REALISING THE EUROPEAN GREEN DEAL IN A TIME OF GLOBAL EMERGENCY

ROUNDTABLE
FOR EUROPE'S ENERGY FUTURE

We find ourselves in the clutches of one of the most dangerous pandemics in a century, and the ***importance of secure and sustainable energy supply and reliable digital infrastructure*** *for the whole of society has again been demonstrated. As Roundtable companies, we continue to strive to provide European partnerships and stability in times of crisis and to secure the critical infrastructure needed to take us through it. While at this moment, we need all free resources to protect society and save our citizens, we should not allow our current crisis to distract us from the long-term goal of fulfilling the objectives of the Green Deal. Rather* ***we need a Green Deal Rescue Package*** *that targets green growth, jobs, and climate innovation. The economic cool-down might reduce CO2-emissions short-term, but without the right investments, long-term results will be worse for our climate. It is therefore of utmost importance that the economic measures taken by the EU,* ***promote green investments*** *that help decarbonise and rebuild Europe.*

There is ***no scenario for decarbonisation without large-scale electrification of energy consumption*** *in Europe. Whether in the transport, heating or industrial sectors, we must replace carbon-based energy with renewables. To meet our 2030 and 2050 targets,* ***we must unlock finance and expansion for infrastructure projects****. Carbon pricing and a strengthened emissions trading scheme are essential to promoting the green transition in a cost-efficient way. Subsidies should be avoided for all mature technologies. We need TSOs and energy companies to build infrastructure in a way that is compatible with public demands.*

We need to ***embrace the digital transformation to enhance energy transmission*** *and increase the use of data to optimise the grid allowing for flexible consumption. We need* ***more cooperation between energy producers, TSOs, DSOs, digital companies and consumers****. Let us embrace these challenges and work together. As member companies of the Roundtable for Europe's Energy Future (REEF), we look forward to continuing this journey with you and showing the unity that Europe needs.*

INFRASTRUCTURE FOR ENERGY AND DATA

1. The urgency of scaling up infrastructure investments: The climate law will require urgent and massive infrastructure investments, in particular in the energy sector. This will provide growth and jobs, which are **fundamental to both the Green Deal and the economic recovery** after the corona emergency. Driving out carbon from transport, industry and housing is the **bedrock of decarbonisation** and will also require additional infrastructure investments.

2. Electrification as an enabler: The European electricity industry is committed to **carbon neutrality well before 2050** and to a significant **increase in the electrification of other sectors** with high CO2 emissions. In addition to bringing considerable co-benefits, such as better air quality in urban areas and lower import dependency, electrification is a highly efficient, flexible and sustainable enabler for sector integration and the decarbonisation of the economy. Accordingly, Europe needs to develop a **coherent electrification strategy** to achieve climate neutrality by 2050.

3. Unlocking finance: The Connecting Europe Facility funds **for grid infrastructure** must be enhanced in the forthcoming revision of the Trans-European Networks for Energy to make the objectives of the climate law possible. The Green Finance Strategy should focus on financial instruments for grid and production infrastructure investments, which are key levers for the decarbonisation. These investments will furthermore **facilitate access to additional sources of flexibility**, such as hydrogen, hydropower, consumption demand response, and much more, which can help **optimise the overall system** and reduce the cost of the Green Deal to citizens.

4. Fostering public acceptance: Industry, public authorities, and citizen groups should together clarify the **interdependence between CO2 savings and infrastructure investment**. Public scepticism of renewable energy and grid projects must be addressed by **encouraging participation and ownership** in the planning process. Energy infrastructure should be built with the highest environmental standards, e.g. through eco-design requirements. Efforts should be made to fund research aimed at enhancing the sustainability of grid infrastructure in order to create a sustainable technological sector that can be exported to the rest of the world, forming part of a **European green competitiveness sector**.

