

## Energy Action Plan still too feeble to fight climate change

At the annual EU Spring Summit on March 8<sup>th</sup> and 9<sup>th</sup>, EU Heads of States will finalise the details of the “European Council Action Plan (2007-2009) - Energy Policy for Europe”. Since the publication of the European Commission’s Energy Package (on January 10<sup>th</sup>) and throughout debate by Energy Ministers and Environment Ministers, Friends of the Earth Europe has continued to warn that the plan does not go far enough to fight climate change and will not set Europe on a sustainable energy path.

**“Giant EU Energy Flag” action** - In the morning of March 9<sup>th</sup> 2007, a big action organised by Friends of the Earth will take place right outside the EU Spring Summit in Brussels. Hundreds of people from more than fifteen countries across Europe will form a Giant EU Energy Flag and demand that their governments **“Stop climate change. Cut energy waste. Choose renewables”**, as Heads of States agree on Europe’s future energy policy. For more information about the dynamic and visual action see [http://www.foeeurope.org/giant\\_eu\\_energy\\_flag/FoEE\\_EU\\_Council\\_giant\\_energy\\_flag\\_action\\_MEDIA\\_INVITATION\\_090307.pdf](http://www.foeeurope.org/giant_eu_energy_flag/FoEE_EU_Council_giant_energy_flag_action_MEDIA_INVITATION_090307.pdf) and [http://www.foeeurope.org/giant\\_eu\\_energy\\_flag](http://www.foeeurope.org/giant_eu_energy_flag)

**Jan Kowalzig, Climate Campaigner at Friends of the Earth Europe**, said:

*“As EU leaders seal Europe’s energy future, they absolutely must make fighting climate change the guiding imperative and should not compromise on that goal in their scramble for energy security. The EU’s Energy Action Plan, due to be agreed upon at the Spring Summit, will by no means guarantee sustainable energy for Europe unless targets for both renewables share and reducing greenhouse gases are raised and tightened and a real target is adopted for cutting energy waste.”*

### CUTTING GREENHOUSE GAS EMISSIONS

At the EU Spring Summit, Heads of State are set to recommend that a 30% reduction in greenhouse gas emissions by the world’s industrialised countries (compared to 1990 levels) is necessary by 2020, to avoid catastrophic climate change. But at the same time, governments will most likely adopt a unilateral target for the EU of only 20%, noting that the EU would increase its ambition to a 30% target but only if other developed countries commit themselves to comparable emissions reductions. Friends of the Earth Europe has condemned this double standard – a 30% reduction is needed for the EU to meet its own objective of keeping global temperature increase below 2 degrees Celsius.<sup>1</sup> Also, adopting the lower target for the EU makes it unlikely that countries like the USA and Australia will come forward suggesting a target of 30 % for themselves. (For example, the agreed Kyoto first phase target for the EU (-8% by 2008-2012) was eventually just about half of what the EU originally pushed for, so other countries are more likely to try to go lower than an EU unilateral target, not build on it).

Friends of the Earth Europe is calling for the EU to adopt a unilateral target of reducing its domestic greenhouse gas emissions by at least 30% by 2020, compared to 1990 levels. Any less would ignore scientific findings and political wisdom and will send a very dangerous message to the rest of the world of an EU that knows what is needed to fight climate change but is not prepared to actually do it.

### ENERGY EFFICIENCY

Surprisingly, energy efficiency is not centrally addressed in the EU energy Action Plan. On March 9<sup>th</sup>, the EU Council is likely to only “urge member states to realise the objective of saving 20% of the EU’s energy consumption by 2020.” This is **not** a binding target and requires no commitment by member states that they will actually take action to achieve it. Crucially, calculations by the European Commission serving as the basis for the Energy Action Plan assume that the EU will not manage to reduce its

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<sup>1</sup> Acknowledged by the European Commission, in for example [http://europa.eu/press\\_room/presspacks/energy/iasummarysec7.pdf](http://europa.eu/press_room/presspacks/energy/iasummarysec7.pdf)

energy consumption by 20% by 2020<sup>2</sup>. Energy efficiency in the European Union has increased by less than one per cent annually over the last years<sup>3</sup>.

