

# **THESEUS Declaration On European Energy Policy And Climate Change**

## **THESEUS Summer School 2007**

**Brussels, 06/07/2007**

### **1. INTRODUCTION<sup>1</sup>:**

We the THESEUS Summer School recognize the global challenges of climate change and energy security require action and awareness across all levels of society.

The European Union (EU) can contribute vitally to achieving the overarching goal of preventing dangerous climate change and limiting global warming to 2° Celsius by playing a proactive leadership role both in internal and external affairs.

It is vital to integrate climate and energy policies and we acknowledge the merits of existing agreements such as the European Council Action Plan 2007 – 2009 on Energy Policy for Europe (EPE). Comprehensive and cohesive solutions, however, also require the consideration of the broader aspects of sustainable development.

### **2. GOALS**

We endorse the EPE goals:

- a. At least 20 % GHG emissions reduction by 2020 independent of other international agreement,
- b. At least 60 % GHG emissions reduction on global level by 2050,
- c. 20 % savings on EU energy consumption by 2020,
- d. 20 % of renewable energy in overall EU energy consumption by 2020,
- e. 10 % biofuels in overall EU fuel consumption by 2020 through the support of second generation of biofuels production,
- f. International agreement on energy efficiency and GHG emissions reduction by 2012,
- g. Diversification of energy sources, suppliers and energy transport routes.

With this declaration we reaffirm the specific targets of the EPE, and suggest ideas and measures at the European and international level to reach these goals.

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<sup>1</sup> *Paragraphs in italics: no consensus reached*

## 1. INSTRUMENTS AND MECHANISMS

### a. EU internal market reform:

Aware that “market failure” plays a prevalent role in energy markets and the fight against climate change, and to avoid possible misuse of dominant market positions, we propose:

- A carbon tax equal to negative external cost of carbon implemented at point of entry - revenue used for social and environmental objectives
- the introduction of tax reductions on energy efficient and low carbon production of energy, such as Combined Heat and Power (CHP)
- the provision of incentives for energy production from renewable sources such as fixed feed-in tariffs
- the introduction of European-wide regulations on the phase-out of energy-inefficient technologies, such as incandescent light bulbs, as well as subsidies for carbon intensive technologies
- we support the Commissions proposal on full unbundling of electricity and gas market.

### b. International dimension of climate change and energy policies

#### a. Security of supply

Noting the importance of security of energy supply and in order to encourage a spirit of solidarity between member states in interactions with energy partners, we propose the following measures:

- Introduction of an EU legislative proposal on gas storage;
- The inclusion of oil in Trans-European Networks guidelines,
- Strengthening the existing energy dialogue between the EU and Russia by concluding a Post-PCA (as agreed by the Spring European Council),
- Strengthening the energy dialogue with African, Asian, and Latin American states and other energy partners.

#### b. International agreements/negotiations

Bearing in mind that solutions to Climate Change will only be found in close cooperation with other developed and developing countries, we propose:

- that a post-2012 Agreement on Climate Change be found within the framework of the UNFCCC
- the linking up of the European ETS with other emissions trading schemes with the final objective of establishing a global emission trading scheme,
- the strengthening of the dialogue with regional organizations such as ASEAN and MERCOSUR with a view to encouraging the development of their own climate change goals and to encourage the transfer of ideas and best practice
- further cooperation with developing countries on emissions mitigation through the reform and expansion of CDM (clean development mechanism),
- better coordination of EU Member States within the existing international bodies with competencies on Energy and Climate Change issues,
- the inclusion of BRIC countries into the IEA,
- stronger consideration of renewable energy and low carbon technology start ups in the investment portfolios of the IMF, the World Bank, the EIB and the EBRD

- diplomatic support for EU businesses to facilitate transmission of clean technologies to the developing markets,

c. Innovation and Technology

Understanding that the challenge of climate change will only be met if existing technologies can be brought to market, both in the EU and externally, and the important role that new technological solutions might play, we propose:

- that the EU encourages joint research programmes in industrial technologies and innovation on global level,
- increased resources for R&D on new technologies that lower GHG emissions and prepare adaptation measures in the next Framework Programme,
- continued incremental increases of minimum standards for fuel efficiency, building standards, waste management etc.,
- the creation of a new Technology Prize Fund, supported by all developed countries, with prizes awarded according to mitigation potential of new technologies developed (eg: photovoltaic panel with kw/euro specification)– IPR would be made available to all.

d. Environmental dimension

Aware of the implications of increasing exploitation of non-renewable energy sources for the environment and the pressure that unsustainable development is having on the Earth's system, and aware of spill overs in other spheres of sustainable development such as food security and human development, we propose:

- the reversal of deforestation by 2020 on a global level and for the EU to support compensation mechanisms for affected countries within the UNFCCC framework,
- we call for member states to subject all urban land, transport planning and infrastructural projects to the strictest sustainability impact assessments,
- that European governments make their activities carbon-neutral by 2012 reflecting their aspired leadership on climate change issues.

e. Social dimension

Mindful of the negative social implications of certain environmental policies and aware of the importance of civil society actors and individuals in affecting change, we propose:

- the development of public service/programmes to address the needs of disadvantaged groups and to address the issue of energy poverty,
- the integration of climate adaptation into EU cohesion fund allocation strategy,
- adaptation and expansion of EU development aid strategy to include sustainable development and adaptation, including compensation mechanisms,
- information campaign to encourage consumers to adopt more environmentally friendly behavior,
- integration of climate change and energy in school curriculums.

## 2. IMPLEMENTATION AND INSTITUTIONAL REVIEW

Conscious of the necessity to improve the EU's institutional framework in order to implement the above measures and policies, we propose:

- to encourage MS to engage in enhanced cooperation in the field of energy under Title VII of the EU Treaty;
- to empower the EU High Representative for Foreign Policy to present EU's energy policy in all third parties dialogues. He will be supported by an Inter Service Group of the EC.
- an extension of competences of the EU regulators for electricity and gas;
- a sanction mechanism in the new legislation that is more effective than the existing infringement procedure to ensure compliance with the set goals,
- the creation of a Climate Change Agency (CCA) which aims to promote mitigation solutions and to help member states to adapt to the consequences of climate change,
- *the development of a European competency on the foreign dimension of energy policy, leading in the long run to the establishment of an European Energy Agency, that is responsible for the engagement of the external energy relations of the Union.*
- *the EC to have the mandate to negotiate all agreements on energy cooperation with third parties.*