
EU 2030 CLIMATE TARGET PLAN – EUROMOT COMMENTS ON THE INCEPTION IMPACT ASSESSMENT

Brussels, 14th April 2020

EUROMOT, the European Association of Internal Combustion Engine Manufacturers, welcomes this initiative to consult stakeholders in the process of preparing a proposal for an increased climate target for 2030 to prepare the EU for the transition towards climate neutrality by 2050.

Such an adaptation of the current EU 2030 climate target is needed in order to face the climate emergency existing already now, and more and more in the future. At the same time though, **a right balance between the objective of environmental protection and the objective of safeguarding the competitiveness of the EU economy needs to be found, now more than ever**: Europe will have to face the heavy effects of the current Covid-19 pandemic in terms of economic downturn for the months – probably years – to come. For this reason, it will be of paramount importance to design **a policy and regulatory framework that enables the use of already fully viable technologies leading to a fast cost-effective decarbonization** coupled with access to a secure, affordable and sustainable energy system.

We believe that the abovementioned principles should be at the basis of any present and future EU decarbonization policy. In the following lines, we provide our response to some specific paragraphs of the Commission’s [inception impact assessment](#), while making reference to some other EU initiatives – most importantly the “EU Taxonomy” – currently ongoing in parallel with the review of the 2030 climate target.

1. Section A: Context, Problem definition and Subsidiarity Check

The subparagraph “*Problem the initiative aims to tackle*” states the following: “*The initiative needs to assess how to increase the ambition in a manner that best contributes to sustainable and inclusive growth, ..*”. The Final Taxonomy Report [Technical Annex](#) published in March 2020 is a key document in defining sustainability policies. Most notably, the Annex defines threshold criteria for an economic activity to be identified as “substantially contributing to climate change mitigation” and “not significant harm” environmental objectives. Unfortunately, the Technical

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Expert Group (TEG) that drafted the report was almost entirely composed by representatives of financial institutions, whereas the industry sectors to which the Taxonomy would be applied were not represented. Moreover, feedback provided to the Draft report by said industry sectors in Autumn 2019 was, to a large extent, overlooked by the TEG in the final report.

More specifically, the thresholds that were established for many activities such as “Electricity production from gas” do not reflect the state of play in the current technology development, nor the realistically foreseeable development in the coming years. On the contrary, as [highlighted](#) by EUROMOT, the report is based on assumptions on technologies that are not mature enough, and will probably not be for years to come – most notably, the CCS technology.

Therefore, we believe that the EU Commission, when preparing the Delegated Acts establishing “Climate Change Mitigation”, etc. criteria in the upcoming months, should carefully assess (together with the “Platform on Sustainable Finance”, expected to be operational in Autumn 2020) the thresholds criteria set by the TEG: as described above, the overall objective should be to encourage – and not to hinder – the use of already available and viable cost-efficient low carbon alternatives needed for the Green transition of the EU economy. In particular, EUROMOT [has underlined](#) the importance of gas-fired (reciprocating) engines to enable, thanks to their flexibility and their multifuel capability, the step-by-step integration of renewables in the electricity grid.

2. Section D: Evidence Base, Data collection and Better Regulation Instruments

We believe that the Renewable Energy Directive in particular should be amended and include Power-to-X fuel options in order to foster the production of renewable fuels such as synthetic biomethane. Synthetic P2X fuel production is an efficient mean to avoid curtailment of intermittent renewable energy production, while enabling a further expansion of renewable energy and ultimately, on the long term, full greening of the sector and energy storage for the thermal grid stability plants. Moreover, less land area would need to be allocated for battery storage solutions and additional grid connections. Today, renewable energy production curtailment [is already a big issue](#) that needs to get solved.

3. Subsection: Evidence base and data collection

The list of economic models does not include the PLEXOS modelling tool, which enables deep analysis (cost-impact, emissions, etc.) of different system options. Please see [the article](#) "Path to 100% Renewables for California".

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