



Brussels, 18th of September 2017

"We need to make Europe's electricity market fully consistent with the EU's climate strategy"

Dear Ms. Simson, dear Ministers,

Ahead of the informal Energy Council in Tallinn, we are writing to you to stress the importance of delivering a consistent policy signal in the framework of the reform of the electricity market, with a view to making its design coherent with Europe's climate commitments.

The Commission's proposal for a 550g CO₂/kWh carbon criterion in the Regulation on the Internal Market for Electricity¹ is a step in the right direction, which we encourage you to support.

Our electricity bills should not support the operation of the most polluting power plants, given that cleaner and more flexible options are available. This would clearly contradict EU climate and energy policy objectives and would go against the best interest of European consumers.

As proposed by the European Commission, making the eligibility for capacity mechanisms conditional to a 550g CO₂/kWh carbon criterion is transparent and in line with the European Investment Bank's investment rules². It is also technology neutral: plants with higher CO₂ emissions will still be able to operate in the market.

The carbon criterion would complement the ETS. The ongoing ETS reform is critical to deliver a meaningful carbon price signal to drive the switch towards lower carbon power generation. Europe's emissions trading scheme puts a price on carbon, while the criterion prevents capacity mechanisms from rewarding the highest emitting plants.

We hope that these considerations will make a positive contribution to the ongoing debate on the Clean Energy Package and we would be pleased to provide you with any additional information you may require.

¹ Art. 23.4, Proposal for a Regulation of the European Parliament and of The Council on The Internal Market for Electricity (page 58).

² http://www.eib.org/attachments/thematic/eib_group_sustainability_overview_2013_en.pdf;
<http://www.eib.org/attachments/press/20161112-eib-finance-climate-action-opening-speech-cop-22-fr.pdf>

Best regards,

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EU Policy Director
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To:

Ms Marie-Christine Marghem, Minister for Energy, the Environment and Sustainable Development, Belgium

Ms Temenuzhka Petkova, Minister for Energy, Bulgaria

Ms Lenka Kovačovská, Deputy Minister of Industry and Trade, Czech Republic

Mr Lars Christian Lilleholt, Minister for Energy, Utilities and Climate, Denmark

Ms Brigitte Zyprie, Federal Minister for Economic Affairs and Energy, Germany

Mr Rainer Baake, State Secretary, Federal Ministry of Economic Affairs and Energy, Germany

Ms Kadri Simson, Minister of Economic Affairs and Infrastructure, Estonia

Mr Sean Kyne, Minister of State department of Communications, Climate Action and Environment, Ireland

Mr Georgios Stathakis, Minister of Environment and Energy, Greece

Mr Álvaro Nadal Belda, Minister for Energy, Tourism and the Digital Agenda, Spain

Mr Brune Poirson, Minister of State, attached to the Ministre d'État, Minister for the Ecological and Inclusive Transition, France

Mr Mario Šiljeg, State Secretary, Ministry of Environment and Energy, Croatia:

Mr Carlo Calenda, Minister for Economic Development, Italy

Mr Stelios Himonas, Permanent Secretary, Ministry of Energy, Commerce, Industry and Tourism, Cyprus

Mr Arvils Ašeradens, Minister for the Economy, Latvia

Mr Žygmantas Vaičiūnas, Minister for Energy, Lithuania

Mr Étienne Schneider, Deputy Prime Minister and Economy Minister, Luxembourg

Mr András Aradszki, Minister of State for Energy, Ministry of National Development, Hungary

Mr Joe Mizzi, Minister for Energy and Water Management, Malta

Mr Henk Kamp, Minister for Economic Affairs, Netherlands

Mr Harald Mahrer, Federal Minister of Science, Research and Economy Austria

Mr Michał Kurtyka, Undersecretary of State, Ministry of Energy, Poland

Mr Jorge Seguro, Sanches State Secretary for Energy, Portugal

Mr Iulian–Robert Tudorache, State Secretary, Ministry of Energy, Romania

Mr Peter Gašperšič, Minister for Infrastructure, Slovenia

Mr Vojtech Ferencz, State Secretary, Ministry of Economy, Slovakia

Mr Kimmo Tiilikainen, Minister for Agriculture and the Environment, Finland

Mr Ibrahim Baylan, Minister for Policy Coordination and Energy, Sweden

Mr Richard Harrington, Parliamentary Under Secretary of State at the Department for Business, Energy and Industrial Strategy, United Kingdom

CC:

Mr Maroš Šefčovič, Vice-President of the European Commission, Energy Union

Mr Miguel Arias Cañete, Commissioner, Climate Action & Energy

Mr Jerzy Buzek, Chair of the Committee on Industry, Research and Energy