



**A first step is not enough for the Great Transformation:
EU Members States and Parliament have to
radically improve EU climate legislation**

Climate Change is one of the most serious threats to freedom, human security and sustainable prosperity in the 21st century. It is not only a technological, economic and political issue; it is a global justice issue: the climate crisis threatens development prospects, livelihood and sheer survival of the poor, who have contributed very little to its causes. It challenges the way we are living and accentuates our need to rethink what is important for our standards of living. It is however far cheaper to cut emissions than to face the consequences of accelerating climate change.

Europe carries a disproportionate share of the responsibility for climate change. And it has the capacity to act due to its technological, economic and political potential. It is therefore Europe's duty and opportunity to lead the fight against climate crisis in accordance with its responsibilities and capacity. Recognizing this requires an ambitious policy shift, a Great Transformation of our energy system as demanded by Nobel Laureates meeting in Potsdam last October. To make sure we will master this task, we need fundamental changes in all policy areas: not only in the power sector and energy intensive industries, but also in transport, city planning and construction. We need to rethink budget priorities, both on national and EU level, and multiply the funding for R&D of climate friendly technologies. If we do this, we will secure Europe the first mover advantage in the green industrial revolution.

This resolution is a reaction to the climate and energy package launched by the European Commission on 23 January 2008. For the European Greens this package includes a number of progressive policy changes but falls short of what is needed to address the urgency of the situation.

The Commission lacks ambition

The European Greens welcome the EU-wide, harmonized allocation of emission permits in the next phase of the Emissions Trading Scheme (ETS). It is, however, a serious source of regret that the Commission has based its climate package on a mere 20% greenhouse gas reduction by 2020. Basing the emissions cap under the ETS on a 20% reduction assumption displays pessimism on the outcome of international climate negotiations and sends the wrong signal to the rest of world.

This target is also much less ambitious than the approach recommended by the UN Intergovernmental Panel on Climate Change (IPCC) which said that developed countries must reduce their emissions between 25 and 40% by 2020 if the worst impacts of climate change are

to be averted. In addition to such domestic targets, commitments are needed to drive the global carbon market, to help developing countries make the transition towards a cleaner future. NGOs like WWF are therefore calling for an EU target by 2020 of -30% (domestic) plus -15% internationally through carbon trading. The Commission's pessimism also prevailed in the treatment of energy-intensive sectors under the next round of the Emissions Trading Scheme. In the event that level playing field is not achieved by international post 2012 agreement, eventual distortion of competition regarding auctioning of initial allocation to the energy-intensive sectors should be addressed through a climate levy.

The Commission fails to address the impact of agricultural sector on climate change. Human meat consumption is already contributing to around 15% of the global greenhouse gas emissions – and is growing. Greens call for focus on climate impact of human behaviour, including food choices. Public awareness on the impact of meat consumption and agricultural practices on climate as well as biodiversity needs urgently to be raised.

Clean Development Mechanism or Joint Implementation should not be a way out to avoid domestic responsibilities

The use of Clean Development Mechanism or Joint Implementation credits should not be allowed after 2013, especially until the rules of such mechanisms are specified in an international post-2012 agreement. In any event the use of project credits should be limited and industries should not be allowed to buy their way out of reductions through investments outside EU in sectors that have a risk of carbon leakage. International shipping should not get preferential treatment and must be included in the ETS, as required by the EU's 6th Environmental Action Programme in the absence of sector specific measures.

Just 20% CO2 reduction does not meet the challenge

Although the Greens have always argued that Europe can achieve an average 25% share of renewables by 2020 if serious measures were taken to reduce our total energy consumption, we could live with the proposed 20% renewable energy target by 2020 as a first step towards a renewables-based economy. Increasing renewables is not some punitive means of achieving climate goals; it is a key means of reducing our dependence on fossil energy and creating jobs in Europe. Crucially, the target is based on final consumption, so energy saving and energy efficiency are central to meeting the target. One aspect of the commission's package which we disagree strongly with is the inclusion of a 10% binding target for renewables in the transport sector which will mainly be met by agrofuels, despite the fact that the EU Environment Commissioner Stavros Dimas himself admitted that this target is already causing serious environmental and social problems, including deforestation and a rise in food prices. The EU must withdraw the mandatory 10% target for agrofuels in the transport sector!

