

EURELECTRIC's call for maintaining momentum in the implementation of the Paris Agreement

A EURELECTRIC position paper

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EURELECTRIC is the voice of the electricity industry in Europe.

We speak for more than 3,500 companies in power generation, distribution, and supply.

We Stand For:

Carbon-neutral electricity by 2050

We have committed to making Europe's electricity cleaner. To deliver, we need to make use of **all low-carbon technologies**: more renewables, but also clean coal and gas, and nuclear. Efficient electric technologies in **transport and buildings**, combined with the development of smart grids and a major push in **energy efficiency** play a key role in reducing fossil fuel consumption and making our electricity more sustainable.

Competitive electricity for our customers

We support well-functioning, distortion-free **energy and carbon markets** as the best way to produce electricity and reduce emissions cost-efficiently. Integrated EU-wide electricity and gas markets are also crucial to offer our customers the **full benefits of liberalisation**: they ensure the best use of generation resources, improve **security of supply**, allow full EU-wide competition, and increase **customer choice**.

Continent-wide electricity through a coherent European approach

Europe's energy and climate challenges can only be solved by **European – or even global – policies**, not incoherent national measures. Such policies should complement, not contradict each other: coherent and integrated approaches reduce costs. This will encourage **effective investment** to ensure a sustainable and reliable electricity supply for Europe's businesses and consumers.

EURELECTRIC. Electricity for Europe.

This paper lays out the European electricity sector's priorities and expectations from the COP22 Climate Change Conference in Marrakech

A successful outcome in Paris

The European electricity sector has strongly welcomed the Paris Agreement on climate change as a major landmark in addressing this global challenge and now calls upon international leaders to kick-off the implementation process. We consider the Paris Agreement as a truly global agreement which provides the necessary signal to governments, businesses and the general public of the universal commitment to mitigate the impacts of climate change.

The commitment reached by world leaders agreed to keep global average temperature increase to well below 2°C compared to pre-industrial levels, and to pursue efforts towards 1.5°C, provides a clear confirmation by the international community of the irreversible transition to a low carbon economy world which will steer the global clean energy transition.

The provisions in the Paris Agreement on the long-term goals and the ambition review mechanism, as well as the key elements relating to the development of a rules-based transparency and accountability framework, will ensure that we achieve a robust and durable global climate regime which will create new and innovative opportunities for low carbon development.

Maintaining momentum in the implementation phase

As the attention now shifts to the implementation of the Paris Agreement, the European electricity sector stresses the importance of maintaining international political momentum in the months and years to come. We have supported the EU in its leading role to achieve an ambitious and legally binding global climate agreement and we welcome the swift ratification which will enable the Agreement to enter into force in time for the upcoming COP22 Conference in Marrakech. Regional and national climate change policies and measures are now key for the implementation of the National Determined Contributions and therefore for the success of the Paris Agreement.

Moreover, it is clear that much more needs to be done to get emissions down to the necessary levels to even meet the 2°C commitment. A clear emissions gap exists between the objectives agreed in the Paris Agreement and the current decarbonisation scenarios and commitments of the EU and other Parties to the UNFCCC. EURELECTRIC therefore calls for the EU to, not only assess, but also take the necessary action to bring the EU's decarbonisation ambition under the 2030 Climate and Energy Framework, as well as under the 2050 decarbonisation scenarios, in line with the ambition of the Paris Agreement as part of the EU's expected contribution to the UNFCCC 5-yearly global ambition review cycle.

The European electricity sector strongly believes that decarbonisation is essential to guarantee the long-term sustainability of the global economy and is committed to leading this transition.

The increasing demand for electricity is at the heart of the climate change challenge and has the potential to be a key part of the solution.

The role of decarbonised electricity in delivering the Paris objectives

As the European electricity sector pursues its commitment to deliver carbon neutral electricity supply by 2050, electricity becomes an obvious choice for driving sustainability. Over the years the European electricity sector has undertaken significant investment in order to substantially reduce its greenhouse gas (GHG) emissions, through increasingly efficient and flexible power plants, more efficient grids and an increasing share of low carbon generation. We believe that low carbon technologies, such as renewables and carbon capture and storage, will have a hugely important role to play in achieving the Paris Agreement objectives. The global expansion of clean generation technologies, including in developing countries and other economies where considerable economic growth is expected, will make an important contribution to mitigating climate change.

Looking ahead, we believe that in light of the Paris outcome, the role of the electricity sector will need to be strengthened during the implementation phase if we are to achieve the ambitious commitments set in line with the objectives of the Paris Agreement. The necessary global reductions required in order to stay within the 2°C temperature increase objective can be achieved, to a large extent, through the simultaneous decarbonisation of electricity and the electrification of the domestic, commercial and transport sectors when combined. This will also lead to other benefits like improvements in air quality, enabling energy efficiency and strengthening security of supply. In order to maximise electricity's potential as a driver for decarbonisation, we must move towards cost-efficient retail pricing that will make decarbonised electricity competitive against fossil fuels.

As we move towards the implementation of the Paris Agreement, as well as regional and national policies aimed at achieving the various NDCs, we stress the need for the right policies and measures at the EU and international level to help unlock the vast potential of decarbonised electricity. The policy and investment choices we make today will determine whether we achieve a timely decarbonisation scenario where we reap the potential benefits from electrification as electricity becomes increasingly decarbonised, or whether we continue to consume large quantities of fossil fuels in our means of transport or heating for another generation. If we are serious about decarbonisation in Europe and the world, taking early action to unlock electrification's potential will significantly enhance the benefits for society and the environment

Carbon markets as tool towards effective mitigation

Furthermore, as a long-lasting supporter of carbon markets, EURELECTIC has strongly welcomed the provisions in the Paris Agreement which recognise the important role of enhanced cooperation through market approaches and carbon pricing in achieving the global low carbon transition. We believe that market based mechanisms such as carbon markets are the most effective tool for mitigating greenhouse gas emissions and stimulating investments in low carbon

technologies and energy efficiency. The most effective way forward in the smooth transition towards a low-carbon economy is through a clear, predictable carbon price signal that will allow industry to invest in an efficient and sustainable manner.

Moving forward, we believe that the new international climate change regime should establish an international framework that enables the introduction of carbon pricing mechanism at the global level and moves towards the linking of existing different carbon trading systems once they have achieved equivalent levels of environmental integrity.

We therefore also call for efforts to pursue the implementation of Article 6 of the Paris Agreement on market approaches, with a view to the development of a global carbon market in the longer term.

The electricity sector is fully committed to facilitating the achievement of the global ambition and aims to be part of the solution through our continued effective engagement in the process.

EURELECTRIC pursues in all its activities the application of the following sustainable development values:

Economic Development

▶ Growth, added-value, efficiency

Environmental Leadership

▶ Commitment, innovation, pro-activeness

Social Responsibility

▶ Transparency, ethics, accountability



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