

Roundtable for Europe's Energy Future (REEF): 9 April 2020

“Recovery through an accelerated Green Deal”

An action plan to mitigate the impact of the COVID-19 Emergency

The Roundtable for Europe’s Energy Future (REEF) is committed to supporting the European Commission in its efforts to address the recovery from the COVID-19 crisis. We propose to consider, in particular, three main focus areas:

1. **Put people first:** reduce the human impact of the crisis through initiatives that protect jobs and small and medium size companies
2. **Accelerate Green Deal implementation:** follow through on Green Deal commitments and work with big players like China and the US to make a bigger global impact in climate change mitigation.
3. **Work better together:** leverage technology and digitalization initiatives to foster greater cross-stakeholder collaboration and smart sector integration.

In the ongoing crisis caused by COVID-19, the importance of a secure and sustainable energy supply as well as a reliable digital infrastructure for society has become particularly apparent. In this context, it is important that roadblocks are cleared to ensure reliable power supplies – in areas like movement of people and essential goods and manufacture of **mission-critical equipment for life services**.

We also recommend the establishment of a **Crisis Response team** that can connect virtually and advise on electricity for humanitarian needs and critical public services (e.g. hospitals) for the duration of the pandemic. REEF offers to provide advisory support to maintain reliable electricity supplies. Meanwhile, in our core business, we will do everything we can to keep up our services, in particular keeping the electricity system stable and the lights on in hospitals, homes and other critical areas.

To help our economy recover from the effects of the pandemic, we need to **strengthen and expand our commitment to the European Green Deal**. Ensuring its efficient implementation is a sustainable growth strategy in itself. Reducing administrative bottlenecks and regulatory barriers as well as providing financial support, will help to expedite the implementation of projects.

An accelerated Green Deal could be achieved through stronger alliances beyond the EU, especially with support from the US and China. This can result in a greater global benefit, reflecting the urgency of sustainability objectives. Resisting new threats, maintaining resilient operations and managing uncertainty requires a new level of collaborative thinking. We need strong European leadership on the National Energy and Climate Plans, as they are a key instrument in this accelerated transition to clean energy. The development of clean energy infrastructure after the crisis will of course continue to require the necessary financing and an enabling regulatory framework. This will support forward-looking investments in critical infrastructure, technologies and supply chains and will leverage our European interdependence.



Based on the above factors, the recovery package should take the following points into account:

1. **Realizing the decarbonization vision:** The European Commission should accelerate the integration of renewables across Europe by removing regulatory barriers, strengthening tracking methods, increasing acceptance and promoting interconnectors on a fast-track in the provision of net social and environmental benefits. Through their inclusion in the EU's upcoming offshore strategy, Europe can unlock the full potential of offshore wind energy, while supporting efficient energy markets and secure operations. In the longer term, the approach should include the development of offshore "energy islands", including subsea connections. Such projects should be designated as EU Projects of Common Interest (PCIs) as they can make a big contribution to renewable energy in Europe. The European Commission should support the development of markets for green hydrogen to bring greater cost reductions for electrolyzers. This can also be supported by public procurement policies including long-term contracts for green hydrogen.
2. **Maintaining strong energy links with UK:** The British and EU-energy markets are closely interconnected, and both enjoy mutual benefits from close cooperation – this will further increase with the greater contribution of renewables in the energy mix. The Commission should strive to maintain a close relationship with the UK in energy matters even after the withdrawal of the UK from the EU. The negotiations should place particular emphasis on maintaining interconnected energy systems and continued co-operation on the harnessing of renewables in the North Sea.
3. **Speeding-up sector integration initiatives:** Market transparency and effective carbon pricing are key to promoting cross-sectoral solutions and decarbonization. Smart sector integration initiatives need to be accelerated to ensure that decarbonization across sectors continues at a steady pace. The latter, in particular, would pave the way for faster cross-sectoral decarbonization, and a much-needed increase in the flexibility of the energy system. It will also offer support for companies, especially SMEs, who provide future-proof solutions but are currently struggling with the effects of the COVID-19 pandemic. Sustainable transport and electric vehicle infrastructure as well as clean hydrogen are two such areas that can be fast-tracked.
4. **Facilitating the renovation wave** with smart and energy efficient buildings. A decarbonized energy sector can push out carbon from the building sector. Buildings should be recognized as a creator of green growth. Replacing fossil fuels with green electricity in residential heating is key to decarbonizing the housing sector, calling for smart building initiatives. Also, effective market price signals can incentivize consumers to increase their flexibility and enable electricity providers to continue with grid resiliency programs and system operators to value new and flexible resources (e.g. demand response, grid-edge technologies etc.).
5. **Leveraging digital solutions:** Digitalization projects are key to creating a power grid that can handle the significant influx of renewable energy and improve crisis resilience. Digitalization can increase efficiency, support decarbonization and empower people with data. The availability of open energy data should be increased across Europe where appropriate. For this to work, appropriate cyber security and data protection measures must also be ensured.



The deployment of digital solutions will also facilitate flexibility and increased competition as well as drive innovation and allow markets to function more efficiently. The use of Artificial Intelligence (AI) would further benefit electricity consumers and the entire energy value chain. The EU should consider setting a clear direction and regulatory intent, to build a bottom-up plan, with open data requirements enshrined in licensing terms and market permissions.

6. **Promoting technology and innovation** to facilitate 'green growth' and 'critical infrastructure' projects can boost the recovery effort as well as provide longer-term benefits. A dedicated portion of the Horizon Europe budget should fund research, innovation and deployment projects to support these areas as well as catalyze smart sector integration, system resilience and job creation. The Industrial Forums to be set up under the Green Deal industrial strategy should address these issues. This will help ensure that our economy remains at the forefront of technological innovations and support companies contributing to the European Green Deal while providing much-needed economic assistance for key projects.

In the attached Annex we have compiled a list of tangible initiatives reflecting the above-mentioned priority areas, that can contribute to economic recovery. They not only bring short-term benefits, but also represent medium and longer-term objectives. This is a preliminary list which we are prepared to elaborate further as required.



Annexure - Preliminary list of suggested initiatives for EU recovery package focus:

- High-Voltage-Direct-Current (HVDC) technology: Leverage for offshore wind integration and interconnections. Also demonstrate and enable interoperability of HVDC technologies in a showcase project
- Hybrid offshore projects: combining transmission of electricity from offshore wind and interconnectors
- Accelerate grid digitalization initiatives and projects
- Smart sector integration 'sustainable mobility': charging infrastructure for electrical vehicles and hydrogen filling stations
- Smart sector integration 'buildings': energy efficiency through building insulation and automation. Power to heat and local heat distribution systems
- Hydrogen: development of markets and public procurement policies for green hydrogen
- Energy data: availability of open energy data where appropriate across Europe to facilitate greater competition and drive innovation
- Cyber-security and resilience investments in European electrical grids
- Supply chain: Provide emergency financial aid to companies involved in the supply chain of vital electricity networks, with necessary European guarantees.
- Critical infrastructure: support supply chain of critical infrastructure - lessons to be learned from the current crisis to avoid disruptions. Also set up a European study of the key links in the supply chain for critical electricity infrastructure in crisis situations.
- Procurement and investment policies: allow for more effective and faster adoption of new technologies that support the Green Deal goals.