5. Offshore Strategy: Europe needs to accelerate its offshore renewables deployment, including onshore transmission and offshore infrastructure, **to enable the massive decarbonisation required by the climate law**. This necessitates **strong cooperation** across TSOs, technology providers, governments, regulators and other key stakeholders, to **coordinate grid development**. The development of renewable energy, including onshore and offshore wind energy, should support efficient energy markets.

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INTEGRATING MARKETS AND SECTORS

1. Completing the Internal Energy Market: Market-based solutions, as agreed in the Clean Energy Package, remain the most cost-effective and efficient way to achieve climate neutrality by 2050. However, this requires real short-term electricity markets and relies on functioning price signals that reflect balancing needs and congestion in the grid. This would provide the necessary flexibility for the integration of intermittent renewables and to be open for the **integration of demand flexibility**. New **regulation must be targeted, easy to comply with and not impose unnecessary regulatory burden**. To achieve the latter objective, it must be fully in line with the **"one-in-one-out" principle**.

2. Empowering citizens: Citizens need **incentives to provide flexibility**, i.e. to use less electricity or to provide their own batteries in times of low renewable energy (RE) or to recharge their own batteries in times of high RE generation. As citizens will drive decarbonisation by choosing green products and services, **more transparency and better price signals are crucial**.

3. Carbon pricing: The EU Emissions Trading System should be seen as the core climate policy instrument and must therefore be better aligned to the European Green Deal. In addition, **carbon pricing must be introduced in as many sectors as possible** to make renewables and carbon-free hydrogen competitive. We would therefore once more call on the European Commission to **improve carbon pricing at international level** and to carefully consider the benefits of a carbon border adjustment mechanism.

4. Smart sector integration enables a decarbonized energy sector to **drive out carbon from other key sectors** such as transport, housing and industry. We ask the European Commission to strengthen the links and **remove the remaining barriers between these sectors**. This will enhance flexibility and reduce the need for grid and production investments, and consequently reduce costs for citizens.

5. Closing the flexibility gap: All sources of flexibility should be treated equally on a level playing field, including batteries, hydroelectricity, geothermal and others. It is therefore important that the **taxonomy framework applies equally to all sources**.

BUILDING A RESILIENT, DIGITAL AND SECURE SYSTEM

1. Delivering the energy transition while optimising costs: Digitalisation enables us to optimise existing grid transit capacities, maintenance, and asset management decisions. System operators will scale up digitalisation **by increasing the focus on digitised grid optimisation and management** to ensure a successful energy transition. The European Green Deal needs to allow the energy sector to **redirect the societal value of energy transfer back to the citizens**, thus rewarding flexibility.

2. More technology innovation across the digitalised energy system is needed: REEF sees the need to **apply scalable and secure digital technologies in new ways**, e.g. to facilitate smart and flexible charging for prosumers, to enable the sectoral integration needed to decarbonise more sectors and to **increase the flexibility of the energy system**.

3. Establishing open access to energy data to allow for a safe system and for market players to develop and deliver a vast array of data-driven energy services tailored to consumers' needs. A **single harmonised interface open to all actors** in the energy ecosystem, will facilitate **direct and reliable access to trustworthy data** and promote and enable innovation. This increases the need for open standards to ensure interoperability also between different interfaces and sectors. In turn, such open access to energy data will **enable the physical, data and virtual worlds to interact at greater speed**, with greater accuracy, and at a greater scale and will help establish and accelerate efficient, flexible and interconnected systems and sectors.

4. Enabling secure and resilient systems: The security of electricity is the basis for prosperity and stability. Energy security in the physical/virtual world with multiple new actors entails a significant change for the whole energy system. **Ensuring security requires the ability to resist new threats** while maintaining resilient operations. It also requires a **new level of secure system thinking**.

5. Partnerships and interdependence: Increased cooperation between energy operators and technology providers – across sectors – increases the **need for open standards and open technologies**. This should be supported by interoperable ecosystem platforms that enable innovation. We fully support the **National Energy and Climate plans**, as a key instrument for governing the energy transition, increasing resilience and leveraging our European interdependence.

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