



Brussels, 31 July 2020

To the attention of:

President of the European Commission Ursula von der Leyen

Executive Vice-President Frans Timmermans

Commissioner Kadri Simson

Commissioner Thierry Breton

Commissioner Virginijus Sinkevičius

RE: NGOs and solar heat industry call on the European Commission to address the unfair competition renewable heat solutions face from fossil fuels-based technologies

In this decade, the EU and its Member States are urgently required to take courageous and decisive measures to implement the mid- and long-term European climate objectives that will be key to mitigate climate change and allow for greater resilience of our economy.

We share the European Commission's vision that the climate neutrality target is both a needed environmental objective and a strong driver for innovation, employment and global competitiveness for European industry. We consider that given the relevance of thermal energy consumption, carbon neutrality cannot be reached if emissions in domestic, commercial and industrial heating and cooling are not successfully tackled. In this sense it is worth stressing that despite a stable growth in both overall sales and market shares, both decentralised and centralised renewable heating and cooling technologies struggle to reach the needed pace of market penetration to keep in line with European and national targets. This is also due to the unfair competition renewable heat solutions face from fossil fuels-based technologies, which in most Member States still enjoy low taxation and preferential access to the market through direct subsidies and the lack of adequate carbon pricing. Member States still incentivise polluting solutions, thus contributing to the false perception that fossil heating technologies can be "green" and sustainable.

It is also worth underlining that heating and cooling installations have a life span of 15 to 25 years and normally they are only replaced either when they break or during major renovations of the buildings in which they are housed. These facts combined leave us with a restricted window of opportunity in which to promote change in the market in order to secure that by 2050 all installed heating and cooling technologies will be running on renewable energies and/or sustainable residual heat sources.

This being the situation, we write to request that the Commission:

- Works for a revision of the energy taxation regime that fully reflects the environmental costs of all fossil energy carriers;
- Promotes a complete ban on state incentives on fossil fuels heating technologies throughout the European Union by 2022;
- Speeds up the revision of energy labelling scheme and ecodesign to stop the undue "green image" that fossil fuels technologies now enjoy from being counted as A class and to

progressively phase them out in order to align the market with the climate neutrality objective;

- Works to speed up the decarbonisation of heat supply from now until 2030 in such a way that fossil-based technologies can only be installed as a back-up to renewables systems.

We strongly believe that these measures will contribute to increased penetration of renewable heating and cooling technologies in the market, thus greatly increasing the chances to reach the European Green Deal objective of carbon neutrality as it will be outlined in a study that ECOS will be publishing in October.

We would be pleased to be given the opportunity to discuss this with you and your team after the summer break.

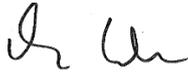
Yours sincerely,

Justin Wilkes



Executive Director, ECOS

Jeremy Wates



Secretary General, European
Environmental Bureau (EEB)

Pedro Dias



Secretary General,
Solar Heat Europe

Paul Voss



Secretary General,
Euro Heat and Power

Coolproducts is a coalition of NGOs promoting energy and resource efficiency through eco-design and energy labelling. The campaign is led by **the European Environmental Bureau (EEB)** and **ECOS**, representing over 200 green groups across Europe.

Solar Heat Europe is the voice of the solar heat industry, actively promoting the use of solar thermal technology for renewable heating and cooling in Europe. With around 50 members in Europe, the organisation represents directly or indirectly over 90% of the industry across the value chain.

Euro Heat and Power is the international network for district energy, connecting industry players, decision-makers and academia in a joint effort to drive forward sustainable heating and cooling.