

EU Climate Policy, now... and tomorrow?

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- Climate Action Network (CAN) is an international network of over 360 NGOs that work on climate change
- CAN-Europe is the Western European node with 95 member organisations
- The Brussels office focuses on EU level policies, coordinates with members
- CAN has focused on the UN negotiations (Rio, Bonn, Kyoto, Marrakesh...)
- More @ <http://www.climnet.org>

Climate policy in the EU

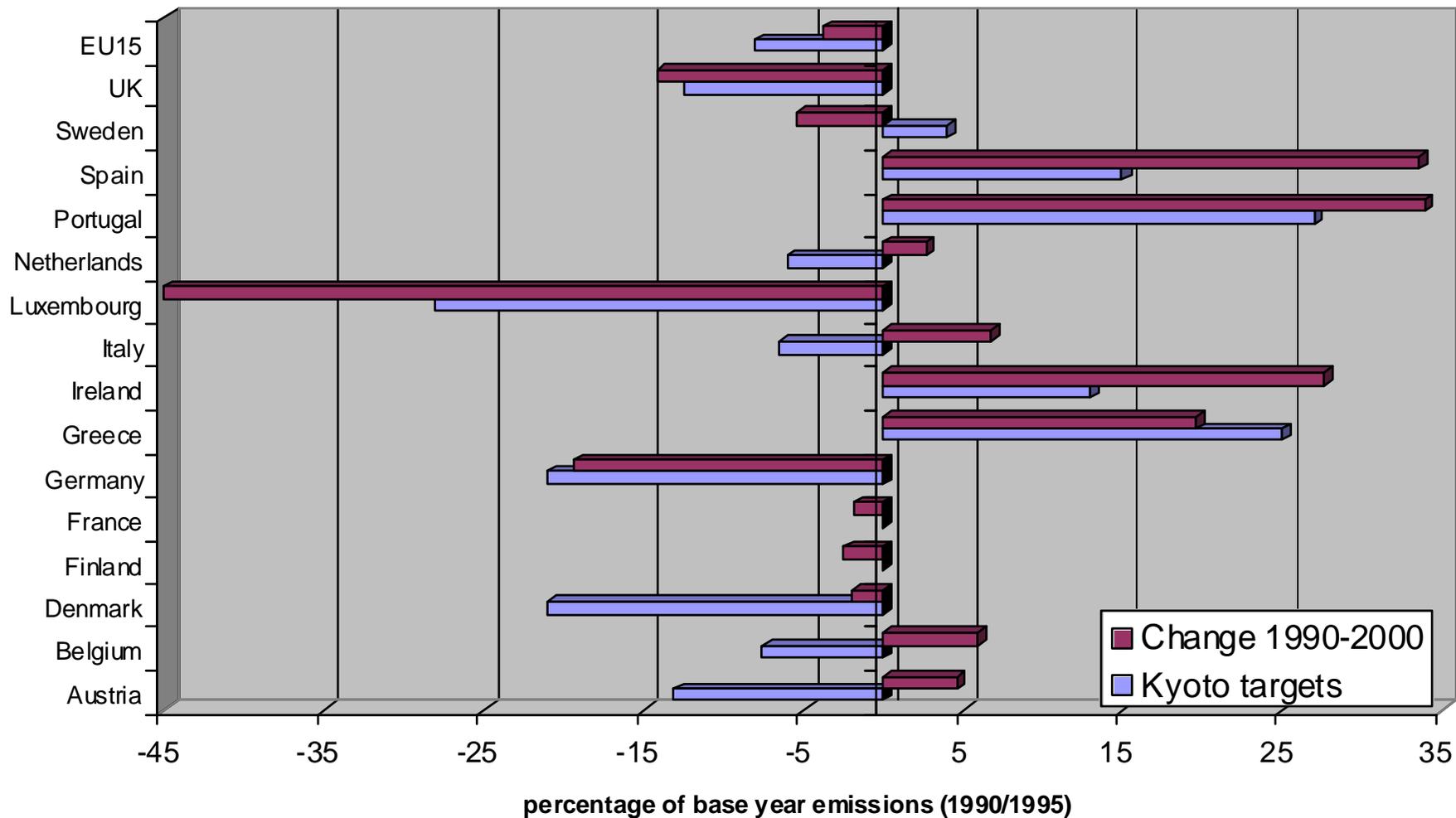
- Acting on climate change is a political priority
- Media interest, public pressure
- EU countries vulnerable to variety of impacts (floods 2002, drought 2003)
- EU action a matter of political credibility internationally after self-proclaimed leadership role
- Statement of EU leaders after US withdrew from Kyoto in 2001: “the European Council (..) *reaffirms* its commitment to delivering on Kyoto targets and the realisation by 2005 of demonstrable progress in achieving these commitments.”

