Dear ,

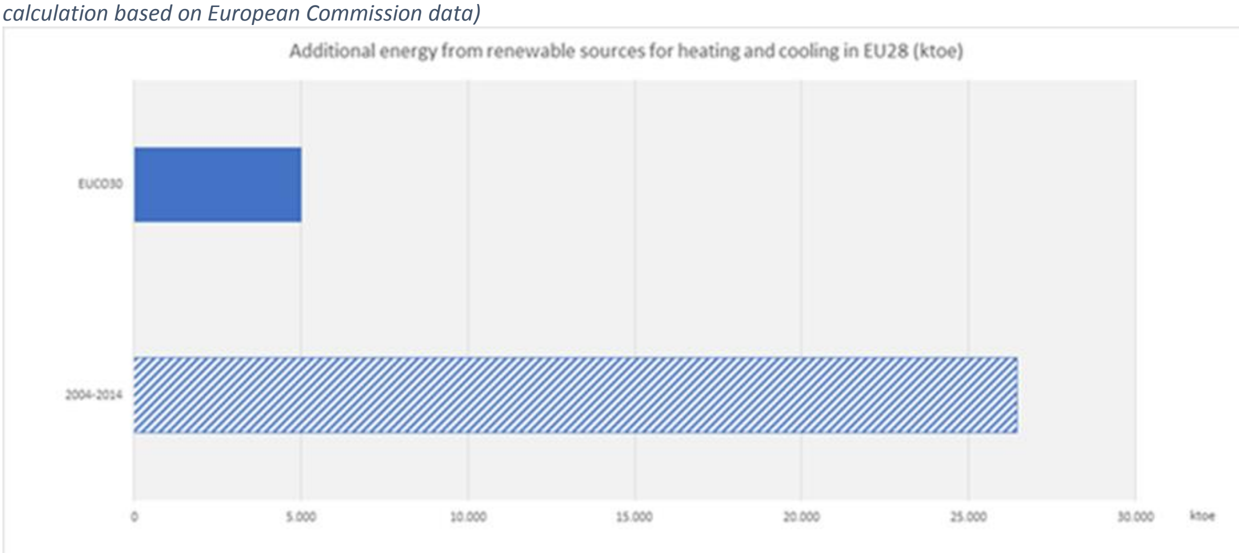
Prior to the next ITRE Committee meeting, the biomass, solar thermal and geothermal sectors wish to express their concerns over the lack of ambition on renewable heating and cooling (RES-HC) in the "Clean Energy for All Europeans" package.

To meet the EU's Paris commitments and 2050 climate objectives, the decarbonisation of the heating and cooling sector is crucial. Yet, in a sector largely dominated by fossil fuels, RES-HC (18.1%) are progressing more slowly than in electricity (28.3%). The 2020-2030 period cannot be a lost decade for the renewable heating and cooling industry and for the whole EU decarbonisation agenda.

For electricity generation, the European Commission's impact assessment foresees a 49% share of renewables by 2030. Meanwhile, the share of RES in heating and cooling would only be 27%. This is insufficient to decarbonise the largest segment of our energy system, which, in the Commission's scenario, would still represent 40% the final energy consumption in 2030 (with electricity representing 28%).

In absolute terms, these forecasts send a negative signal for the industry. As shown in the graph below, they model a mere 5 Mtoe increase of RES-HC production between 2020 and 2030. This is much less than what was developed from 2004 to 2014 when biomass, solar thermal, geothermal and aerothermal delivered 26 Mtoe of additional RES-HC. This underlines the inaccuracy of the models used by the Commission in representing the sector and its dynamics.

Figure 1 – Growth of RES-H&C production in EU28: comparing EC 2020-2030 scenario and the past decade (Source: own calculation based on European Commission data)



Together with energy efficiency, renewable heating and cooling creates local jobs, contributes to energy security and reduces energy poverty in the EU. It is an industry dominated by small and medium enterprises, with mostly European value chains. The technologies for RES-HC are not only proven, but diverse and include, amongst others, cogeneration, district heating, and individual installations. They provide flexible solutions relevant to the specificities of all EU climates and regions, allowing consumers to choose among several options, which contributes to their empowerment.

To have an impact, and contribute positively to the restructuring of the European economy towards decarbonised growth, the sector needs policies that provide certainty and confidence to investors. Impactful and relevant EU measures must guarantee that the activity of this key sector is at least stable.

Article 23 of the proposal for a revised Renewable Energy Directive sets a framework for the growth of RES-HC. It steers the EU energy policy in a right direction, but more ambition is crucial. To keep at least the same level of development (additional 26 Mtoe in 2020-30) of new RES-HC and avoid a lost decade for an innovative and European industry, the article should be binding and more ambitious than the Commission's initial proposal.

Energy efficiency and renewables are two complementary forces, essential to meeting the EU's energy and climate goals. The increased ambition for energy efficiency is a welcomed step. Ambition should be high for renewables in heating and cooling as well.

Truly yours,

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