

Developing the EU long-term climate strategy

****Agenda****

Date: January 26, 2018

Time: 9:30-15:45

Venue: Eigtved Pakhus Asiatisk Plads 2 G, 1448 Copenhagen, Denmark

This workshop is part of the project “Developing the EU long-term climate strategy”. The project aims to provide a “roadmap” for the development and delivery of a long-term decarbonisation strategy for the EU.

The European Commission has decided to renew its “Roadmap for moving to a competitive low carbon economy in 2050”. While the timetable is currently uncertain, it seems that a Commission proposal will emerge sometime in early 2019. The process is currently in its preliminary stages, making this an ideal timing for stakeholders to discuss what the new document should include, and the way it should be developed. The outputs of this project, a Technical Paper and a Policy Paper, are intended to catalyse discussion at this early stage and contribute to the thinking that will help develop the new document.

A number of factors have come together to make this undertaking not only desirable, but imperative, and need to be accounted for an incorporated in any EU long-term climate change strategy. Many changes have taken place since the 2050 Roadmap was issued in 2011:

- Changes in constraints, including climate science;
- Changes in policies and technologies, and linked costs;
- Things that have not worked out as predicted in the current Roadmap.

The Paris Agreement has led to new carbon constraints, including the concepts of carbon neutrality by the second half of the century and negative net-emissions. The Agreement also requires Governments to regularly review and strengthen their NDCs, and contains provisions for periodic global stocktakings of progress towards goals. A facilitative Dialogue in 2018 will promote more ambitious updates of NDCs and is expected to have an impact in the NDCs under the upcoming cycle 2025-2030.

In addition, since 2011 we have learned a lot about the science of climate change. The most recent and the forthcoming IPCC Assessment Reports, as well as the Special Report on limiting the temperature increase to 1.5°C, substantially changed or will change the knowledge base. There have been significant evolutions in low-carbon technologies and climate change policies. The dramatic decrease in costs, the increase in investment in renewables and energy storage, the emergence of new sources of gas and the impact of the Fukushima accident and

the Energy Union Winter package need to be factored into the EU's longer-term climate change and energy vision. At the same time, some predictions did not work out, such as the EU ETS playing the role of driving low-carbon innovation in the power and industrial sectors.

In addition, in the international context, the Paris Agreement and its accompanying Decision invite Parties to communicate mid-century, long-term low-greenhouse gas emission development strategies by 2020. Parties are also required, in the same year, to submit their updated Nationally Determined Contributions, representing a progression in ambition.

The project will deliver two products: a Technical paper and a Policy paper. The Technical Paper will describe all potential choices that can be made in the new long-term climate strategy, with an in-depth analysis of the trade-offs implied. This will include the main elements that will need to be considered in reviewing the current 2050 Roadmap, and will also cover the process that should be used in the development and the delivery of the new roadmap.

The Policy Paper will present different bundles of inherently consistent set of choices that may serve as basis to build the new roadmap.

The workshops will discuss key choices to be made in a new decarbonisation strategy document. It is part of a series of workshops in different EU capitals, and it is organized in cooperation with the Danish Ministry of Energy, Utilities and Climate.

Given the amount of information and issues for discussion we decided that all workshops will cover certain crucial elements and the general structure. However, to ensure that an in-depth discussion is possible, each workshop will focus on a selected number of issues (as identified in the agenda below) which will vary from workshop to workshop.

This initiative currently has broad and diverse support, as it is funded by Sweden, Denmark, France and Germany, the European Climate Foundation, Climate-KIC, ENEL, EdF and Shell. This project is a joint initiative of Bruegel and ERCST/ICTSD.

9:30 – 9:45

Coffee and registration

9:45 – 10:00

Welcome and introduction

Dorte Nøhr Andersen, Deputy Permanent Secretary, Danish Ministry of Energy, Utilities and Climate

A. Marcu, Director of ERCST and Senior Fellow of ICTSD

G. Zachmann, Senior Fellow of Bruegel

10:00 – 13:00

**Presentation by A. Marcu and G. Zachmann
Discussion with roundtable participants**

This session will include a discussion on:

1. The Project objectives, process, and deliverables (10 min). Presentation by A. Marcu & G. Zachmann

2. Overall powerpoint outline of the Technical Paper (25 min). Presentation by A. Marcu & G. Zachmann
3. Moderated roundtable discussion on selected elements from the new EU long- term climate strategy (numbers below refer to sections in the power point presentation for the Technical Paper) (115 min). Presentation and moderation by A. Marcu & G. Zachmann
 - Background
 - Changes in expectations since the 2011 roadmap (1.3)
 - Process to elaborate the long-term climate strategy (LTCS)
 - Consultation process – how should stakeholders be involved? (3.1.3)
 - Modelling – focus on modelling of innovation (technology, cost reduction and learning curves) (3.2)
 - Issues for consideration in a Roadmap
 - Core issues for the LTCS (4.1)
 - Ambition – how should the EU formulate mitigation targets in line with the Paris agreement? (4.1.4)
 - Policy – what form of EU climate regulation is best fit for purpose for bringing down mitigation costs in different sectors (4.2.1)
 - **Ambition and policy:** How to formulate EU mitigation targets in line with the Paris agreement that can adapt to future need for increased ambition, innovation and cost reductions? What policies and types of targets can best contribute to driving down mitigation costs?
 - **Modelling:** Focus: Discount rates (social vs. observed rates used in businesses & private households), factor vs. market prices (including national taxes and subsidies), cost developments over time/learning curves.

The intention is to receive feedback from the participants on:

- The formulation of the issues – are these questions valid and relevant to be discussed as part of the development of a new EU LTCS?
- How can the issue be addressed in the EU LTCS? What are the arguments for the different approaches?

4. Moderated roundtable discussion on all issues in the outline of the Technical Paper (30 min). The intention is to receive feedback from the participants on the other issues included in the outline of the Technical Paper presented under #2 above.

13:00 – 14:00

Lunch

14:00 – 15:30

Moderated roundtable discussions

Lessons from the renewable energy revolution:

Short introduction by Ulrik Stridbæk, Head of Regulatory Affairs, Ørsted

Dramatic cost reductions in the deployment of renewable energy and the implication of this for future mitigation efforts in the EU in other sectors?

ERCST

European Roundtable on
Climate Change and
Sustainable Transition



International Centre for Trade
and Sustainable Development



Danish Ministry
of Energy, Utilities
and Climate



Agriculture and LULUCF:

Short introduction by Jørgen E. Olsen, Professor, Aarhus University

How to strengthen the interplay between EU agricultural and climate change policies and identify policies that can ensure development and dissemination of low cost mitigation technologies for agriculture across the EU.

15:30 – 15:45

Conclusions and wrap up of the meeting