- EU has 8% target under KP, but internal differentiation allows range of individual targets from –28% (Luxembourg) to +27% (Portugal); so-called burden-sharing agreement
- Current emissions show similar spread of emission trends from –45% Luxembourg to +34% for Portugal, but Member States have contrasting track records
- While some have already developed meaningful domestic policy, others have waited for EU-wide measures, which are only now getting into gear

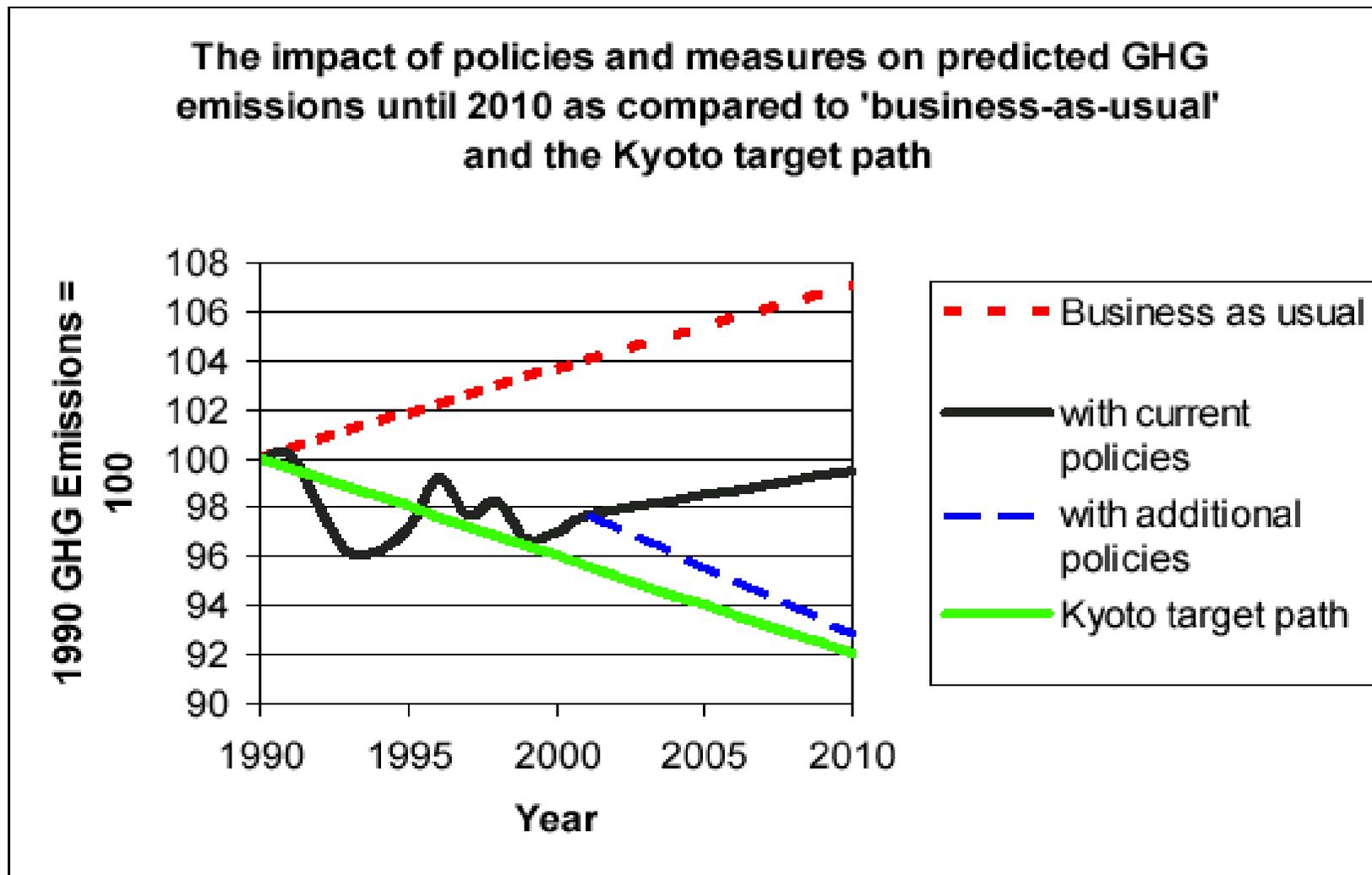
Targets and emissions



Development EU15 GHGs 1990-2000 compared to Kyoto targets



Targets and emissions



Source: European Commission

European Climate Change Program (ECCP)

- Comprehensive political approach – twelve months stakeholder consultation in working groups (2000-2001)
- Looked at almost all sources and types of measures
- Final report showed potential for cost-effective domestic reductions (<20€/ton CO₂eq) by the 40+ PAMs identified to be twice the Kyoto reduction effort (664-765 Mt CO₂eq)
- Set of priority measures chosen for implementation in near-term
- While some measures are already in place now or well under way, others have suffered setbacks

Key elements of the ECCP

- Renewable energy support
- Fluorinated gases regulation
- Energy efficiency improvements
- Cap-and-trade system for large sources
- Transport - voluntary agreement (Non-ECCP)

Renewable Electricity Directive

- Adopted in September 2001
- Overall target of 22% of electricity from renewable energy by 2010
- Sets “indicative” targets for RE consumption in member states
- Broad definition of RE, including municipal solid waste and large hydroelectricity.
- Member states must choose a mechanism for promotion and report regularly to the E. Commission.

