

6 March 2022

Dear President von der Leyen:

Like you, we have been profoundly shocked by the Russian invasion of Ukraine. We share your abhorrence of the human suffering it has caused, and of the abuse of principles of international law and human rights that we hold dear. As Europe faces this turning point, we share your determination to form a united approach across the EU to ensure that all necessary actions are taken to support Ukraine and its people.

The world must grapple with this new level of geopolitical instability and its interconnections with the climate crisis, rising energy costs and the lingering pressures of COVID-19. It is critical to strengthen Europe's energy security and resilience to reduce our vulnerability to fossil fuels and help prevent future climate and energy crises. For some time, people across the EU have been impacted with volatile fossil fuel prices that increase energy costs and add to inflation. Gas prices are five times higher than just a year ago and are set to remain high in the medium-term. We need to dramatically reduce dependence on Russian fossil fuels by doubling down on the energy transition in the EU Green Deal.

**We and the businesses we work with wholeheartedly support your stated aims to reduce Europe's dependency on gas, accelerate energy efficiency measures and scale up renewables.** We agree with the Commission that the green transition is the most effective strategic response to put Europe on the path of sustainable and inclusive growth. This will deliver increased wellbeing, stability and prosperity for people living in Europe by simultaneously growing energy independence; reducing energy costs for individuals and the economy; and helping to tackle climate change. **We strongly support the call to accelerate actions under the EU's Green Deal, and we must also see rapid and ambitious agreement and implementation of the Fit for 55 package.**

As you consider upcoming actions under the Energy Prices Communication and other tools, we urge you to include the following and to ensure that any essential short-term measures to respond to the crisis in Ukraine do not undermine or stall the green transition underway:

- **A rapid transition away from fossil fuels, investments in fossil fuels and fossil fuel subsidies.** The best solution for more energy resilience is less dependence on gas imports in the long-run. Actions to move away from Russian gas should not lead to costly investments that lock-in dependence on other sources of gas, or increase the share of coal. Savings made by shifting away from Europe's fossil import bill of 380 billion euros could fill the clean energy investment gap identified in the European Commission's [2030 impact assessment](#).
- **An acceleration of electrification across industry, transport, heat and buildings.** Electrification increases overall energy efficiency and the ability to deploy renewables and fossil-free power. Accompanied by a massive **scale-up of renewable energy and infrastructure in Europe**, this would be a cost-effective solution. It will require mobilising additional investments in grid infrastructure, removing obstacles to renewables such as permitting delays, creating enabling conditions for companies to invest and empowering consumers to play a more active role in the energy market.
- **A renewed focus on energy efficiency, the circular economy and the renovation wave.** Covering from increasing building insulation to changing how we power industrial equipment, as well as meeting the EU goal of renovating 35 million buildings, energy efficiency could cut annual gas imports by 3 billion euros and household energy bills by 400 euros. Increasing circularity in industrial production processes, including through the use of recycled materials, can lead to enormous energy savings but also reduce dependence

on imported materials.

- **Support for EU citizens and the economy to cope with high energy prices and the energy transition.** Households and many businesses will need support to cope with the current period of high energy prices, and we welcome the measures introduced so far. Going forward, long-term certainty on prices will be needed to enable households to switch to more efficient appliances and new energy solutions such as heat pumps, which will have lower operating costs over time but currently are more expensive.

As you know – the pressures for action are strong and urgent – most obviously as a result of the war in Ukraine, but also because of the accelerating climate crisis and growing impacts as confirmed by the [IPCC's recent report](#). By phasing out fossil fuels, we will not only increase energy security in Europe but limit catastrophic climate impacts on peoples' lives, the natural world and the economy.

We understand that the EU must make some difficult choices and decisions today. We welcome the Commission's approach to put the European Green Deal and its flagship initiative of the Fit for 55 package at the center of these choices to ensure Europe's energy independence and sustainable economic growth. With this policy impetus, businesses can go further and stand ready to roll out the solutions we need at scale.

We want to thank you and your colleagues for your leadership and vision in these difficult times. We stand ready to support you and to deliver a safer and better future for all.

Yours sincerely,

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Aron Cramer, President & CEO, BSR

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