

## CONTRIBUTION TO THE CONSULTATION

### *Roadmap on the EU Climate Law*

Heating and cooling account for half of the energy consumed in the European Union. Despite significant and essential measures aimed at reducing demand – it is still expected to represent most of the demand in 2050. Delivering sustainable heating and cooling solutions to ever-growing cities is fundamental to achieve Europe's climate neutrality ambitions.

There is a clear and urgent need for a radical transformation of the energy system in the coming decades. Euroheat & Power, representing the District Heating and Cooling sector (DHC) in Europe and beyond, has committed to pursue the full decarbonisation of DHC networks in Europe before 2050 to contribute to the goals set out in the Paris Agreement.<sup>1</sup>

**Therefore, Euroheat and Power welcome the European Commission's initiative on a Climate Law to enshrine climate-neutrality in legislation and the guiding principles outlined in the roadmap.**

A decarbonised energy system with a large share of renewables will entail a lot more flexibility to ensure the stability of the grids and security of supply. Green and economically viable energy systems should be developed by exploiting the synergies between technologies, energy carriers, infrastructures and sectors. DHC can provide the necessary flexibility and enable smart sector integration with an approach combining power-to-heat (electric boilers, large heat pumps etc.), CHP plants, heat storage, use of waste heat from industrial and tertiary sources.

To achieve the objectives of 'The European Green Deal', Euroheat & Power asks to consider the following points as guidance for the EU climate and energy policies:

**The heating and cooling sector has a pivotal role to play in turning the new Commission's ambition to make Europe the world's first climate neutral continent.**

1. **Heating and cooling needs to figure more prominently in the EU agenda.** It is both a priority sector to decarbonise and a means to increase flexibility in a future energy system where fluctuating renewables play an ever-greater role. District heating and cooling should be recognised as a crucial element to achieve a cost-efficient energy transition.
2. **CO<sub>2</sub> should have a price to provide a level playing field across the heating sector.** Fossil fuels used in individual heating systems have an unjustified advantage as they are not covered by the EU ETS – this is detrimental to the development of collective, efficient and decarbonised solutions such as DHC. EHP calls for a CO<sub>2</sub> price across the heating sector to ensure a level playing field and drive the decarbonisation of the heating and cooling sector.
3. **Sector integration needs to be mainstreamed into policy, infrastructure planning and financing.** District heating networks are already enabling sector integration, creating linkages between parts of the system. Therefore, DHC, including thermal storage as part of the infrastructure, should be considered in the TEN-E regulation to be eligible for Connecting Europe Facility (CEF) funding.
4. **Enabling a structured dialogue between local actors such as cities and EU level decision-makers is an absolute necessity.** Heat infrastructure deployment is mainly a local decision; therefore, it is essential for the EU to foster an integrated governance that ensures alignment and coherence between European, national and local policies.

<sup>1</sup> See: <https://www.euroheat.org/wp-content/uploads/2019/09/Our-DHC-Decarbonisation-Pledge.pdf>