Friends of the Earth Europe is calling for Heads of State to make energy efficiency the central pillar of Europe's future energy policy at the 2007 EU Summit. The '20% by 2020' efficiency increase should be made into a concrete and binding target backed with powerful measures especially in the transport, buildings and power generation sectors. This long-term target should also be complemented with intermediate targets for 2010 and 2015 to increase pressure on current governments.

## RENEWABLE ENERGY

On renewable energy, EU governments may only adopt an overall target of meeting 20 % of Europe's primary energy needs from renewable energy sources by 2020. It is still under discussion whether this target would become a voluntary or a binding target. 20% renewable share is lower than what is easily possible<sup>4</sup> and will also make it difficult for the EU to reach its climate change policy objectives. And governments will not break down the 20 percent into sector-specific targets, thus missing an opportunity to create momentum for simultaneous development in all areas. A discontinuation of the current sectoral approach would constitute a step backwards compared to current policies. The European Commission itself acknowledges that a lack of sector-specific targets for electricity or for heating and cooling will weaken security of businesses when planning investments in these sectors.<sup>5</sup>

Friends of the Earth Europe is calling for a binding 25% target for renewable energy share in the year 2020, broken down into specific targets of 35% for electricity and 25% for heating and cooling. But also, new targets need to be backed up with powerful measures to achieve the targets. The German feed-in law is an example where clever support mechanisms actually generate net benefits for society. In 2005, Germany made a net saving by supporting renewable energies through, for example, the feed-in law, by avoiding external costs associated with conventional energy.<sup>6</sup>

## BIOFUELS

A target of providing at least 10 % of all transport fuels from biofuels by 2020 is likely to be adopted by EU leaders. Friends of the Earth Europe has denounced setting such a target as dangerous - at present, biofuels production is leading to grave environmental damages in producer countries, such as the destruction of rainforests and the reduction of biodiversity.<sup>7</sup> It can also severely undermine the livelihoods of people, expelling them from traditional lands and increasing food prices. As these problems have not been properly addressed, the EU should not move ahead with setting a target for biofuels. Instead, the EU should develop strict sustainability criteria and the necessary enforcement mechanisms for biofuels for the European markets; the level of any future biofuels target must not exceed what is possible to produce sustainably.

It should be noted that biomass can be far more efficiently used e.g. in the power sector. Instead of relying on biofuels to reduce dependency on oil imports, the unsustainable trends in the transport sector should be reversed, e.g. by triggering a modal shift from road to rail and by forcing carmakers to build more fuel-efficient cars.

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<sup>2</sup> In the European Commission's Communication "An Energy Policy for Europe" it uses a 'business as usual scenario' as a reference for the future energy needs of the EU. It presumes total primary energy consumption in 2020 is **1890 Mtoe**, while if the target of reducing energy consumption by 20% by 2020 was achieved, it would be **1500 Mtoe**.

<sup>3</sup> Energy intensity of the European economy has improved by only 0.6% annually over the past years, according to figures available from Eurostat.

<sup>4</sup> "Target 2020 - Policies and Measures to reduce GHG in the EU"; Wuppertal Institute and WWF 2005;  
[http://assets.panda.org/downloads/target\\_2020\\_low\\_res.pdf](http://assets.panda.org/downloads/target_2020_low_res.pdf)

<sup>5</sup> 'Renewable Energy Roadmap - Impact Assessment', SEC (2006) 1719.

