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Letter | 13.09.2021

Fit for 55 in light of IPCC report

Letter to the Commission

Brussels, 13 September 2021

Dear Ms von der Leyen, President of the European Commission Dear Mr Timmermans, Executive Vice-President of the European Commission

In the words of the UN Secretary-General, António Guterres, the latest IPCC report is "Code Red for humanity. The alarm bells are ringing and the evidence is irrefutable: Greenhouse gas emissions from fossil fuel burning and deforestation are choking our planet and putting billions of people in imminent danger."

We take this Code Red very seriously and we already see the impacts of climate change on people's safety all over the world. Just recently, we witnessed massive floods in Germany and Belgium, wildfires in Greece, France or Italy and Madagascar is on the brink of first climate-induced famine, all of which claimed countless lives and caused tens of billions of Euros of damage.

This Code Red for humanity means the European Union has the obligation to speed up its emissions reduction and shall show higher ambitions to address the urgency. This is supported by various court judgments around Europe including in the Netherlands, France and Germany. The ruling of the German Federal Constitutional Court, for example, issued a ruling confirming that necessary climate measures must be implemented before 2030. 2020-2030 is the decisive decade to act against the climate and biodiversity crises. Climate change is a top concern of a majority of EU citizens who want concrete actions now. The business community needs clear deadlines and predictability to make investment decisions today and not in 10 years.

Unfortunately, although the Fit for 55 package is a step in the right direction, it suggests implementing important measures only after 2030, such as phasing out free allowances in the ETS, the end of combustion engines by 2035 at the earliest or a full EU minimum tax on kerosene and maritime fuel by 2032. Greens/EFA MEPs urge you to speed up the introduction of proposed measures but also to introduce additional ones that can deliver significant emission reductions at a faster pace.

Therefore, in light of the recent IPCC report and its very alarming conclusions, we urge the European

Commission to consider the following proposals and revise its Fit for 55 package or adopt them in other legislative proposals in 2021:

- 1. Ensure a massive acceleration of capacity build-up of renewable energy in Europe: This is something called for by politicians across the political spectrum and the industry together and a must to make the Green Deal a success. We need a massive acceleration in the expansion of renewable capacity, which means delivering, as a minimum "at least 50%" by 2030 and 100% by 2040. To achieve this, a particular push is needed in the laggard sectors like heating and cooling, transport and industries. As a low hanging fruit, solar should be made the standard for new buildings, in public buildings, commercial buildings and major renovations. The Renovation Wave in the EU is planning to renovate 35 million buildings by the year 2030 and the integration of renewable sources, in particular solar, should not be missing here. The EU must therefore complement the Renovation Wave with a Solar Wave by pushing for the deployment of millions of solar installations across Europe. In addition, the sustainability criteria for bioenergy under the Renewable Energy directive must be strengthened in order to ban the burning of whole trees and trunks.
- 2. End the fossil fuel era: The IPCC sixth assessment report and the International Energy Agency's net-zero pathways unequivocally link fossil fuels to climate change, urging a quick phase-out. The EU and several European governments already committed via the G7 to eliminate inefficient fossil fuel subsidies by 2025. This promise must be met! The State Aid rules must therefore include a clear ban on supporting fossil fuels through taxpayers' money and only be approved for projects that protect the climate and biodiversity. A recent study again found that the vast majority of fossil fuels need to stay in the ground to meet the Paris Climate targets; therefore, the Commission must introduce measures in line with the Paris Agreement, which would lead to an immediate end of direct and indirect fossil fuel subsidies and their exploration, as well as a rapid phase out of all fossil fuel exploitation and use. This is why we urge you to support the position adopted by Parliament on the 8th Environment Action Programme which calls for an end to fossil fuel subsidies by 2025 and an end to all other environmentally harmful subsidies by 2027.
- 3. Make the energy efficiency first principle a reality: To achieve climate-neutrality by 2040, energy efficiency must deliver at least 45% energy savings by 2030, and not 36-39% as proposed by the Commission. While the Energy Efficiency directive includes a welcome emphasis on the energy efficiency first principle, we need more on what this principle entails and how to operationalise it. This is why we need national binding targets for energy efficiency for each Member State and a more ambitious collective 2030 EU target.
- 4. Ensure 100% emission-free cars by the end of the decade: The EU must bring forward its proposal to reduce C02 emission standards for cars and vans to zero stop the approval of new internal combustion engines by 2030 and not later. Bringing the date forward will give investors and car companies the certainty to move towards electric mobility and provide affordable options to consumers. It will also accelerate the decarbonisation of the second-hand market so that cheaper electric cars can be affordable as soon as possible also for lower-income households.
- 5. Get rid of unnecessary C02 certificates in the ETS: The price for CO2 in the EU emissions trading system has already risen sharply and that is forcing coal out of the grid. However, every year, there are still more CO2 certificates issued on the market than there is demand for those from heavy polluters. In 2019, this oversupply was estimated at around 250 million tonnes of CO2, and the corona pandemic has certainly increased this number. The ETS cap must be adjusted to meet realities, not to fuel an already oversupplied market.

- 6. **Rapid phase out of free allowances in the ETS**: Free allocations of CO2 certificates are not compatible with an EU's CO2 border adjustment mechanism (CBAM). A short transition period could be envisaged to give time for Europe's trading partners to comply with CBAM. However, once this transition period is over, there is no reason to continue granting free allowances to European industry. Worse, it could be perceived as a double subsidy and risk being attacked at the WTO.
- 7. Earlier taxation of aviation and maritime sectors to ensure a level-playing field: The introduction of an EU minimum tax for kerosene and maritime fuels should apply as of 2023 (instead of 2032 proposed by the Commission). Both intra-EU and extra-EU flights and shipping voyages should also be fully subject to the EU ETS as of 2023. Use the revenues to make trains more affordable and more efficient, including revitalising night trains and building regional connections across the EU.
- 8. Change the way we produce food: We must urgently tackle agricultural emissions, by ending factory farming, promoting a pesticide-free Europe and significantly reducing the amount of livestock. To reduce Europe's global footprint, we must stop imports of crops responsible for massive deforestation (e.g. palm oil and soya) and grow more plant-based proteins crops in the EU. Supporting large reforestation programs domestically and internationally, restoring soils and preserving wetlands in Europe should be priorities to rebuild carbon sinks.
- 9. No more waste of resources: Resource efficiency and circular economy must be made central to EU policy. In particular, the EU needs to aim to reduce primary raw material consumption and increase resource efficiency, shifting out of the throwaway society, to become fully circular and resource sufficient by 2050. This must include banning planned obsolescence, adopting eco-design standards, increase durability, reusability, and reparability of products including the right to repair.

As Greens/EFA MEPs, we are convinced that speeding up measures to reduce greenhouse gas emission is the only way to make the Green Deal a success and answer the planet's red alert call. We count on your support to make it happen.

Yours sincerely,

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