




Ursula von der Leyen
President
European Commission
Rue de la Loi / Wetstraat 200
1049 Brussels

Brussels, 4th of March 2021

Re: Delegated act on the screening criteria for the EU taxonomy

Dear President, dear Ms von der Leyen,

- We take the liberty to contact you as we are deeply concerned by the ongoing preparation of the delegated act (DA) on the screening criteria for the EU taxonomy. We expressed our concerns already in a letter sent to Commissioner Mairead McGuinness. However, the only result was a rather disappointing remote meeting with her  on the 26th of February.

- Our main worry is that the Commission services currently use their power via a DA to take concrete and far-reaching decisions impacting multiple and important economic sectors. Without any transparent or democratic procedure, your services prepare an investment framework that anticipates legislative proposals planned as part of the "FitFor55 package", like the amendment to the Renewable Energy Directive and of the Energy Efficiency Directive as well as the revision of the energy performance of Buildings Directive. More importantly, in their current shape, the criteria would be an obstacle to our economy's sustainable transformation instead of the promised driver.

The rules for the transition in the energy sector are a good example. According to the current draft DA, gas-fired power plants must not emit more than 100 grams of CO₂ per kilowatt-hour to qualify as a "sustainable" investment. The most modern combined heat and power plant (CHP) in Europe that started operation in Berlin in 2020 reaches a carbon footprint of about 220 grams of CO₂ per kilowatt-hour. The reality is that Europe depends on a secure and affordable energy supply. Gas-fired power plants need to contribute to a secure power supply, at least for a transitional period. They will replace parts of the coal power plants that are shut down and will contribute to network stability in a more and more renewable-based energy system. The transition to climate neutrality needs to be organised realistically and responsibly. The emission limit values should be designed, at least for a transitional period, so that investments in highly efficient gas power plants and their operation can be classified as sustainable.

Moreover, large parts of Europe's industry and parts of the energy sector plan to switch from coal-fired CHP systems to gas. National funding rules even support this change as a needed contribution to reducing CO₂ emissions gradually. The current taxonomy draft rules could render these investments much more difficult. There is no need to exclude highly efficient CHP plants that are operated with natural gas from the definition of "sustainable" - again, in a transitional period. The planned limits should, therefore, be increased to a more realistic level.

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Statements by high representatives of your institution had convinced us that gas would be labelled as a “transition” solution on the way to reaching net-zero emissions by 2050. But if the taxonomy – based on the draft criteria – de facto penalises financing for gas, a simple reference to it will make any political debate on the organisation of the transition period towards 2050 futile. For example, the review of the guidelines for the Projects of Common Interests (PCIs) will be aligned to the taxonomy threshold, which would create a significant obstacle to any investment in gas infrastructure in the EU. However, it is a simple fact that gas infrastructure will play a crucial role in the run-up of a hydrogen market.

As for the power plants, the same incoherence applies to hydrogen, one of the key elements for the decarbonisation of industry, transport and even buildings. The DA proposes a threshold which is roughly half of the proposal by the technical expert group’s report (TEG report). Given the urgent need for significant public and private funding for hydrogen solutions, the DA sets a shockingly wrong signal, making low-carbon hydrogen production unattractive for investors and financial institutions. Instead of encouraging private and public funding for this future-oriented solution, it cuts it out. It, therefore, hampers the necessary infrastructure development, which must be built up now to be filled in the future, by mainly renewable-based hydrogen. The same applies most likely to other key legislations in the announced June package.

In the area of transport, too, the planned taxonomy criteria anticipate law-making as the planned emission limit values contradict the principles of technology-neutral regulation, as they generally classify the manufacture and use of combustion engines as unsustainable from the middle of the decade, even if those engines use gas-neutral fuels such as hydrogen, e-fuels or modern biofuels. As part of the revision of the CO₂ emission performance standards for cars and vans expected in June, the European Commission is required to examine whether it is possible to switch from the tank-to-wheel approach to a well-to-wheel approach. However, the current taxonomy criteria would have the opposite effect and cement the EU’s one-sided focus on battery-electric vehicles. We would also recall that such a push for a quick phase-out ofcombusting engines would significantly accelerate the structural changes in the automotive sector with all their negative economic and social consequences.

The gap between political announcement and regulation planned behind doors strikes us heavily and make the announcement of the “FitFor55 package” ring hollow. As mentioned before, a simple reference to the taxonomy will make discussions, debates, and negotiations on key legislative proposals needless.

Let us finally also underline that delegated acts serve to operationalise legislation and must comply with the principles enshrined in the respective laws. They should not be used to take fundamental and far-reaching political decisions. However, this is what your services currently seem to aim at. Against this background, we urge you to adapt the scope of the planned DA to its real mission and thus create a much-needed framework for a successful transition towards climate neutrality in 2050. As President, your role in this discussion could be a beneficial corrective that is highly needed against the ideological agenda of some Directorate-Generals.

In this context, [REDACTED] on the 26th of February on plans of "improvements" in some areas that would be discussed at the political level "soon". We would be grateful for more concrete details on these changes before the delegated act is adopted in April. We sincerely hope that substantial improvements are currently under preparation as anything less would not be sufficient from our point of view.

We remain at your disposal for discussing this highly sensitive matter.

Sincerely yours,



Markus Pieper



Daniel Caspary



Angelika Niebler



Christian Ehler

CC: Valdis Dombrovskis, Executive Vice-President