<sup>6</sup> In 2005, about 2.4 billion Euro were used to subsidise renewable energy in Germany. The external costs avoided through replacing conventional energy by renewable energy supported through the support mechanisms amount to 2.8 billion energy. See "Externe Kosten der Stromerzeugung aus erneuerbaren Energien im Vergleich zur Stromerzeugung aus fossilen Energieträgern", Wolfram Krewitt; German Aerospace Centre; Barbara Schломann, Fraunhofer Institute for System and Innovation Research, available from <http://www.erneuerbare-energien.de>.

<sup>7</sup> For example, see: <http://www.unep.org/grasp/docs/2007Jan-LastStand-of-Orangutan-report.pdf>

## **DISTORTED ENERGY MARKETS**

The proposed energy Action Plan aims to improve the functioning of the internal energy markets. Friends of the Earth Europe is demanding that any further integration and harmonisation actively contributes to trigger the wide uptake of renewable energies and an increase in the use of combined heat and power. Market concerns must not lead to weakening support mechanisms for these forms of energy. Renewable energies must be given privileged access to the grids.

Furthermore, Friends of the Earth Europe is pushing for existing market distortions that favour large centralised coal-fired and nuclear power stations to be removed, starting with full ownership unbundling, to separate energy production from energy distribution, as proposed in the current draft of the Council conclusions.

Even the proposed ownership unbundling will leave the markets drastically distorted. Billions of Euros of subsidies for fossil and nuclear energy are not addressed, making it difficult for renewable energies to penetrate the market. Also completely ignored in the Energy Action Plan are the huge external costs to society of dirty energy (like health costs from air pollution or the damages from climate change). Friends of the Earth Europe is demanding for all subsidies for fossil and nuclear energy to be phased out. And the EU should internalise the external costs fully into the price of energy. This could for example be done through a dirty fuel tax, using revenues to support energy efficiency programmes and making renewable energies cheaper for the final consumer.

## **NUCLEAR POWER**

The Council will conclude that each and every Member State should decide whether or not to rely on nuclear energy. Friends of the Earth Europe has raised alarm about this passive endorsement of nuclear energy. Nuclear power should have no role to play in Europe's future energy mix, given the remaining risk of disastrous accidents, the unsolved problem of long-term waste storage and treatment or the devastating impacts of uranium mining. Also, nuclear power is far more expensive than alternative ways to reduce emissions. Studies show that every Euro spent on new nuclear power could save ten times more emissions if it was invested in energy conservation measures - thus also securing energy supply ten times cheaper.<sup>8</sup>

Nuclear energy can not survive in a liberalised energy market, especially if the sensational costs of decommissioning and long-term waste storage for thousands of years are taken into account. That nuclear power today produces one third of Europe's electricity is due to political will that created favourable market conditions: Since 1974, the EU's governments have spent more than €45 billion for nuclear research.

## **TRANSPORT**

Measures to reverse unsustainable trends in the transport sector are largely absent from the energy Action Plan. This is absurd since the transport sector claims 70-80% of foreign oil imports, more than a quarter of Europe's overall greenhouse gas emissions come from cars, lorries, planes and ships, and rising transport-related emissions have outpaced reduction achievements in all other sectors. Friends of the Earth Europe is calling for governments to emphasise at the EU Spring Summit, in a special section in their conclusions, the need to reverse the unsustainable trends in the transport sector. Both energy needs and greenhouse gas emissions levels from the transport sector must be brought on a downward trend, in absolute terms.

A first step would be that Heads of State must stress the importance of binding legislation to achieve the long-standing target of reducing average CO2 emissions from new passenger cars to below 120 g/km by 2012 - and to go beyond that target after 2012.

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**More facts and figures about climate change and energy at:**

[http://www.foeeurope.org/giant\\_eu\\_energy\\_flag/FoEE\\_Climate\\_Energy\\_Factsheets.pdf](http://www.foeeurope.org/giant_eu_energy_flag/FoEE_Climate_Energy_Factsheets.pdf)

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<sup>8</sup> See "Nuclear power: economics and climate protection potential": Rocky Mountains Institute; January 2006; available at <http://www.rmi.org>