

EUROPEAN COMMISSION

Ursula von der Leyen The President

> Brussels, 2 3 08 2022 Ares (2022) 4762481 Ares (2022) 4792925

Dear Honourable Member,

I would like to thank you for your correspondence of 29 June 2022 and to thank the co-signatories of the 'Energy Resolution 2022' who call for a revision of the current EU climate policy in the light of building the EU's energy security and the stability of the EU energy market.

Since the very beginning of the Russian invasion of Ukraine, the Commission has been in close contact with Member States and stakeholders to understand the impact of these events. On 18 May 2022, the Commission adopted the REPowerEU package to make Europe as independent as possible from Russian fossil fuels in advance of 2030. The measures in the REPowerEU Plan outline these ambitions, through energy savings, diversification of energy supplies, and an accelerated roll-out of renewable energy to replace fossil fuels in homes, industry, and power generation. The European Council endorsed the plan and called on the Council to rapidly examine the Commission proposals to deliver on the REPowerEU objectives.

The reduction of overall demand for fossil fuels must happen in a consistent and future proof way. The European Green Deal and Fit for 55 package guides us in that direction, but we need to accelerate our path to clean transition. The existing EU Emissions Trading System (ETS) works effectively as a driver of emission reductions. Together with the proposals on Social Climate Fund and the Carbon Boarder Adjustment Mechanism, this will be done in a fair way. The other parts of the Green Deal legislation complete the picture, leaving no one and no area behind.

To help with the speedier transition, the Recovery and Resilience Facility (RRF) allows the Commission to mobilise resources and support Member States to implement reforms and investments in line with EU priorities, which are necessary to address the most relevant challenges, including REPowerEU objectives. Based on a proposal of the Commission, Member States could submit dedicated REPowerEU chapters with targeted energy investments and reforms. These measures are proposed to be financed through a mix of national and EU funded sources, including the remaining loans under the RRF, a higher flexibility in transferring other EU budget resources to the RRF and a proposed increase in the RRF financial envelope by EUR20bn from the sale of a limited amount of ETS allowances.

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The Commission agrees with you that critical raw materials are essential for clean energy technologies like renewable energy and electromobility. Accordingly, we are developing a new EU approach towards critical raw materials, which includes developing tools to identify projects of European importance throughout the raw materials value chain (mining, refining, and recycling). This work is facilitated by the European Raw Materials Alliance. As research and innovation is an important avenue to reduce dependencies, the EU is supporting research on raw materials through, for example, Horizon Europe.

As said, the clean transition, even if now sped up by the war started by Russia, has to happen in a future proof way. The EU Taxonomy Regulation sets up a framework for environmentally sustainable economic activities. The use of solid fossil fuels is explicitly excluded from qualifying as sustainable under Article 19 of this regulation. EU Taxonomy is a transparency tool for investment purposes. While it can guide investment decisions, it does not mandate any investments, nor does it prevent investments in activities that are not covered.

The significant short-term impact of methane as a climate changing gas, which can be as much as 80 times higher than CO2, means that there can be no further delays to significantly reducing methane emissions. The Proposal for a Regulation on methane emissions made by the Commission last December 2021 (COM/2021/805 final) has been drafted with the aim of reaping significant benefits to society, in social and environmental terms. Therefore, we urge European plants that produce raw materials vital to our energy security to see that methane has economic value, to be recovered and used as a source of energy. Large reductions of methane emission across the coal, fossil gas and oil sectors can be achieved at either zero or low net costs, when netted off against the price of marketable methane.

Finally, through REPowerEU, the Commission proposes to put renewable energies at the centre of the EU's response to Russia's aggression against Ukraine. This builds on the work carried out under the European Green Deal and the package of legislative proposals adopted in July 2021. In this framework, the Commission proposes to raise the target for the share of renewable energies by 2030 to 45%. As mentioned also in your contribution, energy transition cannot be achieved without renewable energy sources. We welcome your acceleration of these policies, your contributions and drive to reach these objectives.

I look forward to our continued cooperation.

Yours faithfully,

Ursula von der Leven