

**Brussels, 9 August 2018**

## **FEEDBACK TO COMMISSION ROADMAP ON A STRATEGY FOR LONG-TERM EU GREENHOUSE GAS (GHG) EMISSIONS REDUCTION**

The European Technology Industries represented by [Orgalime](http://www.orgalime.org) welcome the Roadmap on a Strategy for long-term EU GHG emissions reduction in accordance with the Paris Agreement, taking into account Member States' national plans. This indeed means preparing ourselves on time for a profound transformation of the entire global economy and society and tapping the undisputed, multiple opportunities that such a transformation holds for all of us. It also means managing the challenges arising from it in a fair, inclusive, responsible, socially acceptable and overall sustainable manner. Not acting, however, is no longer an option: the global landscape is undergoing a fundamental, rapid and irreversible change primarily due to decarbonisation, digitisation and decentralisation ("the 3D change"). The scenario of **achieving net zero GHG emissions within the Union by 2050 and negative emissions thereafter and related implications on the global and EU carbon budget needs to be included to identify appropriate, cost-efficient EU implementation measures.**

### **1. A strategic review of the 2011 EU Climate and Energy Roadmaps is needed**

Living up to the Paris Agreement, implementing the mandate given by EU political leaders and the outcome of negotiations on the clean energy package, as well as accommodating new technology developments (notably their increasing maturity and cost efficiency) all mean that we need a thorough review of the EU's existing roadmaps. Designing a long-term EU GHG emissions reduction strategy as a vision on how the EU can help creating a modern, clean and competitive economy that not only protects the planet and defends its people, but also empowers its economy and prepares us all for a future that is more electric, more sector-coupled, more resource and energy efficient, more low carbon, significantly more local but interconnected and digitally enabled. A horizontal approach of tackling GHG emissions from all parts of the economy, including buildings, transport, energy, land use/agriculture and industry sectors, should build upon technology neutrality, increased speed of implementation and stakeholder engagement. Social and skills aspects should be looked at as well as how to build an EU ecosystem that fosters EU industrial, economic and political leadership and global competitiveness.

### **2. Steady, long-term price signals are required** to be economically efficient, to allow timely adoption of low-carbon, energy and resource efficiency technologies, often digitally enabled, and to minimise stranded assets. Carbon pricing needs to incentivise innovation and investment into innovative technologies. It also means an EU budget (MFF) that mainstreams climate financing into all areas, as is the Commission's proposal, and modelling energy efficiency, demand response and other flexibility sources for their actual contribution.

*Orgalime representing the European Technology Industries speaks for 45 trade federations of the mechanical, electrical, electronic, metalworking & metal technology industries of 23 European countries. The industry employs nearly 11 million people in the EU and in 2017 accounted for some €2,000 billion of output. The industry represents over a quarter of the output of manufactured products and over a third of the manufactured exports of the European Union.*

3. **The next decade 2020-2030 is critical and the EU needs to ensure that energy investments are made in support of the EU's clean energy package as follows to avoid stranded assets:**
- Preparing Europe for successfully managing the coexistence of centralised and decentralised energy production.
  - Enabling Europeans to manage energy according to real time information with prosumers at the core and resolving pending questions regarding data handling and processing.
  - Organising an ecosystem with the necessary flexibility to allow this modernisation to happen in Europe.
- A highly energy efficient and renewables based EU energy system with smart grids at all levels is a no regret action.
4. **Member States' integrated national energy and climate plans (2030 & 2050)** should set the same priorities and be the base of a strong EU governance.
5. **EU Industry needs a global level playing field:** Considering the current EU share of global GHG emissions is around 10% and given the highly interconnected, complex global supply chains of European technology manufacturers, there needs to be a robust international level playing field, including for trade and carbon dumping.

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