Dear Sir/Madam

EGEC views on the consultation on the European Climate Law

EGEC, the voice of the European geothermal industry, welcomes the opportunity to respond to the consultation on the introduction of a Climate Law.

The climate crisis is the greatest threat to peace and mutual prosperity and must be addressed urgently. How this target is achieved is important. There is a choice between a 'Low-risk & low-cost' pathway based on renewable energy solutions, energy savings and innovative technologies or a 'High-cost & high-risk' pathway, which is based on accounting tricks, continued subsidies to fossil fuel incumbents and ineffective targets. It is essential the EU hardwires the 'Low-risk & low-cost' route in its binding Climate Law as this is the optimal way of galvanising other large polluters to follow an employment and investment-rich, socially inclusive route out of the climate crisis.

Our views are:

1. We support the target of zero greenhouse gas emissions by 2050. In keeping with climate targets to 2020 and 2030, this must be binding on all Member States.

2. A review clause must be included in the Climate Law to bring forward decarbonisation dates should the climate science require earlier action. Review clauses for the target and subsequent legislation underpinning the target - EU ETS, ESR, RED, EED, and LULUCF directives and regulations – should be automatically updated around the 'Global Stocktake' timetable outlined in Article 14 of Paris Agreement.

3. The 2030 target must be increased immediately to adequately address the climate crisis. The UN Emission Gap Report 2019 stated all Paris Agreement signatories must deliver an annual 7.6% emission reduction to meet the targets outlined in the Treaty. Therefore, a -55% greenhouse gas reduction by 2030 is the minimum range of abatement targets the Commission should propose.

4. Importantly, greenhouse gas targets have always been set in accordance with binding renewable energy and energy efficiency targets. These targets must also be integrated into the Climate Law alongside revision of the 2030 and 2050 targets.
5. How the EU decarbonises determines the total costs, speed, effectiveness and inclusivity of change. Investors need certainty on the direction and robust instruments to deliver upfront capital-intensive projects. Therefore, legislation to increase 2030 targets for greenhouse gases, renewable energy and energy efficiency measures should be proposed alongside the Climate Law. This will empower governments, financiers and project developers to accelerate real-world investments in clean jobs, growth and competitiveness so that immediate benefits of the transition are realised by everyone.

6. Priority should be given to displacing fossil fuel utilisation in heat consumption with renewable heating solutions. The 2030 renewable energy target should include an increase in the 1.3 percentage points annual increase in renewable heat to ensure half of the heat consumed in 2030 comes from renewable heating sources.

7. There is no justification for fossil fuel consumption and infrastructure subsidies to continue beyond 2025 when the mandate of the European Commission and European Parliament ends. Regulatory proposals to end and replace these subsidies with social payments for renewable heating, cooling and electricity measures as well as energy savings investments must be issued by 2021 alongside the Climate Law. Furthermore, fossil heat does not have an EU-wide carbon price applied to it. This must be rectified if 2030 and 2050 targets are to be met in a cost-effective and socially inclusive manner.

8. Geothermal energy is the solution to renewable heating, cooling and electricity. Geothermal capacity can be installed in any location across the EU to deliver reliable and constant supplies renewable electricity, heat and cooling. Each investment in geothermal, renewable energy and energy savings brings down the staggering €549 billion cost of fossil fuel imports (€266 billion in 2017, according to DG Energy) and climate change damages (€283 billion in 2017, according to the European Environment Agency).

9. Renewable energy and energy efficiency measures are cheap, good for the climate, real-world investments and great for employment.

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