Wind power installed 2003

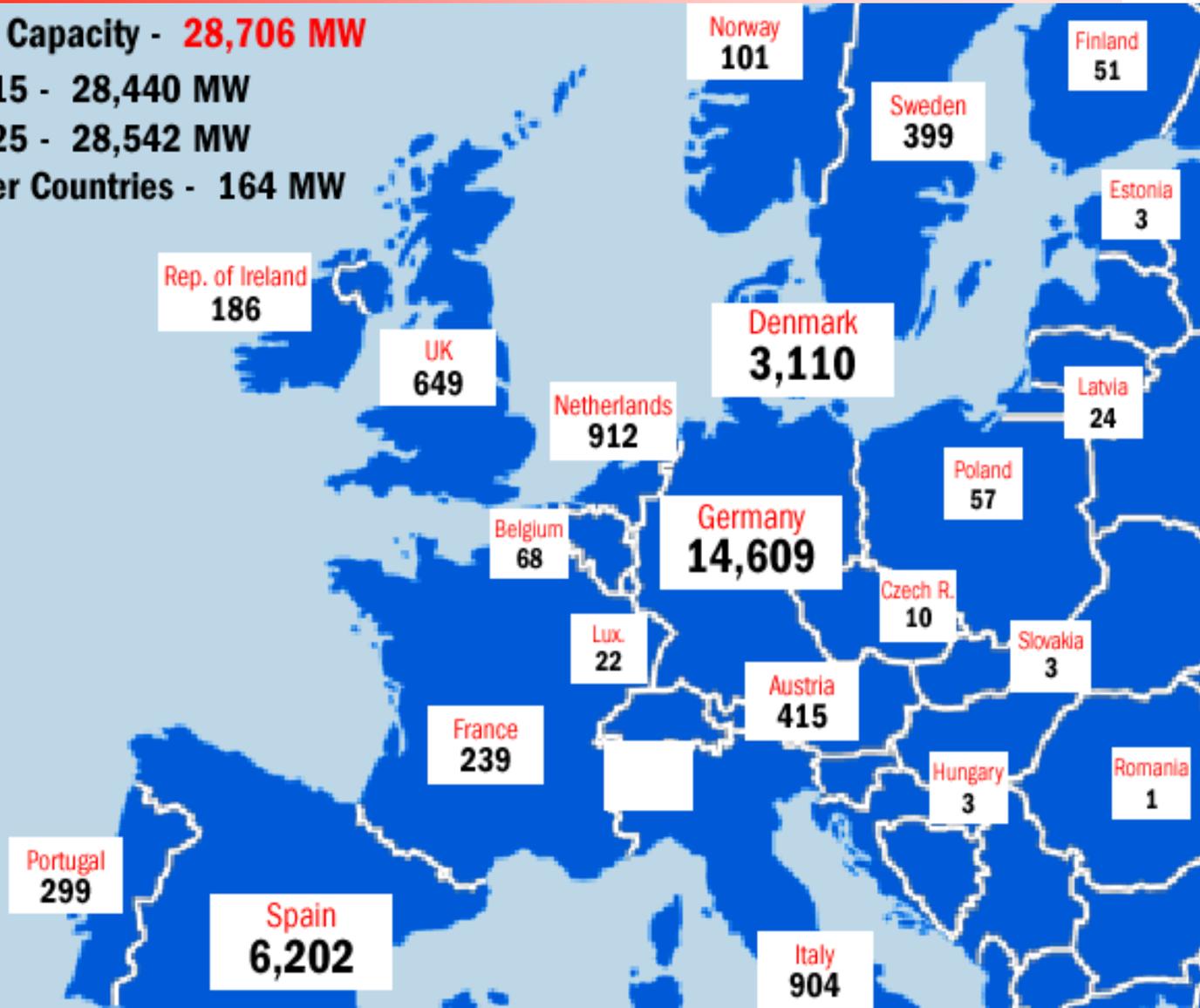


Total Capacity - **28,706 MW**

EU-15 - 28,440 MW

EU-25 - 28,542 MW

Other Countries - 164 MW



Impacts of RES support schemes in the EU

Success of feed-in tariffs in DK, G, ES

Source: EWEA

Fluorinated gases

- Draft legislation currently under discussion in the European Parliament
- Commission proposing to amend regulation on ozone depleting substances
- Risks concentrating on containment (the “consensus”) rather than phase-out
- Needs to move much further in encouraging adoption of alternatives

Energy efficiency

- SUPPLY: Cogeneration directive (adopted 01/2004): barrier removal; alas, no direct targets
- DEMAND: Energy Efficiency in Buildings directive (adopted 12/2002) : minimum standards, inspection
- Energy services directive (proposed 12/2003) : Target of 1% annual energy savings incl. 1.5% from public procurement of EE goods and services
- Eco-design directive (proposed 08/2003) : minimum requirements for energy consuming products

Emissions Trading for EU industry

- Initiated in Summer 2000, final adoption of the directive in July 2003 by both Parliament and Council
- Trading to start in 01/2005, first phase until 01/2008, then parallel to Kyoto's first commitment period
- Member States are currently transposing the directive into national law and elaborating so-called national allocation plans (NAPs), which will contain the targets

