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A Low Carbon Energy Union is the answer to energy security and climate challenges.

Expert group offers advice to ministers ahead of European Council

A respected group of advisors to ministers and business which includes the IEA, OECD, the EBRD, some members of The Prince of Wales's Corporate Leaders Group, the Grantham Institute, IDDRI, and other business and academic experts has today published a new report pointing to the benefits of a low carbon energy union.

The report makes a number of recommendations to Ministers and their governments in the run up to the European Council energy security discussions next week. It is one output from a series of different advisory group discussions. A second Advisory Council, coming from a different perspective and comprised of energy intensive sectors, is currently considering the challenges they will face from the transition and possible solutions moving forward. The conclusions of this work will be sent to ministers in the coming months.

The experts of the first Advisory Council conclude that the EU is at a crossroads: it can create a competitive Europe-wide energy system that responds to energy security and climate concerns while stimulating economic growth, or it can become increasingly un-competitive, strangled by high energy imports and find itself with a poorly performing energy system suffering from under investment. Developing and implementing the enabling legislation now for the creation of a new integrated energy system that is comprehensive in approach and meets Europe's de carbonisation and industrial goals, will make Europe more energy independent whilst stimulating EU investment, job potential and growth immediately.

The experts report that a reduction in energy dependency and competitive, integrated energy supplies offers Europe the political and economic opportunity to solve the **energy tri-lemma** of costs, security and decarbonisation. But to be successful, such an approach must address Europe's indigenous low carbon energy options, demand management solutions and a more unified energy community.

The report shows that Europe's energy system needs capital injection now. The aim of greater energy independence and GHG emissions reductions offers Europe a new opportunity for targeted investment choices. "Regardless of choices about decarbonisation, Europe needs to invest over 2 trillion Euro over the coming decades in upgrading and replacing an aging fleet of power stations and extending its energy infrastructure. Modern, low carbon energy infrastructure built today can contribute hugely to improving our energy security, reducing our carbon emissions and creating

economic growth in the meantime". The group therefore insist that to address real energy decarbonisation the EU must adopt **at least a 40% domestic GHG emission reduction** target for 2030; **at least a binding 27% EU-wide renewable energy target**; and an **EU efficiency goal that delivers the highest possible reductions in energy imports while remaining in line with a 40% domestic GHG emissions reduction target**.

In response to the report, UK Secretary of State for Energy and Climate Change Ed Davey said:

"The IEA, OECD and European business leaders behind today's report are absolutely right - strengthening Europe's energy security and combatting climate change are two sides of the same coin. What is good for one is generally good for the other. That's why the UK and many other like-minded countries are pushing for a far-reaching EU energy security package to be embedded within an ambitious 2030 energy and climate package with a target of at least 40% domestic emission reductions. "

Barbara Hendricks, German Federal Environment Minister said:

"I welcome the Green Growth Platform's report on the connected challenges of combating climate change and securing sustainable energy supply for Europe. It puts the central challenges on the table, while details need to be discussed over the next months.

"Making our economies more energy-efficient and developing indigenous renewable energies is our best insurance against import dependency and high energy bills. We therefore need to agree on three ambitious and binding targets for GHG, Renewables and Efficiency in 2030 this October.

"GHG emissions must be reduced by at least 40% internally with an option to increasing ambition during the international negotiations, also via high quality international certificates. We also need to swiftly reform the emissions trading scheme by launching the market stability reserve already in 2017 and directly transferring backloaded certificates into the reserve."

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Notes

The full report can be found on the Cambridge Institute for Sustainability Leadership (CISL) website <http://www.cisl.cam.ac.uk/Business-Platforms/The-Prince-of-Wales-Corporate-Leaders-Group/Green-Growth-Platform.aspx>.

The Cambridge Institute for Sustainability Leadership (CISL)*, which runs the Corporate Leaders Group (CLG), is providing the management role and strategic guidance for the Green Growth Platform. The Business leaders who are members of the EU Corporate Leaders Group (EU CLG) are the core steering group lending their strategic expertise and leadership to the initiative.

The Ministerial Green Growth Group of 14 EU environment and energy Ministers** engages closely with businesses and investors in particular as well as MEPs, economists and wider civil society. Work is underway, with the close support of the EU Corporate Leaders Group on Climate Change, to build a forum and network through which these efforts can be pursued. As a result the Green Growth Platform has been launched, which regularly brings together senior politicians, businesses and investors and wider civil society in order to explore, promote and pursue an ambitious EU de-carbonisation and growth agenda.

The Green Growth Platform Advisory Councils provide a framework for analysis and insights that inform the work of the Green Growth Platform and deliver recommendations to the Green Growth Ministers. We draw on appropriate leading experts to participate in the group depending on the topic in question.

*About the University of Cambridge Institute for Sustainability Leadership (CISL). The Cambridge Institute for Sustainability Leadership (CISL) builds strategic leadership capacity to tackle critical global challenges. CISL contributes to the University's mission and leadership position in the field of sustainability via a mix of executive programmes, business platforms and strategic engagements, informed by world-class thinking and research. HRH The Prince of Wales is the patron of CISL, which is a member of The Prince's Charities, a group of not-for-profit organisations of which His Royal Highness is President. www.cisl.cam.ac.uk

** The 14 EU environment and energy Ministers represent the following countries: Belgium, Denmark, Estonia, Finland, France, Germany, Ireland, Italy, Portugal, Slovenia, Spain, Sweden, The Netherlands, United Kingdom.