's commitment to the Paris Agreement into substantial emission cuts.

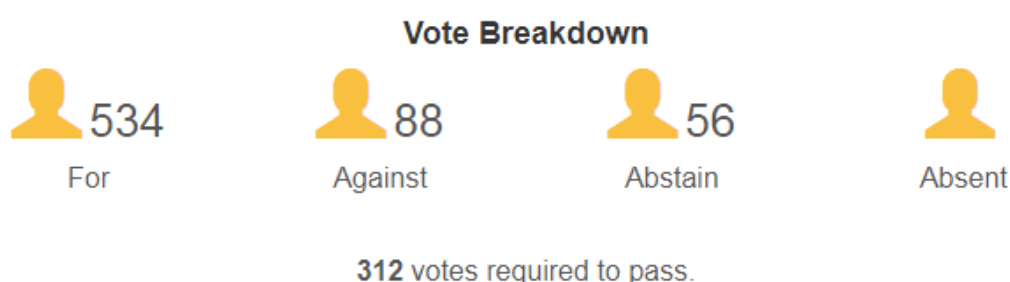
On a positive note, the Parliament has voted to change the starting point for the national reduction trajectories to 2018 (the Commission had proposed a starting point for 2020). This brings the reduction pathway much closer to reality, although starting with 2017 values would have been even better. MEPs also limited member states' scope to bank their emission allowances to the next year which reduces the building-up of surpluses and ensures that member states stay closer to their reduction targets. On the negative side, a new loophole called "early action reserve" was introduced (set at 90 Mt CO₂e)

which entails that certain member states can use this “hot air” to reach their 2030 targets.

The outcome reflects a series of compromises to the previously adopted and more ambitious ENVI report. Mostly due to pressure from the conservative groups, and supposedly a fear of groups being split in plenary (as it happened to the S&D group in the ETS vote), final compromise amendments were watered down. Some of the original ambitious amendments were re-tabled to plenary (mainly by the EFDD group), but they did not gather sufficient support.

All in all, the Parliament strengthened the Commission’s proposal, but no way near as much as is needed to make the ESR fit for purpose or align it with the Paris Agreement.

Binding annual greenhouse gas emission reductions to meet commitments under the Paris Agreement



Energy

Energy savings and renewable energy are the only viable solutions for decarbonising Europe’s energy system. MEPs are currently debating the European Commission’s proposals for renewables and energy savings in the ‘Clean Energy Package’ alongside the Council, through the ordinary legislative procedure. Once the Parliament’s positions are finalised through committee meetings and plenary votes, new regulations and directives will enter trilogue between the Commission, the Council and the Parliament.

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Energy savings are the most immediate and cost-effective way to reduce greenhouse gas emissions. An overall EU energy efficiency target for 2020 and a series of EU energy efficiency policies and measures are already in place, covering buildings, appliances and electrical equipment, vehicles and the energy supply sector. These measures, including the EU's **Energy Efficiency Directive**, are being reviewed for the 2020-2030 period. Our key demands for the 2030 energy efficiency policy framework include:

- The introduction of a **binding 40% energy savings target for 2030, accompanied by binding national targets**
- The **continuation of the energy savings obligation** (Article 7 of the EED) beyond 2020. **Furthermore, the strengthening of this important tool** by removing the loopholes which weaken ambition

Dramatic drops in costs of **renewables** in recent years have seen rapid expansion in output and construction of wind and solar. Coupled with innovations in technology, Europe has an exciting opportunity to massively scale up clean renewable deployment in a cost effective manner. The 2009 Renewable Energy Directive introduced binding national targets which led to increases in the EU's renewable energy sources. In order to be in line with the Paris Agreement and to make the most of the benefits renewables have to offer, the revised **Renewable Energy Directive** should contain:

- A target of **at least 45% renewable energy for 2030**, a revision clause to allow the target to be increased, and binding national targets
- **National support schemes** for renewable energy from member states
- **Priority dispatch** for new renewable installations without capping deployment
- The revised Electricity Market Regulation should be "fit for renewables" – and not the other way around.

Burning **coal** is one of the main drivers of climate change because it is one of the most greenhouse gas intensive fuels. Rapid phase-out of coal in Europe is essential. Allowing any subsidies to carbon-heavy coal plants would be a clear contradiction to the Paris Agreement. To counteract this it is essential that MEPs support strong emissions performance criteria for power plants supported by capacity mechanisms under the new Electricity Market Regulation.

Finance and EU Budget

The Paris Agreement aims to make all financial flows consistent with a pathway towards low-emissions and climate-resilient development. Public financial flows in Europe must be shifted away from fossil fuels and emissions-intensive activities towards renewable energy and energy efficiency. This entails ending fossil fuel subsidies, “climate-proofing” the EU budget and making sure it catalyses the low carbon transition and that the EU’s financing facilities, policy tools and development banks undergo ambitious reforms.

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The EU’s long-term budget, the so called **Multiannual Financial Framework (MFF)**, defines the spending priorities for the EU currently over a seven-year period. The preparations for the next EU budget post-2020 are currently underway. Both, the improvement of the climate tracking and the increase of climate action funding has been requested by the European Parliament in its resolution on the EU budget mid-term revision in July 2016. **MEPs must not miss the opportunity** to push for climate-proofing and climate-mainstreaming of the EU Budget in its upcoming reform for the post-2020 period.

