

Taxonomy inception impact assessment consultation

A Eurelectric response paper

Eurelectric represents the interests of the electricity industry in Europe. Our work covers all major issues affecting our sector. Our members represent the electricity industry in over 30 European countries.

We cover the entire industry from electricity generation and markets to distribution networks and customer issues. We also have affiliates active on several other continents and business associates from a wide variety of sectors with a direct interest in the electricity industry.

We stand for

The vision of the European power sector is to enable and sustain:

- A vibrant competitive European economy, reliably powered by clean, carbon-neutral energy
- A smart, energy efficient and truly sustainable society for all citizens of Europe

We are committed to lead a cost-effective energy transition by:

investing in clean power generation and transition-enabling solutions, to reduce emissions and actively pursue efforts to become carbon-neutral well before mid-century, taking into account different starting points and commercial availability of key transition technologies;

transforming the energy system to make it more responsive, resilient and efficient. This includes increased use of renewable energy, digitalisation, demand side response and reinforcement of grids so they can function as platforms and enablers for customers, cities and communities;

accelerating the energy transition in other economic sectors by offering competitive electricity as a transformation tool for transport, heating and industry;

embedding sustainability in all parts of our value chain and take measures to support the transformation of existing assets towards a zero carbon society;

innovating to discover the cutting-edge business models and develop the breakthrough technologies that are indispensable to allow our industry to lead this transition.

Dépôt légal:

WG Financial Regulation & Market Integrity
WG Social Sustainability

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Scope and governance of the delegated acts (DAs)

In its upcoming work to develop the Taxonomy Regulation implementing rules, **we call on the EC to ensure that technical screening criteria (TSC) give a realistic picture to private investors about activities that will enable cost-efficient GHG emissions reduction.** While remaining technology-neutral, the taxonomy should drive investments into carbon-neutral and low-carbon energy sources.

The DAs for climate change mitigation and adaptation objectives should take into account the following elements:

- **Go beyond the technology-specific TSC and recognise the necessity of a system approach, as well as the contribution of transitional activities (Art. 6.1a).** The possibility to evaluate technologies based on their ability to support a system with high shares of variable RES and therefore contribute to SoS should be included, and a brown-listing approach avoided.
- **The adoption/update of the DAs should be reality-proofed, aligned with existing EU legislation (e.g. CEP) and dynamic** to allow for upcoming technologies that can become mature in the short and medium term to be assessed and, if considered as sustainable, added to the list of taxonomy accredited activities.
- **The SF Platform, composed by a broad and inclusive representation of experts, must ensure the consistency between the taxonomy, EU's objectives and rules and available evidence based science (for more detail, see document attached).**

Content of the TSC for energy

As mentioned by the inception impact assessment, the EC work will benefit from the recommendations delivered by the TEG in its final report last March. The TEG report recognises the decisive role that electrification will play to decarbonise the economy, supported by reliable electricity infrastructure and equipment. The attached Eurelectric paper '[Moving forward with the EU Taxonomy](#)' provides detailed comments on the parts of the report on the production of electricity and related activities:

- **The metric proposed by the TEG for the life cycle assessment (LCA) of electricity production activities is a step forward but is not coherently applicable yet.** It should be complemented with other relevant ISO standards (depending on the technology in question) and use existing international standards.
- **A clear signal is given to drive investments into RES technologies.** The proposed LCA should be uniformly applied in form of technology-specific standard values for the upstream LCA instead of project-specific individual measurements to avoid unnecessary administrative burden. On the basis of those technology-specific LCA standard values, technologies that have sufficient evidence of being far below or far above the threshold of the EPS of 100g CO₂/kWh should be exempted from the LCA.

- **A level playing field has to be guaranteed for all storage technologies**, i.e. all electricity storage technologies should be automatically eligible under the EU Taxonomy. This should also be the case for pumped storage, which is currently the only storage technology of the TEG report that has to fulfil specific requirements.
- **Additional expertise is needed regarding nuclear to guide the adoption of DAs by the end of 2020**. We call on the EC to swiftly appoint an expert group of scientifically qualified radiation protection specialists to finalise the assessment of nuclear energy under the Taxonomy. Any delay in the nuclear assessment risks undermining the ability of the Member States to develop a pathway towards climate neutrality.
- **TEG's views on the transmission and distribution of electricity are reflecting the evolution of the power grid**. We support the view to include all electricity T&D infrastructure or equipment in systems, which are on a trajectory to full decarbonisation, without any burdensome and unnecessary reporting. However, additional work is needed on the second criterion of average system grid emissions factor.

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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