From: VANDENBERGHE Kurt (CAB-VON DER LEYEN)

Sent: mercredi 12 mai 2021 19:09

To: (CAB-VON DER LEVEN). (CAB-VON DER

(CAB-VON DER LEYEN); (CAB-VON DER LEYEN); (CAB-VON DER LEYEN); (CAB-VON DER LEYEN);

IDEA)

Cc: (CAB-VON DER LEYEN)

Subject: Notes from meeting with BusinessEurope - 12 May 2021

I had a VTC exchange, at his request, with BusinessEurope, to hear BusinessEurope's expectations and positions on the Fit for 55 package.

As usual, BusinessEurope will circulate a letter next week in view of the EUCO of 25 May, including on climate.

Main points:

- BE happy that the climate law is now agreed. The debate can now shift to 'how' to achieve the targets. BE is organising a campaign of climate dialogues with business in member states.
- BE is interested to pick up the call under the EU climate law for devising sectoral pathways to CO2 reduction and climate neutrality.
- ETS revision is key. Good calibration needs to be found between ambition, innovation and protection. Keeping a sufficient level of free allowances will be indispensable. The more free allowances are reduced, the more flexibility should be kept in the system to provide free allowances in order to respond to adverse developments in the future (a kind of 'globalisation fund' based on free allowances).
- Need to watch the public and social acceptability of climate policy.
- ETS extension to road and buildings: BE will not advocate it but is open as long as it is a separate, parallel system.
- CBAM: EC plans go in the right direction.
- RED: important to have a broad scope. A number of elements are very important for business, notably corporate power purchase agreements.
- EED: avoid absolute limits on energy consumption.
- Articulation between Energy Taxation Directive and ETS will need to be well done: no double taxation.
- Looking forward to the revision of energy and environment state aid guidelines: a crucial part of the climate policy toolbox.
- Taxonomy s member of the Sustainable Finance Platform): the delegated act on climate is very ambitious, but does not create major concerns for BE. 'Good luck with the complementary DA'.
- Taxonomy: strong concerns about the reporting requirements in the proposed delegated act: too granular and going beyond level 1 and article 8 requirements.

I accepted to meet with BE's industrial affairs committee on 26 May.

kurt