Swedenergys feedback on inception impact assessment of the revision of REDII

Summary

- Swedenergy is a strong supporter of the 2050 climate neutrality target, and of an increased 2030 ambition of at least 55 per cent. Further expansion of climate-friendly electricity, heating and cooling is an indispensable path for the EU, since reducing GHG emissions requires urgent and far-reaching action.
- Swedenergy believes carbon pricing to be the most efficient tool to foster growth in renewable energy. Hence, there is no need to review the minimum 32 % renewable energy target.
- The REDII is still being implemented in Member States and in many cases it struck very sensitive balances between interest, which is why Swedenergy is of the opinion that existing provisions should not be opened.
- However, in order to achieve the overall 2050 climate target, there are other policy areas that deserves more attention at the EU level, such as electrification of end-use sectors and a better use of waste streams. Swedenergy therefore advocates a conservative option 4 approach, limited to appropriate amendments that are in the scope of REDII. Other relevant amendments to foster e.g. electrification and a better use of waste streams might also be necessary in the energy efficiency directive and other relevant legislation.
- More importantly, the ETS system needs to be duly adjusted and extended to other sectors.

Detailed views

Policy options

Swedenergy advocates a conservative option 4 as the REDII is still being implemented in Member States and in many cases, it struck very sensitive balances between interest. Hence, the existing provisions should not be opened. However, there are other policy areas that deserves more attention at the EU level, such as electrification of end-use sectors and a better use of waste streams. Swedenergy therefore advocates a conservative approach, limited to an analysis on appropriate amendments that are in the scope of REDII without altering existing articles. An analysis on other relevant amendments to foster e.g. electrification, a better use of waste and offshore renewable energy streams might also be necessary in the energy efficiency directive and other relevant legislation. Analysis on possible amendments should always be based on a broad system perspective to avoid sub-optimisations.

Swedenergy - Energiföretagen Sverige
101 53 Stockholm, Adress: Olof Palmes Gata 31
Phone: 08-677 25 00, E-mail: info@energiforetagen.se, www.energiforetagen.se
Org. nr: 802000-7590, Location: Stockholm

Carbon pricing is the most efficient tool for decarbonization

Swedenergy believes that target levels of the 2018 directive should be maintained and that the increased climate ambition should be borne by the climate legislation, i.e. the Effort Sharing Regulation (ESR) and the ETS. Renewable energy is highly competitive today and needs no further support. Swedenergy believes carbon pricing to be the most efficient tool to foster energy efficiency and renewable energy. Therefore, we also propose that the EU ETS should be extended to cover more sectors, inter alia by including the entire heating sector.

Promote technical and regulatory integration between the energy fields

To achieve the ambitious climate targets a large part of electricity generation in Europe is likely to come from renewable weather-dependent (intermittent) sources of energy. It creates challenges to meet the demand of power at all times of the year. This should be specifically addressed and obstacles to demand flexibility, expansion of district heating, flexible fossil-free energy generation, storage and expansion of power networks both nationally but also between countries should be mitigated.

District heating and cooling plays a pivotal role in reducing EUs dependency on imported fossil fuels and to reduce peak power demand. Expansion of district heating will have a major contribution to better air quality in European cities as one site cleaning systems are far more efficient and are much more easily regulated and supervised than individual household boilers. Reduce hurdles for the recovery of a number of additional energy streams that are otherwise wasted, for example surplus heat from power plants, recovered energy from waste, geothermal energy, solar heat and heat fr wood and forest industry residues. Complementary local heat grids should be used for balancing of existing streams of low temperature excess heating and cooling.

Where possible heat networks and renewable intermittent electricity generators should be premiered to complement each other. CHPs should support renewable sources and power grids under high demand spells and make efficient use of input fuel. Heat networks should be used to balance surplus of weather dependent electricity generation.

Electrification of end-use sectors has a great potential in reducing the carbon dioxide emissions in the transport and industry sectors, as well as replacing gas for heating of buildings. Therefore, a European electrification strategy may be needed, which should contain proposals to eliminate potential barriers to electrification, such as grid constraints, while at the same time taking a holistic energy system’s perspective.

Swedenergy advocates an analysis on limited appropriate amendments to foster electrification that are in the scope of REDII, e.g. heating and cooling, transport and gas heated buildings. Other amendments to foster e.g. electrification and a better use of waste streams might also be necessary in the energy efficiency directive and other relevant legislation. It is important that amendments to different energy related directives are aligned so that unnecessary obstacles to renewables deployment is not introduced by inconsistencies in regulation.

Sustainability criteria

Securing indigenous sustainable sources is essential if climate targets are to be met. Consequently, the risk-based approach towards sustainability of forest-based biomass, that was established through the recently revised renewable energy directive, must be

safeguarded also in the future. Swedenergy therefore opposes a revision of articles 29-31.

Clean transport

As for transport, ambitions need to increase, both as regards fuels (REDII) and vehicles (clean mobility package) since the levels are generally too low to deliver on the Paris commitments. Any future legislative framework also needs to take a stronger well-to-wheel perspective than is the case with the current separation of vehicles and fuels as well as the perspective of integration of an electrified transport sector in the energy system.

Offshore renewable energy

The EU offshore renewable energy strategy should accommodate significant increase in offshore renewable energy capacity. Swedenergy advocates an analysis on limited appropriate amendments to foster offshore renewable energy that are in the scope of REDII.

About Swedenergy

Swedenergy is a non-profit industry and special interest organisation for companies that supply, distribute, sell, and store energy. Mainly electricity, heating, and cooling. Swedenergy monitors and promotes the interests of its members and the Swedish energy sector in general. The organisation has a total of 400 members, which includes state-owned, municipal, and private companies as well as associations within the energy sector.