



EUROPEAN COMMISSION  
Impact Assessment Board

Brussels,  
D(2011)

## Opinion

**Title**                                    **DG ENER - Impact assessment on Energy Roadmap 2050**  
**(draft version of 29 July 2011)**

### **(A) Context**

In the 2nd Strategic Energy Review (November 2008), the European Commission undertook to prepare an energy policy roadmap towards a low carbon energy system in 2050. The Europe 2020 strategy includes a commitment to establish a vision of structural and technological changes required to move to a low carbon, resource efficient and climate resilient economy by 2050.

This IA report is not a conventional IA as it does not compare policy options but considers what is needed to achieve the 85% GHG reduction objectives by 2050 under alternative scenarios, and analyses the broad economic, social and environmental impacts of these. It is closely linked to a similar exercise done by DG CLIMA and DG MOVE earlier this year.

### **(B) Overall assessment**

**The report provides useful modelling results as an essential input to the impact assessment work for related energy decarbonisation or other initiatives exploring concrete policy actions. It will help to ensure coherence between these initiatives on the basis of a common analytical basis (including the baseline scenario).**

**Against this background the report should be improved on several points. Firstly, the problem definition should consolidate all relevant information about the state of implementation of the current policies. Secondly, the report should consider an alternative policy scenario in which the effort to reduce global greenhouse gas emissions is less ambitious outside the EU. Thirdly, the policy scenarios should be described in greater detail and the key assumptions should be qualified more transparently. Fourthly, the report should discuss potential impacts in the non-energy sectors. Finally, it should be clearer about the policy messages for the period 2020-2030 and should present more completely and transparently the different stakeholder views on key issues throughout the main text.**

**Given the exploratory nature of the report, it is not and should not be considered to be a standard Commission Impact Assessment.**

### **(C) Main recommendations for improvements**

**(1) Provide clearer policy context.** In addition to including the assumptions about the current policies and technologies in the "current policy initiatives" scenario, the report should better describe the current state of the implementation of the existing policies aiming at improving energy efficiency and reduction of green house gas emissions. For this purpose key findings of the Analysis contained in annex 4 should be presented up-front in the main report. The report should then clearly indicate problems that may be of particular concern concerning the short to medium term (before 2020).

**(2) Consider an alternative policy scenario by relaxing the assumption about the global GHG reduction action.** While the main thrust of the modelling is in line with the European Council's call to reduce the intra-EU green house gas emissions by 80-95% by 2050, the report should provide a fuller analysis of potential global action in the same period of time. In doing so the report should consider the implications of other countries not following a similarly ambitious green house gas reduction path. In particular, impacts on the risk of carbon leakage, competitiveness of the EU industry, fossil fuel and renewable energy prices should be analysed under such a scenario.

**(3) Better describe policy scenarios and acknowledge modelling limitations.** The report should include more information about the content of the policy scenarios, which are currently only very briefly described. It should also more carefully qualify results of the modelling, for instance in the field of CCS or nuclear, and in general be more transparent on the modelling limitations (e.g. with regard to competitiveness and employment impacts). The report should also be clearer about key assumptions, such as on the degree of cost internalisation across the options, global greenhouse gas reductions indicated and the supply sources of an increased renewable energy demand in the EU.

**(4) Indicate key impacts in other areas.** While the IA report focuses on the challenges to the energy sector, this analysis should be completed with an initial discussion on implications in other sectors of the economy. While some of the impacts (such as biodiversity) might be difficult to capture in the available models (PRIMES), the report should nevertheless make greater efforts in capturing the strongest effects, even if only qualitatively. This should include potential impacts on employment levels, structures and skills. The report should also more clearly indicate the knowledge gaps, which should be bridged, in order to provide a fuller picture for decision making.

**(5) Present stakeholder views in a more complete and transparent manner.** The report should provide complete and transparent information on the different views expressed in the stakeholder consultations. It should refer to the consultation of European social dialogue committees in the energy sectors (in line with the IA Guidelines). The different stakeholders' views on key assumptions should be presented in a more transparent way throughout the report.

*Some more technical comments have been transmitted directly to the author DG and are expected to be incorporated in the final version of the impact assessment report.*

### **(D) Procedure and presentation**

The results of the modelling exercise should be presented in a more accessible way for the non-expert reader. The report should clearly indicate the new insights resulting from this exercise (as compared to earlier ones, e.g. by DG CLIMA) and present more clearly the policy messages for the period 2020-2030.

<b>(E) IAB scrutiny process</b>	
Reference number	2011/ENER/002
External expertise used	No
Date of IAB meeting	14 September 2011