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**Date:** 14/07/2021  
**Reference:** BEUC-PR-2021-027

### **EU climate proposals promise consumers a fossil fuel-free, healthy, and affordable future**

Consumers are set to benefit directly from a series of EU measures presented today by the European Commission to fight climate change. The proposals are part of the EU's 'Fit for 55 Package,' the first major milestone in the delivery of the EU's Green Deal. That being said, consumer groups are sceptical about a proposed emissions trading system for road transport and housing.

Consumers' day-to-day decisions will determine whether the Green Deal will be a success. This Package, which sets out how Europe will reach a 55% emissions cut by 2030, proposes changes that will impact consumers' lives in a number of areas, from mobility to taxation and from heating to home renovation, and, if well designed, can support consumers in getting these decisions right.

#### **BEUC Director General Monique Goyens commented:**

**On CO2 reduction targets for cars [1]:** "If you depend on a car, it is important you can drive while emitting the least possible amount of CO2. The EU's plan to reduce CO2 emissions from cars can really benefit Europeans. The decision to phase out petrol and diesel cars by 2035 is the type of clear signal that car makers need to accelerate the fleet innovation work. We see that electric cars are already the cheapest option today for many consumers. Especially people buying second-hand cars can save money by going electric, as they face less of the car's depreciation and running costs are particularly low. CO2 targets nudge car makers to innovate and place more electric cars on the road. This helps create a second-hand market for people to actually buy from. The higher the target, the sooner people can drive in cleaner and cheaper cars."

**On charging infrastructure [1]:** "Consumers need to be confident that they can charge an electric car across Europe as easily as refilling a petrol one. It is good to see the EU legislate for more charging infrastructure and transparent tariffs. We call on the European Parliament to build on this and also make it possible for consumers to use a debit card when paying at public charging stations."

**On energy [2]:** "Consumers will play a central role in determining whether the energy transition is a success. These plans go a long way to doing that. Binding renewable energy and energy efficiency targets set the direction of travel, helping the roll-out of green technologies, giving consumers confidence to go out and buy an electric vehicle or a heat pump. Consumers will get extra rights in district heating and will be able to be more flexible in the way they consume their renewable electricity when it's cheapest, saving them money on their bills. But some people would still face double taxation, when they consume and when they feed energy back into the grid: that needs fixing. Finally, the cheapest form of energy is the energy we don't consume. There are much-needed plans to make it easier

for people to climate-proof their homes, while providing a welcome leg-up for those that need it most: consumers in energy poverty.”

**On carbon pricing [3]:** “Prices can change people’s habits, but we must avoid trapping people in a more expensive system with no alternatives. Consumer groups doubt the proposal to extend emissions trading to road transport and buildings will deliver a balanced system. The proposed compensation funds risk being an overly complex system that will not deliver to those in our societies that need it most. Decision-makers’ time would be better spent on turning the Commission’s proposals on cars, energy poverty, and energy efficiency into reality.”

### **What today’s proposals would mean for consumers in terms of:**

#### **[1] The automotive sector:**

- The Commission intends to increase the CO2 emission reduction targets for cars, with an envisaged 55% reduction by 2030 and 100% by 2035 (compared to 2021). **These CO2 targets help bring more fuel-efficient cars onto the market.** As a result, people can save money by either switching to an electric car or a more efficient internal combustion one. In this context, it is good that the Commission resisted reported pressure to delay the 100% target to 2040. However, consumer groups argue that an interim target of 40% for 2027 could still be set to further spur the transition.
- More **public charging infrastructure for electric cars**, as the EU is setting a binding target for each Member State.
- **Charging prices will have to be displayed in a comparable and transparent manner.**
- Regrettably, consumer groups note that **the proposal is weaker when it comes to easy payment by debit card at charging stations.** Low power stations can opt for QR codes, while high power stations, crucial to long-distance drivers, would only need to install payment terminals as late as 2027.

#### **[2] Energy:**

- New **binding renewable energy and energy efficiency targets** (40% renewables by 2030 including a binding annual increase of 1.1% in the heating & cooling sector and an extra 9% reduction of final energy consumption by 2030 compared to 2020 projections) set the direction of travel and will incentivise consumers to switch to green heating technologies. Countries will be required to give consumers the clarity and confidence they need to make these investments and consumers will be able to rely on certified installers to help them make the shift.
- **Extra rights in district heating networks**, which will be a key technology to decarbonise heating. New basic contractual rights and an alternative dispute resolution are a step in the right direction. Further improvements are needed to ensure consumers have equal rights no matter the fuel they use: e.g. protection of vulnerable consumers against disconnection, price transparency and allowing consumers to terminate their contract.
- Consumers willing to use **electricity flexibly to reduce their bills will be able to do so more easily** thanks to plans to lower the technical barriers to doing so. This flexibility will be vital to align supply and demand of electricity as more variable renewable electricity comes onto the grid. But some consumers in some countries will still be taxed twice: for the energy they consume and then for the energy they feed back into the grid e.g. via an electric battery at home.
- Plans to **create ‘one-stop-shops,’ giving technical and financial guidance to consumers looking to boost the energy performance of their homes**, including to those in the private rented sector.
- **Consumers in energy poverty will also be given financial support** to pay for energy efficiency gains that will save them money on their bills.

#### **[3] Price signals:**

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This press release is part of an activity which has received funding under an operating grant from the European Union’s Consumer Programme (2014-2020).

- The Commission **proposes to create a new emissions trading system (ETS) for road transport and buildings**. Consumer groups have cautioned against this high risk, low reward measure. While carbon pricing plays a role in climate policy, a carbon market is not the right tool because it could increase the fuel and energy bills for people without giving them sufficient means to switch to cleaner alternatives. It will also require a lot of decision makers' time which could be better spent elsewhere.
- To mitigate the distributional impacts of this carbon market, the Commission proposes **to create a 'climate social fund'** to support lower income households in the transition and fighting energy poverty. While this is a step in the right direction, it does not solve the fundamental flaws of the system as it risks not trickling down to those who need it most.
- The Commission **proposes to align taxation rates on electricity, motor, and heating fuels with their environmental performance**, remove several fossil fuel subsidies, while also introducing safeguards for vulnerable households. As a result, more sustainable energy sources such as renewable electricity might become more competitive with fossil fuels.

### **Background**

The Fit for 55 Package will impact consumers' lives in several different ways. See how the future could look for consumers in our [new infographic](#).

On the automotive sector:

- BEUC view on [a cleaner, affordable, and convenient automotive market for Europeans](#)
- BEUC study: [Electric cars already cheapest option today for many consumers](#)

On energy:

- [How to make the energy transition fit for consumers](#) (BEUC's positions on renewable energy, district heating, sustainable housing and carbon pricing)

On price signals:

- BEUC position: ['Une fausse bonne idée,' why extending emissions trading \(ETS\) to road transport and buildings is not recommendable](#)
- BEUC view: [The consumer checklist for fair and efficient carbon pricing](#)

