



## European Commission - Speech [Check Against Delivery]



### **Opening remarks by Executive Vice-President Timmermans and Commissioner Simson at the press conference Building a Climate Neutral Europe**

Brussels, 14 October 2020

#### **Executive Vice-President Timmermans:**

I'm pleased to be here again with Kadri to share with you our latest proposals for matching the EU's energy policies to our climate ambitions.

As you know, the European Council later this week will discuss our new climate target for 2030. It is in this context of particular importance to highlight where we already are, and how we will deliver on this new ambition.

In this context today, we present the Renovation Wave, our Methane Strategy, and the State of the Energy Union report. It is the first report since adopting the Green Deal and with it, we will also publish the individual assessments of the National Energy and Climate Plans.

Later this afternoon, we also have news on environment policy.

Well, let me start with a few words on the National Energy and Climate Plans. Last month, we told you that the EU is on track for our current 2030 targets.

Looking at the detailed assessments you can see that still everyone has some homework to do, especially on energy efficiency. But overall, we are heading in the right direction. These plans demonstrate that Europe can meet ambitious climate targets when everybody puts their shoulder under it and when we all take our fair share.

Now let me then go into the Renovation Wave. I am really excited about this.

I think the Renovation Wave, which we strongly believe in and there is a strong appetite for this across the EU, actually combines the number of goals we want to achieve.

First of all, because our homes and our buildings are responsible for 40% of energy consumption, to reduce the energy consumption in the built environment has a huge positive impact on our emissions obviously. And at the present rate of restructuring and refurbishing our housing, we will not achieve the goals, we need to double that and that is what we want to do with the Renovation Strategy.

But more than that, the Strategy will also offer huge opportunities to embellish our cities and our country-side, to get people to work immediately. This is one of the areas where you can combine a long-goal term goal with short-term immediate results.

And it has a positive effect on SMEs because they will have to do all this work of refurbishing. It has a positive effect on the quality of our housing and building and schools etc. And it has a very positive effect on combating one of the biggest challenges we will face anyway, which is the risk of energy poverty and the risk of a social divide created by our need to transform our society.

So, all these things you can find combined in the Renovation Wave. It is not going to be easy; it is not just throwing money at it, we need to get the right regulation in place, we need to get the right people to come together, we need to get the best projects to be upscaled, we need to get ideas to be shared across the EU. Those things that are already working well or very successful need to be taken up by others. That is what we need to do. We need to provide for the right regulation and Kadri will certainly go into that.

But by and large I believe that this is one of those subjects where we can bring everyone together, because nobody loses in this and everybody wins. And it is a short-term win and a long-term win combined into one.

Kadri, over to you.

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### **Commissioner Simson:**

Thank you, Frans!

It's been three weeks since we were on this podium with the 2030 Climate Target Plan and we will be back next month with the offshore renewable energy strategy and in December, with the revision of the TEN-E regulation.

You see us so often because we are delivering what we promised in the Green Deal.

Today, we will address three pieces of the giant climate and energy puzzle that we are putting together.

First, the renovation wave. Frans has already made a very clear case for it. Let me add a couple of figures: to achieve the 55% emission reduction target, by 2030 the EU should reduce buildings' greenhouse gas emissions by 60%, their energy consumption by 14% and energy consumption for heating and cooling by 18%.

At the moment, we are reducing the energy consumption of the entire EU's building stock by one percent a year, by 2030 this should be at least 2%. This means around 10 million more renovated buildings during the next decade.

We know it can work, because elements of what we are promoting already exist in different Member States. Lithuania runs a successful multiapartment building renovation programme. In Czechia, ETS revenues are used to renovate social houses. In Sweden, prosumer buildings can generate almost all the energy their residents need.

In the Renovation Wave, we build on all these best practices and propose concrete measures to overcome the barriers that prevent renovation at sufficient rate.

The time to scale up is now. Let's take one of the most important barriers: funding renovation faces a considerable investment gap, but there are now also unprecedented opportunities.

Our main recovery instrument, Recovery and Resilience Facility, will dedicate 37% of its funds to climate-related investment. If the Member States used a third of the earmarked money for renovation, that would mean over 80 billion in investment in the next years.

In addition, ReactEU, Cohesion Policy, Just Transition Mechanism, the Modernisation fund and Invest EU can be also used to support renovation.

The Member States are acting, too. France has pledged to invest close to 7 billion as part of their recovery package. The Netherlands is going to insulate 8 million homes by 2050 (\*), Greece has promised to renovate 600 000 and Ireland 500 000 buildings. Italy has introduced a tax deduction of 110% for spending on energy efficiency and seismic risk reduction.

Having a real market for green mortgages will also drive investment. If we combine the EU, national and private sector contributions, we will be able to trigger real change.

The second topic I wanted to touch upon is energy poverty. The number of people who are not able to keep their house adequately warm or cool has fallen in recent years from 50 million to 34 million. This is a positive trend, but it's still 34 million people too many.

Today, we have adopted a recommendation and guidance to the Member States on addressing energy poverty, as these levers are mostly in the hands of the national governments.

But the EU will help. We have put fighting energy poverty at the heart of the Renovation Wave, together with tackling the worst-performing buildings.

As one of the tools, the Commission will propose mandatory minimum energy performance standards by the end of 2021, to ensure a basic level of comfort for everyone. We will conduct a thorough assessment looking at the scope, timeline and impact of this measure and what kind of supportive steps are needed to make it work.

We will also launch an Affordable Housing Initiative. It will pilot 100 renovation districts across Europe that will apply the latest innovations and whose best practices can be replicated elsewhere.

Third, and on a slightly different note, we adopted today our methane strategy – the first one since 1996. Methane is the second-biggest greenhouse gas driver of climate change after CO<sub>2</sub>. To reach our 55% ambition, we would need to reduce methane emissions by one third (35-37%).

95% of human-made methane emissions are coming from waste, agriculture and energy. We are addressing them all, but it's in the energy sector that we can cut them fastest and cheapest, half of it at net zero cost.

While supporting voluntary initiatives, we will prepare legislation to improve monitoring, reporting, leak detection and repair to identify and fix methane leakage. We will tackle routine venting and flaring.

We are the world's biggest energy importer. That means, Europe will lead the way, but we cannot do this alone. We will work with our international partners to address the methane emissions all along the supply chain of the energy we import.

And finally, let me end by highlighting the first competitiveness report that is part of the State of the Energy Union package that Frans mentioned.

It shows that green energy is outperforming the conventional energy technologies. Already in 2017, the value that the clean energy sector brought to our economy was more than double that of fossil fuel extraction and manufacturing.

The growth of the sector has significantly outpaced the rest of the economy. And it has created more jobs. This has been especially obvious in energy efficiency, where the number of jobs went up 17.4% between 2000 and 2017.

With the Renovation Wave, we are planning to add another 160 000 jobs to this tally. This is what the Green Deal means: a greener, more competitive and fairer Europe.

Thank you.

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