



## The European Green Deal must be the compass to repower the EU

As business/civil society and citizens, we remain firmly committed to addressing climate change and meeting the EU's international commitments of limiting temperature increase by 2050 to 1.5C. We urge all EU and national leaders to join us in this commitment. Measures to effectively deliver the EU's decarbonisation are identical to those that can stop EU financing of Putin's war ([around €60bn](#) since the beginning of the conflict). The upcoming REPowerEU package should be an important step forward in creating the regulatory tools to achieve multiple objectives. The upcoming votes on the 'Fit for 55' legislation must reaffirm the EU commitment to the EU Green Deal and up the stakes to effectively respond to the ongoing crises.

The [disproportionate](#) focus on imported Liquefied Natural Gas increases the risks of shifting (rather than decreasing) the dependency and of committing to new long-term contracts incompatible with the energy transition. [Member States](#) have recently raised awareness of the fact that it is not just about getting alternative supplies, it is also about decreasing consumption. Reducing gas demand gives the EU the chance to liberate itself from geopolitical ties that are holding it back in its transition to a stronger, resilient, and sustainable economy. [Within 3 years](#) alone, the energy consumption equivalent to two-thirds of EU gas demand can already be eliminated via energy efficiency and the smart management of energy demand, renewables, electrification and digitalisation.

**This requires prompt implementation and increased ambition for ongoing activities, including the 'Fit For 55' proposals.** With the right regulatory tools in place, our industries can deliver higher energy efficiency, reduction of heating and cooling energy demand with scaled-up buildings renovation, larger and frontloaded solar and wind roll-out, mass deployment of heat pump solutions, electrification of the transport sector, green hydrogen for hard-to-electrify sectors (including feedstocks), and digitalisation of buildings to reach a zero-emissions stock by 2050. **All these will benefit an integrated, resilient and sustainable energy system - both for electricity, thermal management as well as transport sectors.**

As we approach an intense flow of important political moments for the REPowerEU and EU Green Deal agendas, we would like to raise attention to the following recommendations:

- 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.
- 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.
- 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.
- 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.
- 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.** 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.

**Signatories:**

- 1.** E3G - Third Generation Environmentalism
- 2.** Global Witness
- 3.** ECCO - The Italian Climate Change Think Tank
- 4.** ECOS – Environmental Coalition on Standards
- 5.** CEE Bankwatch Network
- 6.** Eurima – European Insulation Manufacturers Association
- 7.** Schneider Electric
- 8.** smartEn - Smart Energy Europe
- 9.** European Heat Pump Association
- 10.** EuropeOn – Electrical Contractors Association
- 11.** European Alliance to Save Energy (EU-ASE)
- 12.** Flow Batteries Europe