

20 June, 2011



Dear President Barroso,

Ensuring that your European energy efficiency policy and the EU ETS function effectively together

The EU's priority must be to set an ambitious Energy Efficiency Directive. This is needed to help overcome the barriers to tapping Europe's cheapest, cleanest, safest solution to energy and climate challenges. But this must be complemented by a functioning ETS with sufficient scarcity of allowances.

This means adjusting the ETS as CO₂ emissions fall through energy efficiency measures. Without an alignment of EU climate and energy policies, regulatory certainty and confidence for investors will be undermined, as will your Flagship Initiative on Resource Efficiency. Failure to intervene in the ETS could wipe out about €20bn ETS auction revenue that Member States urgently need to drive investment in sustainable economic growth.

Furthermore, significantly reduced ETS auction revenue could undercut your planned reform of the Multi-annual Financial Framework.

Therefore, we recommend that you support the inclusion of a means to adjust the EU ETS in line with new economic data and the effects of the EED's implementation. Your commitment to this necessary recalibration will avoid further delay in the adoption of urgently needed energy saving measures.

Yours sincerely.

Signatories

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Bellona, CECODHAS, ClientEarth, Climate Change Capital, The Climate Group, DONG Energy, European Alliance to Save Energy, European Council for an Energy Efficient Economy, European Environmental Bureau, European Lamp Companies Federation, E3G, Friends of the Earth Europe, Germanwatch, Health Care Without Harm, Health & Environment Alliance, Scottish and Southern Energy, WWF European Policy Office

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Secretary General Catherine Day
Vice-President Kroes
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Commissioner Hedegaard
Commissioner Geoghegan-Quinn
Commissioner Piebalgs
Commissioner Potocnik
Commissioner Rehn
Commissioner Semeta
Commissioner Malmstrom