Essential elements of ET system

- Caps CO₂ emissions from industry from 2005 (covers around half of all the EU's CO₂)
- Sectors covered: Electricity, Steel, Cement, Glas, Ceramics, Pulp and Paper
- Non-compliance penalty of 100 € (2005-7: 40€) or double allowance price +restitution
- Allows use of external credits from Kyoto Project Mechanisms (JI/CDM) – details currently under discussion between Parliament and Council

Transport – voluntary agreement

- European car-manufacturers (ACEA) pledged in 1998 to reduce average emission per kilometer for fleet of new cars by 2008 to 140 gCO₂/km (on average about 5.8 l petrol/100 km or 5.25 l diesel/100 km). EU target is 120g/km by 2010.
- Japanese (JAMA) and Korean (KAMA) car manufacturers joined the VA in 1999 with target 2009
- Recent news: In 2003, new European cars emitting over 10% less than in 1995. Environment Commissioner Margot Wallström commented: "I appreciate the efforts that the car industry, in particular the European and Japanese industries, are making to reduce CO₂ emissions".

Policy consistency problem

- Continuing subsidies to coal, nuclear and even to natural gas
- Structural funds biased in favour of road transport
- Export credits, IFIs, bilateral aid going into projects with negative climate impact

EU climate leadership abroad?

- Engaged in Johannesburg Renewable Energy Coalition (JREC), Renewables2004 conference in Bonn, REEEP initiative
- Keeping up dialogue with Russia, pressure to finally ratify Kyoto; engaged with Annex-I partners, especially Japan and Canada
- Engaged in US-led International Technology Fora
- Integrating climate aspects into its development co-operation policy
- Problem: EU credibility low – little knowledge in other countries of EU's domestic efforts

What about the future?

- EU projects it can achieve Kyoto targets
- ECCP identified potential for further cuts
- Some Member States are putting future targets on the table (UK, Germany, NL)
- Existing set of policies and measures can be strengthened
- Transport sector will need particular attention
- R&D efforts into long-term climate abatement technology

ECCP “reloaded”

- New targets for RES support for 2020 and beyond, also focus on RES heat
- New targets for industrial cap-and-trade system beyond 2012
- Transport sector emissions must be priority for the future! New PAMs necessary

Environmental Technologies Action Plan

- Adopted in January 2004
- Clear link with climate policy (renewable energy, energy efficiency, appliances as well as automobiles)
- List of priority actions, including so-called Technology Platforms on Hydrogen, Photovoltaics; performance targets; mobilising capital
- Research Commissioner Busquin: Expand R&D spending to 3% of EU GDP by 2010

Hydrogen and Fuel Cells strategy

- Vision document elaborated in 2002/3
- EU Technology Platform started in January 2004
- Commission President Prodi: “It is our declared goal of achieving a step-by-step shift towards a fully integrated hydrogen economy, based on renewable energy sources, by the middle of the century.”
- NGOs participating to ensure green over black hydrogen (US negative example), potential for synergy with RES and opening up transport sector for green fuels

...remember:

Future technology is NOT
a substitute for policy today,
but rather a potential part
of a long-term strategy
to achieve deep emission cuts,
that will only take place
WITH policies that regulate GHG emissions

