

22 September 2021, Brussels

To: His Excellency Iztok Jarc Ambassador of Slovenia, Permanent Representative to the
EU, Representative to COREPER II
Her Excellency Tamara Weingerl Požar Ambassador of Slovenia, Deputy
Permanent Representative, Representative to COREPER I
Mrs. Karima Delli Chairwoman of the European Parliament Committee on
Transport & Tourism (TRAN)
Mr. Pascal Canfin Chairman of the European Parliament Committee on
Environment, Public health and food safety (ENVI)
Mr. Cristian Silviu Buşoi Chairman of European Parliament Committee on
Industry, Research & Energy (ITRE)

Your Excellences, Dear Madam Chairwoman and Mister Chairmen,

With the Fit for 55 package proposed in July, the next few months are crucial to ensuring the European Green Deal delivers on its ambitious promises and Europe leads by example ahead of COP26. Europe's role in the 21st century economy, its global leadership and the goal of a climate-neutral Europe by 2050 are all on the line.

With so much at stake, the eight undersigned organisations urge you to place climate- and energy-related innovation at the centre of the EU's Fit for 55 legislative proposals.

Climate innovation is necessary to foster the deployment of clean economy solutions that are already on the market, and support the development of both incremental and breakthrough innovations that are vital to take us all the way to global climate neutrality by 2050. With [75% of the global economy now aiming for a form of carbon neutrality](#), this is not only a duty in terms of climate responsibility, but a matter of economic competitiveness.

Regulations and policy intervention are critical tools for innovation. This is a matter of consensus among both [academics](#) and [cleantech businesses](#). And while public subsidies to research, development and demonstration are essential, [innovation-friendly policy interventions also include other critical tools](#) that increase the demand for clean innovation, such as infrastructure planning, proper carbon pricing, and regulatory bans and mandates.

It can take years to move technologies from the lab to the market, or to develop new ways to manage and finance businesses. The Fit for 55 is therefore a once-in-a-mandate, maybe once-in-a-generation, opportunity to articulate all the EU policy tools in the same direction of support to clean innovations. As you negotiate the Fit for 55 package we urge you to use all the policy tools at your disposal to facilitate the creation, demonstration, scale-up and deployment of clean innovations in Europe. In particular, this would be supported by:

- Ensuring that demonstrators have the proper access to funding, including through an increase in and expansion of the EU ETS Innovation Fund,
- Amending the Renewable Energy Directive to include, within the renewable energy target, a subtarget for innovative technology, binding at the national level, with Member States explaining in their National Energy and Climate Plans which deployments will contribute to the subtarget.

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- Creating a framework for companies to voluntarily share with each other large datasets related to their installations in operation. Intense analysis could reveal cost-saving possibilities to the participants. State aid rules can allow or offer incentives for this sharing. This initiative builds on the ETS Innovation Fund's knowledge sharing and the common European energy data space.
- Working with Member States to ensure that NextGenerationEU's renovate flagship funding and the recast Energy Efficiency and Energy Performance of Buildings Directives drive innovation in the buildings renovation supply chain. Finance is needed not just in grants to upgrade and dramatically improve millions of annual buildings renovations to deliver substantial and verifiable energy demand reductions.
- Phasing-out ETS free allowances well before 2035 to provide a stronger economic incentive for the aluminium, cement, fertilizers, steel industries to invest i) in clean solutions that are already on the market and ii) in solutions that should be brought from lab to market in this decade, then deployed widely in the 2030s and 2040s.
- Introducing regulatory measures that phase-out the sale of polluting products whenever a more efficient and less polluting option is already competitive. In line with the recommendations of the International Energy Agency's Net-Zero Report, we urge you to increase the ambition of the European Commission proposal on CO2 standards for cars that will boost innovation for all vehicles that can transport Europeans without emitting tail-pipe CO2 emissions (ZEVs). Ensuring that all cars sold in Europe by 2035 are ZEVs will boost innovation and help the European automotive ecosystem prepare for this new reality that shapes the car market not only in Europe, but also in other major economies that have already adopted similar measures, like California and the United Kingdom. Even if such measures might be negatively portrayed as a "ban" in some political debates, such policy intervention have been [proven](#) to support the development of innovation. They also create market-certainty that help companies, investors and workers prepare and adapt. Experience from the EU's ban on incandescent light bulbs in 2009 showed that an industry can quickly deploy much cleaner alternatives.
- Supporting the adoption of an Alternative Fuel Infrastructure Regulation that also includes provisions ensuring access to charging infrastructure by smaller vehicles, like two-wheeler and electric bikes, thus supporting the entire electric vehicles sector beyond the important focus on personal cars.

We stand by ready to assist you in any way, and we welcome any opportunity to discuss this further with you either individually or as a group.

Sincerely,

Cleantech
for
Europe

**TRANSPORT &
ENVIRONMENT**

CLIMATE & STRATEGY
PARTNERS



EUREC
The Association of European
Renewable Energy Research Centres

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