



## Central Europe Energy Partner's feedback on the '2030 Climate Target Plan'

Central Europe Energy Partners (CEEP) is ready to assist the European Commission in drafting its climate and energy policies, pointing out the specific socio-economic situation of energy and energy-intensive sectors of Central European companies. This is why we welcome the possibility of voicing our opinion on the Inception Impact Assessment of "2030 Climate Target Plan".

We support an announced in the European Green Deal the transformation of European economy towards an innovative and carbon neutral one by 2050. Nevertheless in our view, the decision to increase emission reduction targets under energy and climate policy can only be made after a detailed impact assessment. We welcome that such an in-depth impact assessment will be performed before a decision on the 2030 target is made. Such an assessment should be carried out not only at EU level, but in particular for individual Member States and regions of the community as the significant differences and specificities still prevail across the continent. Moreover, the Commission must also perform it at individual industrial sector level, taking into account costs, techno-commercial feasibilities and exposure to international competition. It should indicate the total costs of achieving the new objectives and their impact on the GDP growth and more importantly sources of their financing.

We would like to stress, that due to the COVID-19 pandemic and its broad aftermaths for the global economy, any further obligations in the scope of reductions as proposed by the Commission should be carefully assessed, based on the newly emerged economic challenges. Especially the feasibility of new investments in climate-neutral technologies should be investigated. It seems that especially for SME's and households, facing lower income and uncertainty, it will not be a priority. On the contrary they will require financial aid in the coming months.

The starting point for energy transition is different for every Member State, because their economies and energy systems are in different development phases. To achieve ambitious climate targets the countries, societies and companies will have to make significant investments. The assessment should take into account the investment environment and financial markets capabilities of a Member State and the potential of finalising such major investments.

Moreover, it is important that the assessment covers a competitiveness analysis of European economies. It should answer the question, how to secure it in case of non-EU countries choosing a much slower path toward climate neutrality and therefore bearing lower transition costs.

On the level of 2030 targets the IA should study what are the relevant levels for 2030 which would stay in line with 2050 objective. The anticipated setting of the targets without proper analysis and taking into consideration the just transition measures are not welcomed.



The IA should also take a look at the technological development and its timing of implementation. Specifically, the focus should be on the existing and advanced technologies and those that may represent a breakthrough. Some of the cost-efficient emissions reduction technologies are possible over time, but not necessarily before 2030.

While preparing the impact assessment the commission should remember that 40% of EU emissions arise from transport and buildings but these sectors are not covered by carbon pricing. At the same time it is stated that the transition effort to climate neutrality by 2050 will require all sectors of the economy and society to contribute to GHG reduction. Therefore, the study should also investigate the inclusion of transport and buildings in the EU ETS. Especially the administrative burden, the development and accessibility of alternative technologies in transport and the possibilities of replacing the existing means of transport with zero-emission vehicles. This would also require an analysis of alternative fuel security of supply.

The 2030 Climate Target Plan should thoroughly study how the increase of the targets could contribute to the increase of societies welfare, sustainable development and inclusive growth at the same time maintaining the competitiveness of the European industry.

The planned impact assessment should also study the strengthening of the EU financial instruments aimed at the transformation of energy and energy-intensive sectors. The potential increase of the targets should be followed by more available means for those countries and companies which will be more affected by the increased climate ambitions.

In our view the IIA does not look sufficiently on the global reduction efforts. This aspect must be carefully study while increasing 2030 target, including carbon leakage measures. Protection for sectors at risk of carbon leakage – such as fertilizers - should be at the core of the European policies and should not be separated into two legislative procedures.

The potential change of 2030 targets needs to be made in coherence with a review and revision of existing policies. It is of crucial importance to ensure stability and avoid overlapping of goals and policy measures on a medium and long term. These policies should be complementary and be used as a tool for the industry on its pathway towards climate neutrality.