

16 April 2020

## **EFET submits recommendations for the inception impact assessment for EU 2030 Climate Target Plan**

The European Federation of Energy Traders (EFET)<sup>1</sup> is pleased to publish our recommendations on the inception impact assessment for a 2030 Climate Target Plan (hereafter the IIA)<sup>2</sup> submitted to the European Commission on Thursday 15 April.

We support the establishment of an architecture including the role of the energy sector to help meet EU climate ambitions as set out in the Climate Law proposal and the IIA. We equally support the ambition of the IIA to pursue closer alignment between relevant policy measures across other sectors of the EU economy in this context.

Our recommendations on the approach to and the means of attainment of the increased 2030 climate target and the 2050 climate neutrality objective set out in the IIA, are structured around the following policy priorities:

1. Setting an ambitious economy-wide climate neutrality objective at Union level.
2. Harnessing Europe's energy markets to deliver 2030 and 2050 climate targets in a cost-effective way.
3. Reforming the EU ETS to enable it to become the long term driver for decarbonisation across the EU economy.
4. Ensuring a pan-European, cross-border approach to achieving climate neutrality.
5. Ensuring technological neutrality of the policy approach to achieving the EU climate targets.

A number of our recommendations echo the findings of the recent report carried out by Frontier Economics for EFET.<sup>3</sup> This report explores how market-based mechanisms can be harnessed to enable cost-effective decarbonisation of the gas system and efficient coupling of the gas and power sectors. It points to the need for a coherent policy framework that rewards carbon abatement in a market-based, technology neutral way.

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<sup>1</sup> The European Federation of Energy Traders (EFET) promotes competition, transparency and open access in the European energy sector. We build trust in power and gas markets across Europe, so that they may underpin a sustainable and secure energy supply and enable the transition to a carbon neutral economy. We currently represent more than 100 energy trading companies, active in over 27 European countries. For more information: [www.efet.org](http://www.efet.org).

<sup>2</sup> EFET recommendations for the inception impact assessment for a 2030 Climate Target Plan are available at [https://efet.org/Files/Documents/Emissions%20and%20RES/General%20Climate%20Policy/EFET\\_IIA\\_final.pdf](https://efet.org/Files/Documents/Emissions%20and%20RES/General%20Climate%20Policy/EFET_IIA_final.pdf)

<sup>3</sup> "Gas decarbonisation and sector coupling: ensuring a market-based approach", Frontier Economics report to EFET, available at [https://efet.org/Files/Short%20Form%20Report%20-%20A%20market-based%20approach%20to%20gas%20decarbonisation%20and%20sector%20coupling\\_Frontier%20report%20for%20EFET%20.pdf](https://efet.org/Files/Short%20Form%20Report%20-%20A%20market-based%20approach%20to%20gas%20decarbonisation%20and%20sector%20coupling_Frontier%20report%20for%20EFET%20.pdf)

We look forward to continuing our dialogue with the Commission on the development of a policy and regulatory framework which would allow harnessing Europe's energy markets to deliver 2030 and 2050 climate targets in a cost-effective way.

In the meantime, we are preparing our response to the Commission's consultation on the EU climate ambition for 2030 and the design of climate and energy policies and measures to implement the proposed European Green Deal.