



From: [REDACTED] COGEN Europe
[REDACTED]
Sent: mercredi 28 octobre 2020 08:27
To: DOMBROVSKIS Valdis (CAB-DOMBROVSKIS)
Cc: [REDACTED] COGEN Europe; CAB DOMBROVSKIS CONTACT;
[REDACTED] (CAB-DOMBROVSKIS); [REDACTED] (CAB-DOMBROVSKIS)
Subject: Cross-sectoral Concerns over the Upcoming Draft Taxonomy Delegated Act
Attachments: Cross-sectoral letter on Taxonomy 28.10.2020_Executive VP.pdf
Importance: High

Dear Executive Vice-President,

On behalf of the listed 18 European organisations, please find below (and attached) cross-sectoral concerns relating to the upcoming draft proposal for a **Taxonomy Delegated Act being prepared** by the European Commission to implement Regulation (EU) 2020/852.

We believe that not properly addressing these concerns in the upcoming proposal risks jeopardizing the clarity, objectivity and predictability needed to accelerate investments in sustainable solutions, guarantee affordable financing, safeguard energy supply security at acceptable cost, but also boost innovation and competitiveness in Europe.

The attached letter has been sent to Executive Vice-Presidents for the European Green Deal, for An Economy that Works for People, Commissioners for Energy, Environment, Agriculture, Transport, Financial Stability, Internal Market and Directors-General for AGRI, ENER, CLIMA, ENV, FISMA and GROW.

The logo for Bioenergy Europe, featuring a stylized flame icon above the text "Bioenergy" and "EUROPE" below it.The logo for CEDEC, consisting of a blue square with a white stylized swirl or 'C' shape inside, and the letters "CEDEC" below it.The logo for Cepi, featuring the word "Cepi" in a large, bold font, with "RENEWABLE RECYCLED RESPONSIBLE EUROPEAN PAPER" in smaller text to the right.The logo for COGEN EUROPE, featuring a stylized globe with a flame and stars, and the text "COGEN EUROPE" below it.The logo for EBB (European Biodiesel Board), featuring a stylized leaf and drop icon above the text "EBB" and "EUROPEAN BIODIESEL BOARD" below it.The logo for energy technologies europe, featuring a stylized lightning bolt and leaf icon above the text "energy technologies europe".The logo for ePURE, featuring a stylized leaf and drop icon above the text "ePURE" and "european renewable ethanol" below it.The logo for ESWE, featuring the text "ESWE" in a large, bold font, with "EUROPEAN SUPPLY OF WASTE-TO-ENERGY" in smaller text below it.The logo for eurogas, featuring a stylized leaf and drop icon above the text "eurogas".The logo for EUTurbines, featuring the text "EUTurbines" in a bold font, with a stylized red and white turbine icon to the right.The logo for EUROMOT, featuring the text "EUROMOT" in a bold font, with "The European Association of Internal Combustion Engine Manufacturers" below it.The logo for ewa, featuring a stylized globe with a flame and stars, and the text "ewa" and "European Waste-to-Advanced Biofuels" below it.The logo for gie, featuring the text "gie" in a stylized font, with a circle of stars around it.The logo for FuelsEurope, featuring a stylized flame and drop icon above the text "FuelsEurope" and "REFINING PRODUCTS FOR OUR EVERYDAY LIFE" below it.The logo for NG, featuring a stylized blue and green circular icon above the text "NG".

We, the signatories of this letter, represent sectors of major importance for European economic development and wealth. We provide highly skilled jobs to Europeans and invest in innovative solutions, renewable and efficient technologies that make the transition to a competitive, low carbon and circular economy in Europe possible. Doing so, we help fight climate change and lead the way towards a more sustainable world.

As the European Commission is currently finalising the drafting of its Taxonomy Delegated Act^[1], we would like to express our concerns over the following key principles that, if not reflected properly in the upcoming proposal, risk jeopardizing the clarity, objectivity and predictability needed to accelerate investments in sustainable solutions, guarantee affordable financing, safeguard energy supply security at acceptable cost, but also boost innovation and competitiveness in Europe:

- **The future Taxonomy should be technology neutral and lead to investment in innovation, infrastructure and solutions that help achieve the EU goals cost-effectively.** All activities should be subject to a Life Cycle Emissions analysis. Some sectors should not face stricter requirements than the 2030 EU energy and climate goals given their sustainability benefits (e.g. cogeneration or

^[1] To implement Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

bioenergy), when other activities need to apply today's EU legislation (e.g. space heating and domestic hot water systems). A holistic approach looking at all solutions that contribute to meeting the EU energy, environmental, climate and circular economy goals is required to ensure a neutral approach and a level-playing field.