Transport in the EU now accounts for almost 30% of CO2 emissions. Despite this the wrong political course has been set across the board: large subsidies for the climate culprits like motor vehicles and airplanes, and more and more new barriers and burdens for the railways. For instance 55% of the EU structural funds for infrastructure are spent on highways against 18% for rail and 8% for public transport in cities. Consequently, transport emissions continue to grow and nullify the emission reductions achieved in other sectors.

Stronger measures required if EU wishes to take a leading role

There is a significant gap between the aim of the EU to take a leading role in climate protection issues and the measures it proposes. Other energy related problems, such as weaker international security and increasing instability the scarcity of resources notably oil, security of supply, transport emissions, energy efficiency, renewables in all its aspects, the concentration of the energy market in a small number of big oligopolies or the risks of nuclear power, are inadequately tackled or even ignored by our governments.

The Greens therefore urge the Slovenian and French Presidencies to use the next 8 months of their presidencies to propose concrete EU climate and sustainable energy policies and measures to make up for this unsatisfactory start.

The Greens urge the EU Member States to:

- a. to swiftly implement measures limiting the average global temperature increase 2°C above pre-industrialisation levels and to take a leading and ambitious position in the international negotiations on the post-2012 period so that an agreement -in line with the 2°C objective- can be reached by the end of 2009 at the UNFCCC conference in Copenhagen; **in particular achieving at least 25-40% reduction of GHG emissions by industrialised countries by 2020** compared to the Kyoto baselines, plus an additional commitment of not less than -15% to drive decarbonisation of the energy sector in developing countries via the global carbon market;
- b. to adopt, for the **EU, all internal policies to achieve greenhouse gases emission reductions of at least 30% by 2020 and at least 90% by 2050 compared to its 1990 level**, consistent with the 2°C limit; to adopt and implement effective penalties, e.g. financial sanctions, for Member States not meeting the climate policy related commitments; and to refrain from the use of flexible mechanisms beyond 2012 until the rules of such mechanisms are specified in an international post-2012 agreement. After such rules are agreed, very substantial additional commitments are needed to drive the global carbon market;
- c. to give **the highest priority to energy saving** measures because they make the most decisive contribution towards climate protection and sustainability; to achieve at least 20% - 25% of primary energy savings by 2020 in order to make the EU the most energy efficient economy by then; to follow-up with great ambition their national energy efficiency action plans with quick implementation of the recommended measures; to ask the Commission to complement these plans with additional tangible and binding measures so that the EU can reach its full saving potential, which is at least twice higher than the current 1-2% yearly efficiency improvement as estimated by the Commission; to address all buildings, new and existing, in its coming revision of the energy performance of buildings Directive, to prohibit under the existing EuP (eco-design directive) incandescent light bulbs by 2010 and to rule out the selling of other domestic electric appliances, office equipments and industrial processes which are energy inefficient and to promote pro-actively through labelling and public procurement guidelines; to set ambitious European development goal for cogeneration and to break it down to the member states in an amendment of the cogeneration directive; to make sure that a much higher share of EU structure- and cohesion funds must be spent in energy saving measures and that the application of funds must not hurt energy efficiency targets ;

d. **to address, in its energy and climate strategy, the transport sector, which is 96% dependent on oil and responsible for 30% of EU emissions;** to set up an EU absolute 30% greenhouse gases emission reduction target from the transport sector by 2020 in line with the EU international climate policy targets; to fix an annual 1% shift in the modal split from modes with high climate gas levels, i.e. cars, haulage vehicles and aircraft to more climate-friendly means of transport such as rail and sustainable waterborne modes; to implement measures to avoid transport and increase the energy efficiency of the transports modes, in particular in imposing a binding 120g CO₂/km limit for the EU fleet average on new cars by 2012, to achieve the target set more than 10 years ago and which the industry failed to achieve through self-regulation and to further increase of efficiency of at least 10 g CO₂/km every two years thereafter to reach 80g CO₂/ km in 2020; for early review of Eurovignette, with a view to tougher targets; to internalise the social and environmental costs into the fuel price and to eliminate the unfair subsidies and tax-exemptions in particular for the aviation sector and to impose a kerosene tax so that a level playing field is achieved between the transport modes;

