

RED needs to supply clean, affordable and secure renewable energy

Context reminder

Under the European Green Deal, the Commission has committed to stronger action on climate change and will assess how the EU's greenhouse gas emissions could responsibly be reduced by at least 50% to 55% by 2030. The review will:

- Assess how far EU renewable energy rules can contribute to a higher EU climate ambition
- Explore how to accelerate the transition to a more integrated energy system as outlined in the energy system integration & hydrogen strategies.

IFIEC contribution

Under the European Green Deal, the Commission has committed to stronger action on climate change and in particular in the field of renewable energy. IFIEC agrees that the development of the generation of renewable energy can significantly contribute to reduce greenhouse gas emissions and help to achieve the European Green Deal targets. Access to competitive low carbon energy is key to achieve the European targets. Hence, the availability of abundant, secure and affordable low carbon energy will be necessary. This will require strong political support, timely development and financing of adequate infrastructure for energy generation, transport and energy import.

Renewables should not harm the security of supply

Security of energy supply is vital for the proper functioning of industrial activities. The development of renewable energy could harm the reliability of energy networks. For electrical network, intermittent renewable electricity, like wind and solar, have huge impacts on its stability and for the gas network, injection of renewable fuels like biogas or hydrogen generate significant fluctuations of the gas quality delivered to the consumers. The revised RED shall ensure that the development of renewable energies will not harm the reliability and the efficiency of the transport and distribution networks and of industrial activities.

All kinds of low carbon energies are needed to decarbonize

Due to technical limitations, electrification is not always possible to decarbonize industrial activities and will not always be the most energy efficient solution. Industry also strives to use biomass, biogas, recycled carbon fuels and hydrogen. Those fuels should be considered as energy carrier enabling to reduce emissions in the production of heat or other processes. In particular, biogas/biofuels should be recognized in the EU ETS scheme with a zero CO₂ emission factor, whatever the way it is financially supported. It is of the utmost importance that all the pieces of regulation covered by the green deal are revised in a consistent manner.

For some sectors or processes electrification will be the most effective solution to reduce emissions. The challenge of further/fully decarbonizing electricity supply is still huge, and therefore all forms of low carbon electricity should be supported and implemented.

Safeguard European industrial competitiveness

Anyway, renewable energy policy must be backed by a strong innovation fund financing research in breakthrough technologies efficient in energy as well as by a comprehensive modernisation fund enabling their deployment in the industrial sector. In any case, the main challenge for the European industry will be the safeguard of its international competitiveness.

Innovation will play a crucial role in the increase of the share of competitive climate neutral energy and should be financially stimulated and supported in order to reduce the global cost of renewable energy for the community. This financial support should be cost-efficient, should focus on CAPEX costs, should be temporary and benefit innovative technologies that are – for the time being- not viable without support.

Decreasing the overall energy system costs must be in the focus of energy policy. Hardship regimes on energy costs for industrial consumers in global competition, especially for surcharges on top of market prices, must be accepted as long as RES and further climate policies will be causing a non-level playing field in energy competitiveness for these companies.