Letter from the Electrification Alliance on the next European Commission work programme

Formed in 2017, the Electrification Alliance brings together a variety of stakeholders calling for clean electricity to be recognised as the key energy carrier for an efficient and decarbonised European future. In doing so, the Alliance members are working towards enabling technologies to advance Europe's competitiveness, economic growth, job creation, and the promotion of a sustainable society for European citizens.

Much has been achieved in recent years, both in terms of ambition and implementation of a more sustainable Europe. Our Alliance welcomes the fact that the Commission's Long Term Strategy shows that electrification is the lens through which energy & climate policy should be looked at. But the goal is not achieved yet – the transition to an efficient electrification of our economy needs further action. We firmly believe that the EU needs continuity regarding its priorities and work programme on the topic of electrification in order to achieve its decarbonisation objectives in a cost-effective way. In this regard, the new Commission should demonstrate ambitious climate and industrial leadership during its next term in order to deliver on the ambition of the Long Term Strategy. The time to accelerate the transition to make Europe meet its 2050 energy and climate goals and achieve the Paris Agreement objectives is now.

In order to ensure a fair recognition of the benefits of electrification, we call on the European Commission to:

- Explore pathways toward better **integrated policy making** and coordination among DGs in light of the increasing interdependency of the policy enablers, actors and sectors working together toward decarbonisation. The Energy Union has been a successful strategy to move forward on the supply side – it is now time to create an equivalent for the achievement of the Paris goals across the entire European economy. Special attention must be given to the increasingly connected, decentralised, renewable and flexible energy system based on efficient electrification of end use sectors. Sector Coupling and sectoral integration will be crucial in this regard and require even better cross-departmental support and cooperation.

- Ensure that both shorter term policy planning and long term energy and climate strategies are effectively streamlined across the EU through better **governance, which is properly implemented**. Such coherence of measures and instruments adopted at national level will promote certainty and predictability for investors on the path of achieving EU climate and energy objectives. Within this process, the European Commission should engage further in steering regional cooperation to harness the benefits of electrification. An immediate action should be to ensure that Member States adopt supporting policies as part of their National Energy and Climate Plans. Going forward, governance beyond the 2030 horizon will become increasingly important and should be linked with achieving the carbon-neutrality goals of the Long Term Strategy.

- Bring about significant CO2 emission reductions in the **transport** sector by ensuring the promotion of zero-emission mobility and the effective implementation of the available policy instruments. This includes, for instance, prioritising the revision of the Alternative Fuels Infrastructure Directive in order to support the market shift to zero-emission mobility across all Member States. All this will happen only by having robust and functioning monitoring mechanisms while strongly supporting partnerships along the whole value chain. There are substantial system efficiencies to be unlocked through the sector's tremendous flexibility potential along with smart and efficient electrification. Taking advantage of the synergies between the transport and power sector will enable the integration of more EVs and renewables, the costs of which continue to decrease significantly.

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- Unlock the benefits of smart and efficient **buildings**. This means not only the large-scale deployment of efficient electric **heating and cooling** technologies such as heat pumps or other on-site renewable installations, which deliver environmental benefits, but also to enable these technologies to contribute to improving system efficiency, demand-side flexibility and stability by acknowledging the benefits of automation & controls, providing energy storage solutions (both stationary and EV battery storage), integrating smart EV charging infrastructure and direct demand response. These horizontal measures could be addressed in a dedicated "heating and cooling package" to be tabled by the next Commission.

- Allow for the European **industry** to decarbonise via direct and indirect electrification. This can only be achieved with an ambitious and comprehensive EU Industrial Strategy to enable industry's contribution to the EU long-term GHG goals. There is no doubt that carbon-neutral and renewable-based electricity is, by a wide margin, the most important resource needed for the GHG emissions reduction strategy of Energy-Intensive Industries. Their enormous demand side response potential cannot be missed in the future energy system. Enabling this shift while maintaining international competitiveness for industry will require ambition and policy alignment from RD & I to energy prices and strong alignment between energy and industrial policy. In addition, Europe should look at maintaining leadership in key emerging technologies like electrolysers for green hydrogen (indirect electrification) as this will become a critical energy carrier for carbon-neutral industrial activity in Europe and around the world.

- Make better use of financial instruments and allocate public expenditure only to investments that support the achievement of EU's climate and energy goals. We advocate for scaling up the **financial support** (also via public support such as the MFF and CEF) in areas that will enable increased climate ambition and delivery of our commitments in the period up to 2030, also in cooperation with the European Investment Bank. This specifically holds true regarding climate friendly investment which drives innovation in clean energy and efficiency technologies, fosters the integration of renewables in the system and creates smart services and solutions for prosumers. It is crucial to maintain the promotion of sectoral integration and utilize the value proposition of decarbonised electricity in sectors of the economy such as transport, heating and cooling and industrial applications including the relevant infrastructure. We, therefore, urge the Commission to reassess the 2013 TEN-E Infrastructure Regulations as soon as possible in light of the changing infrastructure and system security needs that come with the transition to a highly renewable, efficient and electrified energy system.

- Facilitate consumer uptake of electricity solutions and renewables by aligning energy **taxation** with climate and energy policy objectives. This requires long-term price signals and coordination with existing EU climate and energy policy instruments in order to encourage the ambitious development of renewable electricity technologies. Increasing taxes and levies on the electricity bill remain a major obstacle to the update of electric technologies and must be addressed.

We believe that efficient electrification is the way forward to achieving deep decarbonisation of the EU economy and we urge the Commission to prioritise this during its next term programme.

Sincerely,

AVERE The European Association for Electromobility

eurelectric powering people

European Climate Foundation

ehpa european heat pump association

smartEn Smart Energy Europe

SolarPower Europe

Wind EUROPE

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ELECTRIFICATION ALLIANCE PARTNERS

In June 2017 more than 50 organisations joined forces to create The Electrification Alliance. Our alliance stands united in our commitment and vision to demonstrate the significant potential of electricity on its path towards decarbonisation. The alliance partners are strong supporters of the Paris Climate Agreement and call for urgent action to achieve its objectives. This action requires an ambitious system approach, recognising the need to decarbonise the European economy, while advancing Europe's competitiveness, economic growth, job creation, and the promotion of a sustainable, healthy society for European citizens. Smart and efficient electrification offers this system approach, enabling the decarbonisation, sectoral integration, digitalisation, and increased efficiency of the transport, heating & cooling and industrial sectors. The Alliance seeks to highlight in its communication essential policy decisions in EU Energy & Climate policy to fully unlock the benefits of electrification across all relevant societal sectors.