To: President Von der Leyen  
Commission President

cc:  
Executive Vice-President Timmermans  
Executive Vice-President Vestager  
Energy Commissioner Simson

Brussels, 18 March 2020

Dear President Von der Leyen,

**Achieving the Internal market for heat**

EGEC is the voice of the European geothermal industry. We are writing to express and repeat our concerns that previous mandates have used a narrow definition of the internal energy market limited to electricity and fossil gas at the expense of heat, and in particular, renewable heat.

Heat is important. It represents nearly half of the EU’s energy consumption. About 80% of this heat energy consumption comes from fossil fuels which are not subjected to a carbon price. Moreover, governments, including EU institutions continue to support fossil-based heat through direct public subsidies for infrastructure and appliances and indirect subsidies that limit the role of renewable heating and cooling solutions. Carbon neutrality by 2050 can only be achieved if you steer successful course correction on this vital issue.

Article 176 of the Treaty calls for an internal energy market that ensures security of supply, interconnectivity as well as the promotion of energy efficiency, energy savings and renewable energies. The focus on an internal market for fossil gas goes against these requirements. It prevents our sector from delivering cost-effective, reliable and renewable heating, cooling and electricity services in Member States.
Fossil gas does not represent the heat sector. It is also incompatible with the Paris Agreement and your own efforts on climate neutrality. It is a fossil fuel, unlike electricity, which is a vector derived from a variety of competitive energy sources including renewables.

The solution is to establish the internal market for heat. This requires legislating open and fair retail markets for heat; institutionalising a European Network Transmission System Operators for Heat charged with managing infrastructure for renewable energy sources; fostering cross-border cooperation as well as redesigning DG Energy to have a unit focused on heat. Given its magnitude in energy consumption, climate emissions and burdensome energy imports and geopolitical risks, this requires dedicated resource.

Resources should also be invested into updating and expanding the energy models used to analyse policy impacts on heat consumption. PRIMES is not reflective of the EU heat market in the EU. It doesn’t record data on installed heating appliances undermining robust policy design.

We look forward to working with you to correct this imbalance and deliver a competitive, renewable energy-based heating system which attains the 2050 climate neutrality target. This is within reach. It requires your leadership to achieve it.

I look forward to meeting with you to discuss this in more detail.

With my very best wishes,

Philippe Dumas
EGEC Secretary General