



## **European DHC Community Decarbonisation Pledge**

We are living in a time when the inadequacy of empty gestures towards dealing with climate change grows more apparent every day. We are living in a time when actions taken ‘tomorrow’ simply won’t come soon enough. As an industry that helps 120 million customers across the EU meet their most fundamental energy needs, the European district heating and cooling (DHC) industry has a clear responsibility to move with speed and purpose to ensure that our responsibilities towards our customers, our communities and our planet are met. This is precisely what we intend to do.

If there is one certainty about the future of humanity, it is that it will be primarily urban. As cities become home to an ever-increasing share of the population in Europe and around the world, they are destined to be the frontline in the fight for a more sustainable future. They will account for more and more of our production and consumption of resources, including energy. In short, our success or failure in meeting the challenge posed by climate change will depend on what we do in our cities, on our ability to exploit their inherent density to promote efficiency, sharing and rapid progress on a scale large enough to make a difference.

Zooming in, it becomes clear that of the various forms of energy need, there is none more significant than heating and cooling. Today it accounts for roughly half of the energy consumed in the European Union, and - despite significant and essential measures aimed at reducing demand – it is still expected to account for the largest share of demand in 2050. Indeed, demand for cooling is expected to grow rapidly as the climate continues to warm. The challenge of delivering sustainable heating and cooling solutions to cities is therefore far more than just another detail in the wider climate and energy debate. It is a fundamental necessity if Europe’s sustainable energy ambitions are to be realised.

Fortunately, cities all over the European Union are responding to this challenge with a strong sense of urgency and great clarity of purpose. In parallel to the emergence of heating and cooling as a priority policy area at EU and national level in recent years, local authorities are taking an increasingly active role in ensuring that their citizens can have access to sustainable, affordable and reliable thermal comfort now and in the future. As we have learned through the preparation of this initiative, this process has led a large and ever-increasing number of them to identify DHC networks as a key tool at their disposal.

It has also led our industry to begin to see the world through the eyes of the communities our networks are intended to serve. To this end, we have embarked on a listening tour of cities across Europe aimed at answering the basic question of what they need from us in order to achieve their sustainable heating and cooling ambitions. The lessons we have learned are clear, inspiring and challenging in equal measure:

1. With heating and cooling in the majority of European cities still dominated by fossil fuels and obsolete, inefficient technologies, rapid and significant change is a must;
2. For various reasons including lack of capacity/knowledge or national/European legal frameworks that either conflict with or do not facilitate their preferred local solutions, many cities are struggling to make progress;

3. At their best, DHC networks have an unmatched, proven and significantly underdeveloped potential to help these cities realise their ambitions in the field of sustainable heating and cooling right now and to make the wider energy transition easier, faster and more cost-effective;
4. At their worst, they are part of the problem and our industry owes it to our customers and our communities to do better;
5. Cities have a growing appetite and need to cooperate with the district heating and cooling sector but the fundamental driver behind this partnership must be the pursuit of their growth and progress, not ours.

With all of this in mind, and in light of the clear and urgent need for a radical transformation of the energy system in the coming decades, the European DHC industry, represented here by the Euroheat & Power Board of Directors, hereby offers the following commitments:

1. We will relentlessly pursue the full decarbonisation of DHC networks in Europe before 2050 so that we can make our contribution to the pursuit of the goals set out in the Paris Agreement.
2. We will continue to innovate and invest so that our networks continue to grow smarter, more efficient and better integrated with the wider energy system to help facilitate the overall transition to a decarbonised, more resource efficient and more circular economy.
3. We will strive to evolve together with the needs of our customers the best possible user experience and be guided by the fundamental principles of fairness, social responsibility and transparency.
4. We will maintain a permanent dialogue with policy-makers at local, national and European level to ensure that the evolution of our networks remains consistent with the needs and ambitions of the people and communities they are intended to serve.
5. We will grow! In many EU countries, DHC has tremendous room to increase our contribution to the climate and energy challenges we all face. We can and will do more.

As a network-based industry, we have long understood the power of connection and the mutual responsibility that comes with it. Working together with policy-makers and the communities and customers we serve, we will decarbonise, transform and develop our networks on a scale commensurate with the common challenges we face. In short, we will act. Please join us. After all, we are all connected!

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