

Developing the EU long-term climate strategy

****Draft Agenda****

Date: January 22, 2018

Time: 09:15-13:00

Venue: Beverly Hills Hotel, Room Verdi – Largo Benedetto Marcello 220, Rome

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 a periodic global stocktaking. 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. This workshop is part of a series of workshops in different EU capitals, and it is organized in cooperation with Enel.

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.

9:00 – 9:15

Coffee and registration

9:15 – 9:30

Welcome and introduction

A. Marcu, Director of ERCST and Senior Fellow of ICTSD
G. Zachmann, Senior Fellow of Bruegel
Daniele Agostini, Enel

9:30 – 12:45

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 power point 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) (130 min). Presentation and moderation by A. Marcu & G. Zachmann

1. Role and shaping of the EU Climate Roadmap and Climate Strategy (LTCS) - discussion on the core elements of a EU long term climate strategy (relevance of EU LTCS, its impact on EU overall climate policy, key elements to be updated) **and its (suitable) institutional process** (political ownership, relevance/bindingness, interaction with other policies, consultation and outreach)

Strategy/Roadmap

- Need for a new EU long-term climate strategy (1.1)
- Impact of the EU 2050 Roadmap (1.2)
- Assumptions for EU 2050 Roadmap have changed (1.3)
- General focus of the long-term climate strategy (4.2.1)

Institutional process and core issues

- Who has political ownership of the LTCS? Who issues it? (3.1.1)
- If the document is binding, who is responsible for enforcement? (3.1.2)
- How should the consultation process be organised? (3.1.3)
- How important is outreach (3.1.4)
- Interaction with other policies and strategies (4.1.2)

2. Technologies and multiple benefits – Relevance of technology cost evolution and climate change policy co-benefits – Discussion on how the different **long-term potential deployment of different technologies** could/should be considered in the EU LTCS (technology (non-) neutrality) **and on** how the assessment of **co-benefits of different technologies** should be accounted for/exploited

- Is technology neutrality an appropriate assumption for the LTCS? (2.1)
- Is climate change policy an objective and how does it relate to the delivery of co-benefits? (2.5)

3. Transition/System Choices - Key choices to be discussed when designing the EU LTCS (transition speed, resilient transition, stranded assets)

- Transition-System Choices (4.2.1)
 - Determine by when certain choices need to be taken
 - Optimal transition speed
 - Resilient transition
 - Stranded assets in the transition
 - Competitive transition

4. Modeling – Relevance of model(s) choice, assumptions and outputs in EU LTCS (Is a “transparent” model a key issue for policy assessment? – TIMES vs. PRIMES)

- What is the purpose of modelling? (3.2.1)
- Which target function/constraints? (3.2.2)
- Model governance questions (3.2.3)
- Openness requirements (3.2.4)
- Dealing with uncertainty (3.2.5)

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.

12:45 – 13:00

Conclusions and wrap up of the meeting

13:00 – 14:00

Light lunch