16 MARCH 2021
REEF MEETING WITH EVP FRANS TIMMERMANS;
EUROPEAN COMMISSON

ROUNDTABLE
FOR EUROPE'S ENERGY FUTURE

COP26: GREEN DEAL CATALYSTS

With the successful delivery of the European Green Deal and Green Recovery from COVID-19, the European Commission needs to prepare the final step to make Europe fit for 55%. The Roundtable for Europe's Energy Future (REEF) fully supports a rapid acceleration of the European Green Deal. REEF is a cross-sector alliance of 12 companies including transmission system operators, utilities and technology companies. We see a window of opportunity to demonstrate European leadership ahead of COP26 in Glasgow later this year. To quadruple the speed of the energy transition, we propose three Green Deal catalysts. By quickly realising these catalysts for change, the European Commission and Green Deal operators like REEF – together – can exploit COP26 to reach climate neutrality by 2050 at the latest.

A GLOBAL DEAL ON CARBON

Robust and sector-specific carbon pricing backed by a carbon border adjustment mechanism (CBAM) integrates fossil fuels' external costs in the market price. This drives out carbon from hard-to-abate sectors like the transport, industrial and construction sector. A global deal on carbon must be agreed at COP 26.

GREEN AMMONIA AND HYDROGEN – NEXT STEP FOR REMAINING SECTORS

Complementary to green hydrogen and electrification, green ammonia provides shipping and Europe's agriculture sector with climate-neutral fuel and fertilisers, not only linking the European Green Deal to the Common Agricultural Policy but also contributing to sector integration. Green ammonia, based on green hydrogen, requires a high capacity for renewable electricity production. Green hydrogen also decarbonises other hard-to-abate sectors and can help stabilise electricity grids. Hybrid projects are crucial to realising enough offshore wind and supply flexibility to achieve climate neutrality.

ENABLING INCLUSION FOR A JUST TRANSITION

We need to recognise inclusiveness as the road to public acceptance for the green transition. This involves a just transition for all as well as open-source collaboration. The EU will only reach its energy and climate targets if it interconnects to renewable energy sources in neighbouring countries to the north, south, east and west through common, integrated infrastructure. To make Europe fit for its 55% target, the energy transition must guarantee security-of-supply with a system value approach. This will ensure that everyone is on-board.

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