FEDARENE welcomes the mid-term approach of the document that leads the way to outlining policies towards 2030, several years before the end of the 2020 strategy, as well as welcomes the launch of a consultation process.

Before introducing our reservations in this position paper, FEDARENE would like to show appreciation for the general content of the Green Paper. In particular, FEDARENE considers extremely positive the acknowledgment of the Member States’ different capacities in finding solutions for the coming years. Moreover, FEDARENE agrees with the setting of ambitious targets for the renewable energy sector, and with the attention given to research and development.

That being said, this position paper will underline certain aspects of the Green Paper which, in our opinion, need to be reconsidered or deserve to be better highlighted when setting the strategy towards 2030.

1. Regional and local levels are not taken into account in the document; policies to encourage sustainable energy planning at the local level are needed.
   The first issue relates to the lack of attention given to the local context and more precisely to the role of European regions which, due to their proximity to citizens, their knowledge of energy needs and local energy sources, are best placed to tackle the issue of energy management.
   The role regions can play in implementing the policies towards 2030, if increased, will be of notable relevance in fields where the local context has to be taken into account, as for example: the allocation and management of funds, or multilevel governance projects aimed at creating interconnections between local and regional energy sources. Moreover, regions can be instrumental in the modernization of energy infrastructure. Indeed, there is in this field the need for effective regional cooperation to identify regional infrastructure priorities and implement projects of common interest, as with the development of smart grids whose necessity was strongly underlined in the Green Paper.
   The importance of local authorities, who so far, with the precious support of their energy agencies, have played a key role in the implementation of sustainability development policies, should be recognised by being assignment a leading role in the transition of energy systems towards sustainable smart energy. This role should be assigned moreover in light of the successful involvement of local authorities as Territorial Coordinators in the framework of the Covenant of Mayors initiative. We seize the occasion to also point out that more importance has to be given to sustainable energy planning at the local level and to the need for each Municipality to determine and to implement an action plan.

2. Binding targets regarding energy efficiency need to be introduced.
   The second issue we would like to stress is the lack of ambition in the energy efficiency field.
   A lesson we have learnt from the 2020 framework is the benefit of fixing binding targets. The setting of legally binding national targets in the renewable energy Directive (2009/28/EC) has constituted an important milestone for the development of a more sustainable Europe.
The setting of these targets, together with national support schemes\(^1\), has had a high impact and helped attract investments by providing stability and reducing market risks. On the contrary, even though the implementation of the Eco-design and Energy Labelling directives brought positive results, voluntary commitments in the energy efficiency sector will not be sufficient to create the conditions for policymakers, consumers and investors to take all the necessary measures to reach the 2020 targets. Therefore, considering the potential of the energy efficiency sector, we call for binding energy efficiency targets for 2030. Visible targets notably have the advantage of drawing the attention of citizens on the need for action and they would encourage policymakers to take measures. In addition, binding targets would provide the needed security to investors, if combined with well-designed support schemes and infrastructure.

The energy efficiency sector has to be encouraged also because its development will bring positive results in terms of job creation. As a matter of fact, improving the energy performance of the existing housing stock is a great opportunity to create jobs and stimulate investments\(^2\).

Moreover, in relation to energy efficiency but also renewables, we would like to emphasise that behaviour changes have not been taken into account in the Green Paper, even though they play a crucial role that cannot be set aside when outlining policies for the coming years.

### 3. No mention of instruments to support small scale investments.

In the Green Paper, the analysis of the current energy market failed to take into account small scale investments in renewable power plants and as well as the related financing solutions for 2030. More precisely, we would like to stress that the growing role of cooperatives, regional sustainable energy funds or as well as public partnerships (PPPs), ... should be highlighted. Indeed, these financing mechanisms could be a solution for investing in sustainable energy without having to rely exclusively on subsidies. Therefore we expected the Green Paper to give more importance to the financing issue, encouraging further support to new financing instruments for the coming years.

Finally, and to conclude, we believe that too much weight was given to the ETS mechanism which so far has not played the expected leading role in reaching the 2020 targets. The ETS mechanism seems weak and not suited in a period of financial crisis. For this reason, we believe that future strategies should focus on the setting of binding targets for energy efficiency and renewable energy sectors with high growth potential, which were not even mentioned in the Paper\(^3\).

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\(^1\) Regarding the current support schemes we take the occasion to point out that in the Green Paper attention has been given to the need to redesign the current subsidy schemes for preventing that the weight of future incentive mechanisms will lie on public expenditure or on citizens. However, we wonder why it was not mentioned the possibility of removing the existing environmentally harmful subsidies. In our opinion it is essential to radically cut all kind of support schemes for the so called traditional energy sources, for avoiding the waste of valuable economic resources.

\(^2\) As stated in the Consultation Paper "Financial support for energy efficiency in buildings" of the European Commission, investments in this sector could create 850.000 jobs per year in the EU.

\(^3\) In particular, we are here referring to energy sectors as the Ocean energy where there is the need to financially support the development of new technologies for avoiding to be obliged to export ideas out of Europe. Moreover, more importance had to be given to the forests and in particular to the role of the forest biomass. If managed in a sustainable way, forests can play an important role in implementing the energy policies in the coming years.