Thank you very much for your attention

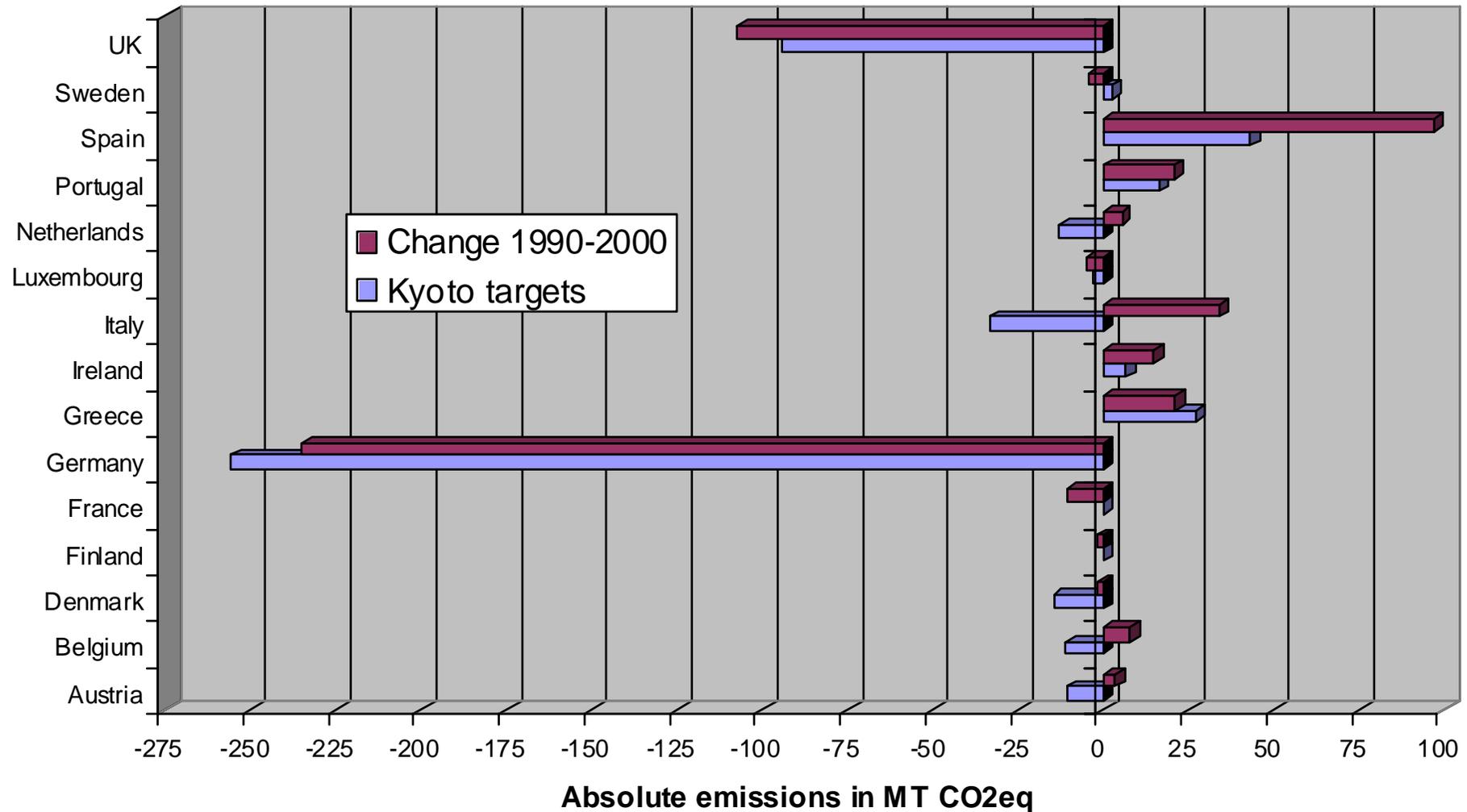
More information also on our website @ <http://www.climnet.org/>

Matthias Duwe, Policy Officer, CAN-Europe, Brussels

Targets and emissions



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Energy efficiency in buildings

- Directive adopted December 2002
- Non-prescriptive approach – based on auditing requirements and some reporting
- Was supposed to save 45 million tonnes CO₂
- Timelines postponed too late to help significantly with Kyoto

Energy services/ DSM

- Currently still being elaborated within the CEC
- Energy services are the “magic bullet” of climate and liberalisation
- Contains targets for annual energy savings and for public procurement of EE goods and services
- Not clear what the Council will accept, but the precedents are not good
- Joined to a damaging Directive on security of supply that promotes generation and transmission capacity

Cogeneration Directive

- Adopted on 5th February 2004
- Need for Directive as CHP often treated poorly in market liberalisation and at risk from emission trading
- Targets abandoned
- Talk bogged down on definitions