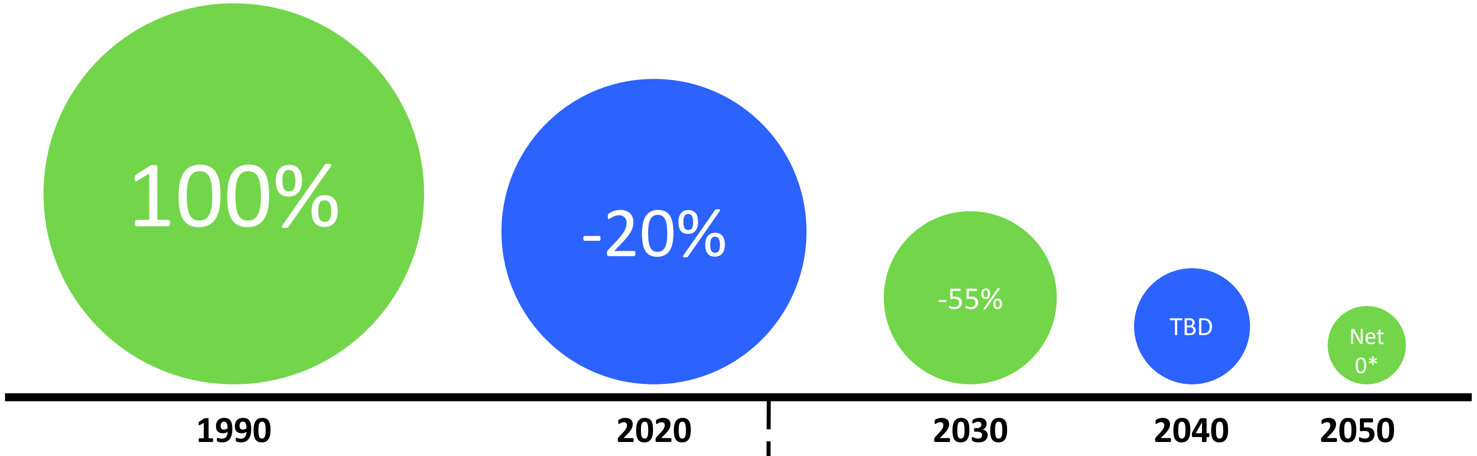
EU Climate policy & electrification as a winning strategy to combat climate change

21 July 2021

Kristian Ruby – Secretary General

Europe‘s journey to carbon neutrality



In **2023**, Member States will update their national energy and climate plans to reflect the new climate ambition.

As part of the European Green Deal, the Commission proposed to raise the 2030 greenhouse gas emission reduction target, including emissions and removals, from 40% to at least 55% compared to 1990.

* The emissions that will not be eliminated by 2050 will be removed e.g. via natural carbon sinks and carbon capture and storage technologies.

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European Commission: [EU climate action and the European Green Deal]

The ‘Fit for 55‘ legislative package

- The Fit for 55 package is the European Commission's plan to set the EU on course to slash emissions to achieve its target by 2030.

	Previous target (-40% GHG emissions)	**New target (-55% GHG emissions)**
Share of renewable energy	32%	**40%**
Improvement in energy efficiency	32.5%	**36%**
Carbon-neutral electricity	81%	**85%**

The EU 2030 targets require a significant acceleration of the energy transition in this decade

Sector targets in the ‘Fit for 55‘ legislative package

Transport

- **55%** emissions reduction from cars
- **50%** emissions reduction from vans
- **0** emissions from new cars (by 2035)

Buildings

- **35M** buildings to be renovated
- **160,000** additional green jobs to be created in the construction sector

GHG emission reductions

- Increasing **ETS emission reductions to 61%** compared to 2005 levels
- Increasing **non-ETS emission reductions to 40%** compared to 2005 levels
- Increasing the natural carbon sink to **310 Mt** (currently 268 Mt)

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European Commission: Delivering the European Green Deal - “Fit fot 55’ legislative package

Direct electrification: a win-win-win scenario

CO_2 emissions ↓ -95% reduction	Buildings ↑ 63% of energy use Transport ↑ 63% of energy use Industry ↑ 50% of energy use

- A scenario for 95% emissions reduction by 2050 can be achieved through deep electrification of end-use sectors
- The electrification of Europe's economy could have major advantages for consumers, business and society

Societal benefits of electrification	
24m	**New jobs** could be created globally by 2030 through the shift to a greener economy, including 2 million in Europe[1]
€ 107 BN	**Energy import cost savings** in the EU in 2030 due to reduced use of fossil fuels, or 0.7% of GDP[2]
€ 24 BN	**Health benefits** in the EU in 2030 due to reduced use of fossil fuels, or 0.1% of GDP[2]