e. to set national sectoral targets for renewables, in particular for electricity, heating and cooling - no doubt that, in average, at least 35% of EU electricity could come from renewable energy sources by 2020; to reach in the long term a goal of 100% renewable energy; to set up a European wide feed-in tariff scheme which is the most efficient way to achieve a strong development of renewables; to ensure that any virtual trade of RES-E would not be at the expense of the national support system which have been proven to be effective for the promotion of renewables; to ensure that any virtual trade of RES-E will only be allowed between Member States when they have reached their (interim) targets; to take the appropriate measures for the development of efficient heating and cooling systems from renewable energy sources; considers that while bioenergy may have a role to play in reducing our dependence on fossil fuels, they must not be produced at the expense of food production or lead to aggravating climate change, global deforestation, biodiversity losses or more human rights violations; to establish strict enforceable sustainability criteria that safeguard the social issues concerned (including human rights, land rights, food sovereignty and food security, water rights, cultural rights, indigenous people's rights, labour rights), as well as ensure significant greenhouse gas savings while accounting for direct and indirect land use change, other indirect emissions and protect from negative environmental and biodiversity impacts; and to ensure that bioenergy is used in most efficient applications like combined heat and power.

f. **to create a real level playing field in the energy sector, which enables new actors to enter the market and facilitates the introduction of new technologies and a decentralised energy production;** to assure in each Member State full ownership unbundling of energy production and transmission of electricity and gas, enhance power for national regulators and national and EU cartel authorities to limit the market power of the big energy oligopolies and to prevent manipulation of prices at the power exchanges and establish an EU agency for cooperation between the national regulators which will be strong and independent ; to alter the WTO trading patterns to reward improved behaviour in terms of carbon performance by countries outside the EU whose products are imported into the EU;

g. **to strengthen the EU emissions trading scheme through setting the EU wide cap at a level which is consistent with a domestic 30% reduction target and applying full auctioning from 2013 onwards;** to set minimum efficiency standards for smaller power

plants and industrial installations not participating in the ETS in reference to front-runners in the sector; to promote actively combined heat/cooling and power technology through a revision of the existing CHP directive; to only continue with public money the research on the variety of open questions regarding the technology of sequestration and the long-term storage of CO₂ (CCS) in order to get all the guarantees that this technology is safe, in particular in the long run, from an environmental and climate point of; to refrain from investing public money in demonstration and commercial CCS projects because this would distort the internal market and to leave this to the big energy utilities which have earned billions of EURO of windfall profits through free allocation of CO₂ allowances over the last years; to agree on a regulation for ambitious standards on safety, environmental and climate impacts and strict liability for demonstration and commercial CCS;

h. **to reinforce the non-ETS efforts** since the Commission has been far too conservative in setting targets for non-ETS sectors i.e. transport and building sector emissions. The European Council agreed on a domestic 20% reduction target for 2020 in the event that there is no international agreement. To propose allowing use of CDM/JI and other external credits in such a scenario is a clear backtracking from European Council decisions. The proposed 3% of 2005 emissions corresponds to a significant part of reduction effort assigned to non-ETS sector in a -20% scenario, possibly up to 60% of reductions between 2013-2020.

i. to put in place **labelling of consumer goods** regarding their lifecycle climate impact

j. **to recognise that nuclear energy cannot solve the global climate problem:** while it takes a minimum of 12 years from design to connect to power grid, nuclear would have zero effect on 2020 targets, it is too expensive, has serious drawbacks (e.g. major accidents, waste treatment, nuclear weapon proliferation and terrorisms risks, health and environmental impacts) and has very little support amongst EU citizens, in addition EU is almost 100% dependent on uranium imports, often from mines in unstable areas or areas from displaced indigenous populations; to take legislative measures so as to make this sector internalise all its external costs taking into account in particular all liabilities of power production; to phase out nuclear plants; to stop R&D in developing white elephant technologies such as Iter or Generation IV; to convene an Intergovernmental Conference (IGC) to end the privileges for the nuclear energy through the Euratom Treaty.

k. to create a **Climate Change Fund with proceeds of the auctioning of the ETS**, destined for the following purposes: a) to finance reduced emissions from deforestation and forest degradation (REDD) in developing countries, providing a triple win for climate change mitigation, adaptation, and conservation of biodiversity. b) to finance energy savings, efficiency investments and renewable energy deployment as well as transition measures for regions affected by the necessary phase out of coal.

l. To dedicate **20% of ETS auction revenues for adaptation** measures in developing countries.

The Greens are convinced that Europe will only be able to fulfil its promise of leadership on climate policy if it sets for itself tougher 2020 domestic greenhouse gases targets of at least 30% reduction compared to the 1990 levels. Instead of relying on nuclear energy and fossil fuels, **Europe has to focus its efforts on improving energy efficiency and savings and promoting renewables.**