Press releases 28.01.2009 & 10.06.2009

The Greens/EFA in the European Parliament

Press release 28.01.2009

EU economic recovery plan: Barroso proposes golden handshake for outdated energy sources

Today, the European Commission announced a €5 billion investment package in support of the EU recovery plan. Commenting on the €3.5 billion proposed financing for energy projects, Luxembourg Green MEP and Greens/EFA energy spokesman Claude Turmes said:

"The European Commission's proposed financing of energy projects is inadequate and unbalanced. It is less a shot in the arm for the EU recovery plan than a handout to outdated energy sources and the companies that profit from them.

The €3.5 billion package is split between a bloated €3 billion for coal and gas and a meagre €500 million for wind energy. This represents a golden handshake from Barroso for technologies that should be on their way out, instead of a much-needed commitment to clean energy and energy saving.

Barroso also misses an opportunity to at least make the money go further. Financing for energy infrastructure would be better applied through equity participations at the European Investment Bank. This would turn the financing into a real investment that can be recovered once projects are up and running, instead of granting a state handout with no returns.

A ludicrously high €1.25 billion will go to coal capture and storage (CCS) projects. CCS is a red herring for climate protection that will not deliver serious results in the urgent timeframe we face. Financing should be channelled towards clean energy for the future, not rebranding the dirty energy sources of the past.

The mooted €500 million for "smart cities" is conspicuous by its absence in the Commission proposal. Over 40% of energy is consumed in buildings, yet the Commission saw fit to procrastinate on urgently-needed investment in this sector.

Fortunately Barroso's proposal is the beginning and not the end of the political process. Greens will build a coalition in the co-decision process to transform Barroso's distorted vision into a meaningful investment in a Green New Deal. We know that not all EU governments are happy with Barroso's coal-friendly proposals."

(NOAH's emphasis.)

Press release 10.06.2009

New Entrants Reserve

Coal strikes gold as EU Commission favours funding CCS over renewables

The EU Commission is proposing to allocate the equivalent of billions of Euros to coal power plants. The Commission's proposals on the allocation of emissions permits in the 'New Entrants Reserve'(1) under the post-2012 emissions trading scheme (ETS) would see the lion's share going to coal power plants in order to trial carbon capture and storage (CCS) technologies, at the expense of renewable energy technologies, which are also supposed to be eligible.

Claude Turmes (EP rapporteur for the Renewables Directive) and**Caroline Lucas** (Greens/EFA shadow on the Emissions Trading Scheme) commented:

"The current proposals on the allocation of the 'New Entrants Reserve' would yet again see public funds pumped into coal-fired power plants at the expense of renewable energy. On top of the significant chunk of public funds CCS projects received under the EU recovery package, the technology is set for another big pay day based on the Commission's proposals. Based on the current drafts it would receive at least 75% of the 'New Entrants Reserve' .

"The goal of the EU emissions trading scheme is to reduce emissions. The 'New Entrants Reserve' should therefore focus support to the technologies best able to deliver emissions reductions over the period of the scheme (2013-20). There are new emerging renewable energy technologies which offer much greater potential for emissions reductions, as well as energy independence. Unfortunately, the Commission has once again succumbed to the fossil fuel lobby. The EU will never achieve the necessary reduction in greenhouse gas emissions by 2020 if it continues to support outdated, dirty fossil fuels.

"The Commission's proposals manipulate the selection and award process for the reserve, ensuring CCS would receive at least 75% of the 300 million allocated emissions permits. The Commission also severely restricts the range of renewable energy project types that are eligible for inclusion, so that many of the most urgent and strategically important possibilities would be excluded. The Greens want the Commission to amend this process and ensure the contrary, so that at least 75% of the 'New Entrants Reserve' is allocated to renewable energy projects - noting that these actually avoid CO2 rather than simply hide it away. This distribution should beset as an explicit, up-front commitment."

Speaking on the European energy market, **Claude Turmes** added:

"Giving priority to renewables would also help to address another urgent problem: the fact that the current credit crunch adds to the risk of further concentration of control of the EU electricity market by a an oligarchy of energy companies. Research shows the credit crunch is hitting independent power operators hardest, and these make up the bulk of renewables energy investors over the last years.

Having already favoured the dominant energy companies in the so-called EU recovery plan, the EU Commission must not once again favour the big players over the independent operators, at the expense of having a competetive energy market with fair prices for consumers."

Note to editors:

(1) As part of legislation on the EU's post-2012 emissions trading scheme (ETS), recently adopted by the EU, a 'New Entrants Reserve' of 300 million emissions permits would be set aside for allocation to firms to trial new technologies aiming to seriously reduce CO2 emissions from power production. The technologies in question would not need to surrender emission permits, putting them already at an advantage under the ETS. The provision of the free permits represents an additional subsidy. Estimates place the value of this reserve at 9 billion.