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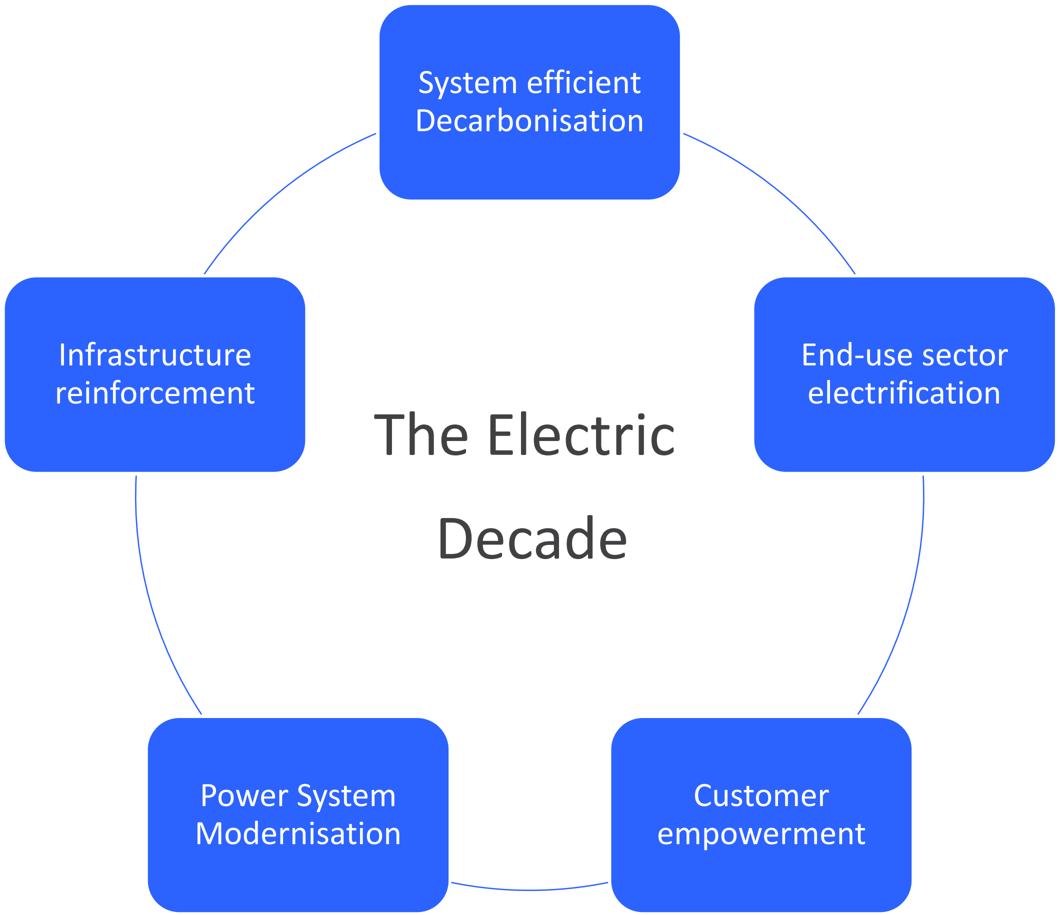
[1] ILO (2018): World Employment and Social Outlook
[2] Enerdata: (2021): Costs and Benefits to EU Member States of 2030 Climate and Energy Targets

We are ready for the Electric Decade



Objectives	Enablers
Shaping demand What opportunities will evolving demand present to European electricity leaders?	***Digital + Data*** How can data drive better physical infrastructure performance?
Scale at speed Should established organizations partner with start-ups to innovate talent needed?	***People*** How can electricity companies upgrade their culture and attract the tech-savvy at scale?

Eurelectric (2021): [Electric Deacde]

Sector integration to maximise benefits of indirect electrification

Integrated energy system

- The future EU integrated energy system will rely on 3 no-regret options:

Electricity as the backbone of the entire energy system	**Efficiency** for a successful & cost-effective transition	**Molecules** to support a complex system

Investment & innovation

- Allocate funding's (public & private) to unlock the potential of future-proof technologies
- **Electricity system** → smart grids and flexibility tools (batteries, DSR, Power-to-X …)
- **Gas/hydrogen system** → electrolysers, storage, hydrogen valleys

Proper regulatory framework

- Unlock opportunities of a circular and green economy
- Multiple energy carriers will compete to provide clean solution and flexibility
- Need to ensure a level playing field (taxation, access to wholesale and retail markets…)
- Promote consumers empowerment and awareness

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- The European Green Deal is an opportunity
- Affordable low-carbon electric lifestyle
- Full range of decarbonised technologies
- Resilience and flexibility of the power system

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Eurelectric (2021): [Presidency Manifesto]

Thank you!

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