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# THE EUROPEAN GREEN DEAL MUST BE THE COMPASS TO REPOWER THE EU

## OPEN STATEMENT ANNEX

1. Establish an Energy Resilience task force, with a specific focus on the efficiency first principle and the Fit for 55% accelerated adoption and implementation
2. Diversify to open, not close options in the future.
3. Mobilise financial resources for clean alternatives.
4. Empower the most vulnerable to participate in the energy transition.
5. Set out an agenda to scale up flexible resources, such as demand-side flexibility and energy storage, in line with net-zero 2035 power sector objective.

## 5 E3G BENCHMARKS

- 1. Establish an Energy Resilience task force, with a specific focus on the efficiency first principle and the Fit for 55% accelerated adoption and implementation.**

Cross-cutting institutional focus on turning political campaigns into concrete policy measures to save and optimise the use of energy should be given in the same way that gas has been prioritised in other Commission task forces.

**How?** The SecGen should set up a Commission task force to:

- > Define milestones for the frontloading of energy efficiency, renewables, and electrification action annually out to 2025, then biannually to 2030. Monitor progress on the way to the 2030 gas demand reduction of 155bcm.
- > Work with JRC and ESABCC to close data gaps to identify “latent potential” for gas demand reduction, in particular in heavy industry.
- > Review supply chain, financial and technical challenges and develop EU response to scaling activity as well as chair Member State working groups that discuss how to address them.



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- > Groups can be organised across key demand-side sectors Renovating Buildings including decarbonising heat, Digital energy efficiency (e.g. BACs deployment as part of the EPBD), Renewable Energy, Decarbonising Transport, Energy Efficiency in Industry; or topics (e.g. material bottlenecks, skills)
  - > Work with Member States, civil partners, and industry to help develop and scale training plans to ensure enough skilled workers are available for relevant sectors.
  - > Identify emerging successful initiatives to cut demand and switch fuels and facilitate sharing of best practices between Member States to speed delivery.
  - > Report back to the European Parliament and Energy Council on a 3-month basis and publish a full annual monitoring report.
  - > Include at the very least: DG Ener, DG Clima, DG Trade, DG Regio, DG Grow, DG EMPL, DG Just, EEAS, RECOVER taskforce, Member State representatives. Chaired by the SecGen.

## **2. Diversify to open, not close options in the future.**

The cheapest energy is the one we do not use. The price of LNG imports is not expected to provide energy price relief as it is determined by global markets and is subject to high volatility. Investing further in LNG increases the risk of fossil fuels lock-in and stranded gas assets as decarbonisation swiftly progresses. Ramping up energy efficiency, renewable energy and demand-side flexibility is the no-regret option to permanently reduce costs to consumers in an integrated energy system.

### **How?**

- > Ramp up supply of renewable energy, interconnection, and demand-side flexibility to ensure higher flexibility in the EU market. Increase renewables targets, simplify permitting, turbocharge support to power interconnection PCIs and set a target for demand-side flexibility resources in the EU power market by 2025.

Set up ad hoc Accelerators for Energy Efficiency and Electrification, with the objectives of installing one million smart heating controls of building per year to reduce gas demand for heating homes by an extra 200 mcm a year, and developing a toolbox for Member States to incentivise fuel switch and decentralised electrification at end-use level. switching.



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- > Upgrade the EPBD proposal on minimum energy performance standards to renovate the worst-performing buildings. This will ensure that millions more EU buildings are ready to switch to heat pumps and low-temperature district heating.
  - > The Commission should work with Member States and financial institutions to ensure that building owners have access to financial products that remove the barriers to renovation, such as government-backed 0% loans for deep renovation and preferential access to finance for the most vulnerable families.
  - > The Commission should continue coordinating the securing of additional gas supplies at EU level through the LNG platform to achieve the best deal, avoid over-contracting and enable fair sharing of volumes across the EU.
  - > The Commission should publicly report whether new gas infrastructure is needed how any additional investment aligns with climate targets and assess potential consumer and price lock risks. Use a fully integrated energy systems approach, follow the energy efficiency first principle and prioritise cleaner alternatives wherever possible, as stated in the TEN-E regulation.
  - > The Commission should issue guidelines for new gas contracts, in particular where state aid is involved.
  - > Ensure new deals have the highest flexibility after 2025 when most Russian gas could be replaced by clean energy and gravitate to zero to 2030, which is when, according to RePower EU, all Russian gas could be replaced with clean energy.
  - > Ensure the process is transparent and require public disclosure of the following information: volumes, prices and flexibilities. This should allow assessing how volumes relate back to future demand projections and how they might impact consumer prices.

### **3. Mobilise financial resources for clean alternatives to gas.**

The **€1bn per day** currently being streamed to Russia can instead be invested in a secure and resilient European energy system that strengthens the EU Green Deal. There is still substantial room in the Recovery and Resilience Facility and the EU budget (Regional Development Fund) to optimise financial support.

#### **How?**



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- > Support Member States to optimise their Recovery and Resilience Plans and EU budget programming or commission a quickfire assessment to point out options to move away from gas.
  - > Establish a bridging or matching facility for those who decide to do so. For example, a European Energy Sovereignty Fund.

#### **4. Empower the most vulnerable to participate in the clean energy transition.**

Vulnerable groups face structural barriers to investment and are often excluded from broad investment measures and decision making. Compensation measures, like one-off payments or price freezes, are not enough and must be coupled with programmes financing the full cost of deep renovation for vulnerable households, as well as structural measures, starting with enhanced access to information and one-stop shops for energy renovation.

##### **How?**

- > Compensation measures, like one-off payments or price freezes, must be coupled with programmes that provide active, long-term support for deep renovations. Such programmes should cover the vast majority, if not all, costs associated with a renovation for vulnerable households.
- > Facilitate the collection of disaggregated data to shape more targeted social measures and responses that match socio-economic needs.
- > Issue guidelines or a code of practice to support Member States in addressing energy poverty in relation to the challenges presented by intersecting social determinants of health, such as gender, race, ability, and socioeconomic status.
- > Issue guidelines and share best practise on how to carry out an ex-ante social impact assessment that documents how pre-existing inequalities (socioeconomic status, inferior quality housing, etc.) intersect with energy insecurity to enable better targeting of support. Consider making EU structural funding and a topped up Social Climate Fund available for plans that tackle intersectional challenges.
- > Embed a co-design conditionality in the setting up of renewable energy communities that engages vulnerable groups right from the start to foster social acceptance and democratic buy-in.

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**5. Set out an agenda to scale demand-side flexibility resources in line with net-zero 2035.**

A resilient, low cost and decarbonised power system will maximise the use of low-cost renewable electricity only if it becomes bi-directional and decentralised – fully exploiting the potential of consumers’ demand-side flexibility and energy storage and trading renewable electricity across the continent. Regulatory barriers to the participation of flexible resources, and especially demand-side resources to all electricity markets must be eliminated. This requires the swift implementation of the Electricity Market Design. Similarly, barriers to the efficient development of power grids needed should be also removed. An action plan is needed that addresses short term barriers in all Member States whilst setting the EU on an accelerated pathway towards decentralisation, digitalisation and decarbonisation.

**How?**

- > The EC must ensure current opportunities for consumer engagement are maximised through enforcing the implementation of the Clean Energy Package.
- > EC and ACER must identify a route to increasing demand-side flexibility in light of a net-zero power system by 2035. This assessment should be focused on delivering consumer needs throughout the next decade as we will inevitably deploy more renewables and electrify end uses. To do that, it should make the most of the opportunities presented by energy system digitalisation.