Dear Sir/Madam

EGEC response to the consultation on EU climate ambition for 2030 and for the design of certain climate and energy policies of the European Green Deal

EGEC, the voice of the European geothermal industry, is a not-for-profit association representing the entire value-chain of the industry across 28 countries. It is included on the European Transparency Register number: 11458103335-07 Further information can be found at www.egec.org.

We welcome the priority focus on the EU’s 2030 climate and energy targets. We make the following observations, clarifications and recommendations:

1. The European Green Deal must **increase climate and renewable energy and energy efficiency targets adequately** to meet the requirements of the Paris Agreement as well as its own 2050 targets. The Green Deal legislative framework must contain robust provisions to ensure these objectives are met either through binding national targets or a dedicated mechanism to fill any shortfall through centralised capacity purchases.

   The 32% by 2030 RES target falls short of the of the requirements of the Paris Agreement and fails to maximise the local jobs and economic stimulus from greater renewable energy investments. It represents a contraction for renewable energy supplies between 2020-2030 compared to the decade before. The energy efficiency target must also increase proportionally and become binding.

   Heat decarbonisation has remained a low priority in past reforms. The pace of renewable heating and cooling investments must be accelerated, especially as lowering residential heating costs and low to medium industrial temperature requirements are critical to a robust economic recovery, ensuring all households benefit from lower energy bills through renewable solutions such as geothermal district heating and importantly, ensuring everyone benefits from the clean energy transition.

   **Therefore, we call for Article 23 of the renewable energy direction to ensure 50% of final energy consumption in heat to come from renewable energy sources by 2030.**
2. **Increasing the pace of decarbonisation:** It is essential to decarbonise buildings efficiently and quickly. More than 25% of the EU’s population could be decarbonised within 5-7 years through the use of **geothermal district heating and cooling systems.** Urban heat networks must become eligible for TEN-E financing.

3. **2030 climate target:** We support the call from the United Nations Gap Analysis report 2019 which called for all countries to reduce emissions by 7.6% annually. In this context, we accept the proposed -55% by 2030 target provided it puts considerable effort on decarbonising renewable heating, cooling and electricity. Energy remains responsible for 75% of the EU’s climate emissions and therefore, the priority area extensive effort.

4. **Sector integration:** This process was designed to provide a lifeline for fossil fuel infrastructure and appliances. It should focus on advancing renewable heating, cooling and electricity.

5. **Energy infrastructure:** The rules and purpose for **TEN-E** and **Projects of Common Interest** need require urgent modernisation. The rules must be updated to accommodate internal infrastructure needs to support deployment of geothermal district heating systems, which provides the quickest and most efficient means to decarbonise large sections of the EU’s housing, public buildings, schools and hospitals in the short-timescale and to reduce their overall cost to consumers.

6. Issues not reflected in the questionnaire:

1. **Heat market design:** Legislative basis for an **internal market for renewable heat:** At present there is no legal basis for an internal market for heat. EU legislation promoting an internal market for gas is the largest public subsidy to the fossil industry to date. It leads to domestic renewable heating and cooling solutions being locked-out of EU funding for energy infrastructure and placed at a competitive disadvantage because due to fossil fuel subsidies for infrastructure, appliances, fuel purchases and even the training of fossil fuel workers.

To create a level-playing field it is vital to establish an organisation to represent network providers for renewable heat – **ENTSO-H** as well as establishing an annual **Renewable Heating and Cooling Forum** to address common issues across the industry and Member States to accelerate deployment in renewable energy solutions.

2. **Establishing an industrial base and full value-chain of lithium-ion batteries:** These are key to decarbonising mobility. Geothermal lithium provides environmental
stewardship and the opportunity to source European supplies of this critical raw material. Targets and measures to support production of sustainable geothermal lithium made in Europe are required.

3. **More policy focus on licensing and permitting:** Attention is required on innovative means to streamline the administrative process for new projects.

4. The geothermal industry has taken considerable strides to standardise and develop a **skills and competency qualification framework for geothermal heating and cooling installers.** This should be harmonised throughout the EU when the renewable energy directive is next revised as it is the most optimal means of facilitating the internal market for geothermal heating installers as well as training providers.

5. **Energy efficiency directive:** This should be amended to remove support for more efficient fossil fuel using appliances to provide heating and cooling as this is a direct subsidy for incumbent solutions which undermines investment in renewable heating and cooling solutions.

6. **Robust target delivery mechanisms:** Measures to automatically cover any shortfall are a priority issue for the 2030 renewable energy directive revision. A technology specific system of auctioning renewable heating, cooling and electricity capacity must be introduced to ensure that the increased renewable energy targets are met. This ensures all renewable energy technology types are able to benefit irrespective of their differing characteristics such as lead-in times, spatial planning requirements and environmental permitting requirements. This ensures full competition between renewable energy providers in the supply of heating, cooling and electricity.

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