- **The future Taxonomy should help implement adopted EU legislation**, including the EU energy, climate and circular economy legislation as well as other sectoral legislations. Businesses, governments and financial market participants should not be faced with different targets, standards or thresholds that could disrupt markets, distort competition and result in excessive costs linked to burdensome implementation. Coherence should also be ensured with the existing investment classifications, for example the European Investment Bank's Energy Lending Policy.
- **The future Taxonomy's criteria and thresholds should be impact assessed prior to their application**, to avoid unintended consequences for the sectors in which they will apply. We have noted the lack of industry's representation throughout the TEG's work and now in the Sustainable Finance Platform, which reinforces worries of shortcomings regarding the drafting of the upcoming delegated act(s). The TEG's proposal for technical screening criteria presented important inconsistencies as well as technical and methodological flaws that, if not tackled in the draft Delegated Act, would prevent investors from making fully informed decisions on their investments. The future Taxonomy should above all be internally consistent and conducive to a level playing field that allow businesses and investors to invest in sustainable solutions that meet their varying needs. Metrics and thresholds are essential elements in EU legislation and should thus be properly developed, impact assessed prior to application and receive scrutiny by the co-legislators and stakeholders, in line with the Commission's Better Regulation agenda.
- **The future Taxonomy should adopt a transitional, evidence-based and pragmatic approach**, which reflects today's technological development, available renewable and highly efficient low-carbon solutions significantly contributing to the transition, as well as current energy mixes and existing infrastructure. EU countries will have different starting points entailing varying investment capabilities and needs. Europe's transition to a cleaner society will not take one single form nor will it happen all in one day. Above all, no one should be left behind. Investments considered 'sustainable' today should also not become 'unsustainable' overnight because they are not listed or do not fit the Taxonomy definition. This is key to ensure regulatory certainty and economic stability. Separate screening criteria for transitional activities in all relevant sectors should be outlined reflecting progressive and achievable pathways.
- **The future Taxonomy should better tackle environmental sustainability but also the social and economic pillars of sustainability**. Beyond carbon emissions reduction, better addressing energy efficiency in line with article 10(1) of Regulation (EU) 2020/852, but also circular economy and resource efficiency, is needed for their significant environmental and health benefits (e.g. associated emission reduction, lower ecological and resource depletion, better air quality). Considering economic benefits (e.g. independent, secure and reliable supply of raw materials and energy, reduced dependence on imports, improved competitiveness) is also required. Not doing so risks compromising the very notion of (all-around) sustainability, which is essential to make fully informed and successful investment decisions for the future. On the contrary, integrating those dimensions into the Taxonomy would render it more comprehensive and better aligned with other major EU policy priorities, including fostering re-industrialisation and employment in Europe, and help make the move to a sustainable society an economic success for Europe.

We urge you to take the above principles into consideration and remain at your disposal should you require more information.

Best regards,



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Website: www.cogeneurope.eu



Coordinator of the
EU- funded
PACE project



Creating a resilient,
decentralised and
carbon neutral Europe
with cogeneration



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EU Transparency Register Identification Number: 38305846546-70

To the attention of:

**Executive Vice-Presidents Frans Timmermans and Valdis Dombrovskis,
Commissioners Thierry Breton, McGuinness, Kadri Simson, Virginijus Sinkevičius, Janusz
Wojciechowski**

Brussels 28.10.2020

Subject: Cross-sectoral concerns over the upcoming draft Taxonomy Delegated Act

Dear Executive Vice-President,

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Copy: [redacted] Executive Vice-Presidents and Commissioners as well as [redacted]
[redacted] for Agriculture and Rural Development, Climate Action, Environment, Energy,
Internal Market, Industry, Entrepreneurship and SMEs, Financial Stability, Financial Services and Capital Markets
Union