

To: Executive Vice-President Timmermans, Executive Vice-President Dombrovskis, Commissioner McGuinness, Commissioner Simson

Brussels, 9 July 2021

Dear Executive Vice-President Timmermans, Dear Executive Vice-President Dombrovskis, Dear Commissioner McGuinness, Dear Commissioner Simson,

We are writing you regarding the significant issue of the **EU Taxonomy** supporting sustainable investment, in particular the upcoming complementary Delegated Regulation establishing the screening criteria for economic activities contributing substantially to climate change mitigation or adaptation.¹

As strong supporters of the EU Green Deal and key enablers of the energy transition to a climate-neutral Europe, we ask to explicitly **include the manufacturing of equipment and systems for the management of electricity** in the draft Delegated Regulation on climate change mitigation.

Equipment and systems for the management of electricity are **major enablers for greenhouse gas emissions reductions**:

- **Electrification will play a major part in achieving a net zero emission economy by 2050.** According to the IPCC, emissions reductions are driven by a strong electrification of the energy system. To keep global warming below 1.5C, the share of electricity should reach at least 60% in 2050. Direct electrification of end-use sectors like buildings, heating and cooling, transport, and industry will significantly reduce EU's greenhouse gas emissions.
- **Electricity networks are the backbone of Europe's energy system and facilitator of the energy transition.** By 2050, more than 80% of electricity will come from renewable energy sources³ and integrating a higher share of renewables will require a reliable, flexible and smart power system to continue to ensure a reliable energy supply.
- **The electrical transformation of the energy system in Europe will not happen without the deployment of electrical equipment** at grid and end-user level, for instance in transport, buildings and industry (such as with control gear, switchgear, transformer, power monitoring, Uninterruptable Power Supplies, circuit breaker, protection relays, wiring devices, etc.) as well as automation solutions (electric motors, variable speed drives, etc.), which aim to control and command the electricity systems. Such equipment plays a critical role in ensuring the adaptation of the energy systems towards climate-neutrality by ensuring the integration of renewable energy as well as by improving energy efficiency.

¹ COMMISSION DELEGATED REGULATION (EU) .../... of XXX, supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives

³ https://ec.europa.eu/clima/policies/strategies/2050_en

- Electrical equipment is also essential to achieve EU climate, energy and sustainability ambitions, in areas such as **electric vehicle charging, local energy communities, shore-side electrification for ships, sector coupling and HVDC networks**².
- Realizing EU energy and climate objectives requires investments. As part of its ‘European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy’ the Commission estimated **average annual investments** in the power grid between **€59.2 billion** between 2021 and 2030, increasing further to **€110.3 billion** between 2031 and 2050.⁵ These investments include significant investments in equipment, systems and services that our members provide.

Manufacturers of electrical equipment and systems strengthen **Europe’s technology leadership** through **innovation in sustainability**, including circularity.

The recently adopted Delegated Regulation³ recognises the importance of the sector in recital 23:
Recital 23:

The manufacturing of electrical equipment for electricity plays an important role for the upgrade, uptake and compensation of fluctuations of the electricity provided by the renewable sources of energy in the Union electric grids, the recharging of the zero emissions vehicles and deployment of smart, green house applications. At the same time, manufacturing of electrical equipment for electricity might enable the development of the smart housing concept with the objective of further promoting the use of renewable sources of energy and the good management of home equipment. It might therefore be necessary to complement the technical screening criteria in the manufacturing sector and to assess the potential of the manufacture of electrical equipment to make a substantial contribution to the climate change mitigation and climate change adaptation.

Following this recognition, we ask you to explicitly **include the manufacturing of equipment and systems for the management of electricity** in a **specific section named “manufacture of electrical equipment”**.

This proposed modification **captures the enabling role of electrical equipment for climate change mitigation** and is compliant with article 10(1) point (i) of Regulation 2020/852 on the establishment of a framework to facilitate sustainable investment.⁶ This would correspond to the NACE code C27.1 *Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus*, C27.3 *Manufacture of wiring and wiring devices* and C.27.9 *Manufacture of other electrical equipment*.

² <https://tdeurope.eu/latest-news/49:eu-offshore-renewable-energy-strategy-could-become-europe’s-man-on-the-moon-moment.html>

³ COMMISSION DELEGATED REGULATION (EU) .../... of 4.6.2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives



Furthermore, we believe that this inclusion does not require a complex and in-depth technical assessment.

We ask you to consider our proposal. We remain at your disposal for further discussions and our experts are available to provide further input to you and the responsible Commission services.

Sincerely yours,

Diederik Peereboom, Secretary General T&D Europe
Oscar Querol, Secretary General, CECAPI
Julie Beaufils, Secretary General, EuropeOn
Marco Vecchio, Secretary General, CEMEP
Markus Winzenick, Secretary General, CAPIEL
Walburga Hemetsberger, CEO, Solar Power Europe



CAPIEL is the Coordinating Committee for the Associations of Manufacturers of Switchgear and Controlgear equipments for industrial, commercial and similar use in the European Union, that work in the range of voltages until 1 kV a.c. of 1,5 kV d.c. CAPIEL represents 9 national associations from 8 European countries which include small, medium and large-sized companies representing more than 100,000 direct jobs across the EU. www.capiel.eu



CECAPI is the European Committee of Electrical Installation Equipment Manufacturers. CECAPI was established in 1967 and represents associations of manufacturers of electrical installation equipment within the EU and EFTA. CECAPI today promotes and develops the collective and common technical, industrial, economic and political interests of the sector, covering policy areas related to all equipment and components for electrical installations for residential and commercial use – from components for electrical installations and appliances, cable management systems, home and building electronic systems products, to intercom and video-intercom, circuit breakers and residual current devices. CECAPI represents nine national trade associations, in turn representing almost 500-member companies with a combined sales turnover of 16,1 Billion Euros and employing more than 120.000 employees. www.cecapi.org/



CEMEP, the European Committee of Manufacturers of Electrical Machines and Power Electronics, representing the industries of Low and High Voltage Motors, Variable Speed Drives and Uninterruptible Power Supplies, with a market value of € 22.4 billion and 200,000 employees. www.cemep.eu



EuropeOn is the European voice of the electrical contracting industry since 1954. With 1.8 million professionals in over 300.000 businesses and with a turnover of over EUR 200 billion, electrical contractors provide electrical installations for buildings and infrastructure, enabling cities and citizens to take part in the Energy Transition. Addressing energy, climate, mobility, building and skills policies, EuropeOn is engaged at EU level to foster synergies between the electrical contracting sector and European policymakers. www.europe-on.org



SolarPower Europe is a member-led association that represents organisations active along the entire value chain. SolarPower Europe's aim is to ensure that more energy is generated by solar than any other energy source by 2030 and lead its 200+ members to make solar the core of a smart, sustainable, secure and inclusive energy system in order to reach carbon neutrality before 2050. www.solarpowereurope.org



T&D Europe's members enable the energy transition to a climate-neutral Europe by 2050. Over 200,000 people in our industry manufacture, innovate and supply smart systems for the efficient transmission and distribution of electricity. Our technologies and services future-proof the grid and make clean electricity accessible to all Europeans. We put our collective expertise to work to craft a brighter, electric future. Ready for the Green Deal: www.tdeurope.eu